



BERNIA
effect
Supporting Opportunity

Corporate Strategy 2026-2031

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Introduction

Supporting Opportunity

By positively impacting one life at a time, we can strengthen communities and help unlock the potential of the North East.

It's called the Bernicia effect.

We are proud to be part of a sector that was created to help people, and are fully aware of the positive impact that good quality housing and associated services can have on the health and quality of life of individuals, households and communities.

Whilst the operating environment for social housing is challenging, we are an ambitious organisation and as such are determined to manage and mitigate risk, rather than being made inert by it, as for us that would be the biggest risk of all.

As an anchor institution we have a responsibility to recognise the broad and lasting impact of our work and how through this we can deliver opportunities that spread outwards, touching and benefiting various aspects of community life.

We sense this could be a time of real opportunity for our sector and region, as the importance of housing moves up the agenda and old partners and new come together to successfully collaborate.

For our part we will develop long term meaningful relationships built on trust and mutual respect, that deliver greater value.

We will continue to be a progressive, values driven housing organisation, focused on the North East. By doing so we believe we are better able to listen, understand and proactively respond.

Through better understanding comes better decision making and through collaboration comes an increased ability to transform opportunity into reality, and to maximise the value we can all deliver for the people of our region.

So, we will support opportunities through investing in homes, services, people and partnerships and in doing so we will help unlock the potential of the North East region.

It's called The Bernicia Effect



John Johnston
Bernicia Chief Executive



John Holmes
Bernicia Chair



About Bernicia



A firm foundation from which to provide further opportunity to communities.

The Bernicia Group provide homes and associated services across the length and breadth of the North East, covering Northumberland, Tyne and Wear, Durham and the Tees Valley.

We own, manage and maintain over 14,000 homes on behalf of the people of the region. Whilst predominantly a social landlord we provide a comprehensive range of homes and services, covering different property types and tenures, to cater for a wide spectrum of need.

We are one of the largest Housing Associations in the North East and are proud of the anchor institution we have become.

As we look ahead with a determination to drive forward and help improve the quality of life for our tenants and customers, and the future prospects for our wider communities, we do so from a strong base and track record of delivery.

We believe a good home makes lots of other things possible, so we focus on providing great homes and services that do just that. The successful delivery of our 2022-26 strategy has provided us with a firm foundation for the future.

Our embedded involvement and influence frameworks, alongside the use of insight and intelligence has helped us understand, and work with our tenants and customers, ensuring our services are responsive to changing need. Our approach has delivered strong satisfaction results across a wide range of metrics, including the regulators tenant satisfaction measures.

We have exceeded our targets for the delivery of new homes, including the completion of 200 high quality properties per annum in each of the final two years of our previous strategy, and have identified a strong forward pipeline.

We have continued to invest in understanding our assets, and in maintaining the safety and quality of our homes, including a focus on energy efficiency. Over 90% of our properties are now at SAP C level or above, an achievement that is delivering significant cost savings for residents.

We have an engaged and high performing workforce, who truly are our greatest asset. We are committed to learning and improvement and have supported colleagues with successful investments in technology to do the heavy lifting. We are proud to be the first social landlord to deliver the full range of responsive repairs services via a cloud-based system that provides a seamless service for both tenants and our business.

Effective, open and transparent governance and leadership structures, alongside a strong set of financial controls support rather than stifle our ambitions.

Our drive to be an outward facing organisation, supporting a range of collaborations that promote, and deliver additional value to the region has been a journey that many in the business have enjoyed, as we hope have our partners. More importantly, this has delivered better outcomes and opportunities for the people living in our communities.

We have developed in-house skills and expertise in directly delivering much of our Corporate Social Responsibility objectives. We have a particular focus on employability, working with our communities to build aspiration, increase confidence and in providing training, skills and job opportunities. This is important to us, as we believe our sector is well placed to support those furthest away from the workplace in their journey towards employment.

Our commercial company, Kingston has gone from strength to strength. It is free to operate both within and outside the region and has an enviable reputation and forward growth pipeline. Kingston and its operating divisions Living Spaces and Open Spaces provide a comprehensive service in leasehold block management, estate agency, the management of private rented accommodation and in the management of estates on behalf of owner occupiers. Kingston is a profit for purpose company, donating its annual surplus to Bernicia, who in turn invest this in the North East.

As a group we have the skills and expertise to deliver a wide range of housing-based solutions, to meet the differing needs of our region, partners and communities.

Whilst a social housing organisation at heart we have become more than just a landlord. We embrace our wider responsibilities as an anchor institution and for us it's not only what we do, but how we do it that's important. We operate under a value systems from which we will not waiver, "The Bernicia Way".

Whilst we are not actively pursuing growth through merger, we would be open to and would welcome the opportunity to engage with and support like minded organisations, if they feel there is additional value, particularly for tenants and customers, in working with or joining Bernicia.

We believe the North East is a region of real opportunity and we are committed to playing our part in supporting and preparing its people to seize opportunities that will help them reach their potential.







Operating Environment

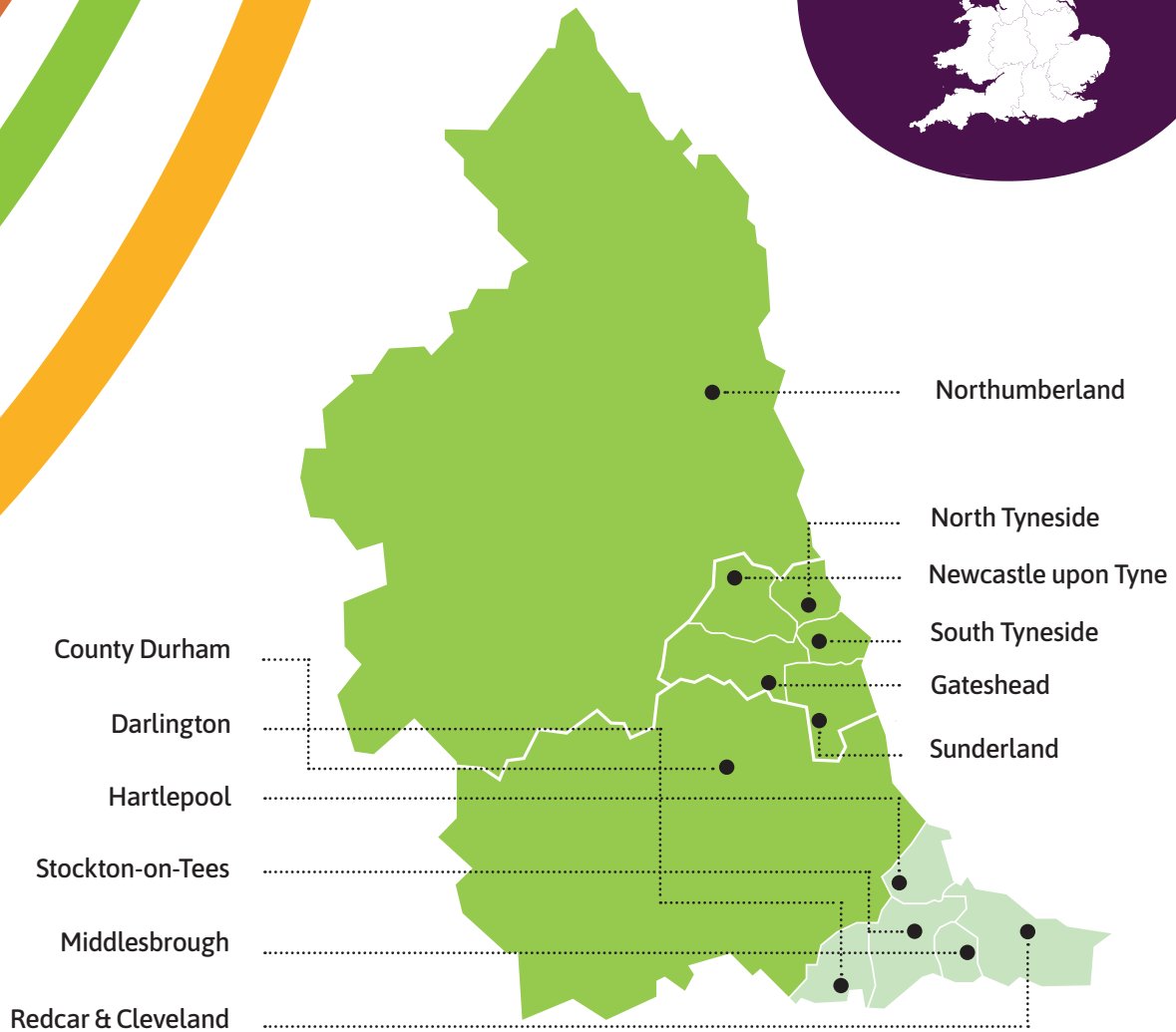
A time of challenge but also opportunity

The social housing sector continues to operate within a tough economic landscape.

Globally it is a time of uncertainty with ongoing conflicts in Ukraine and the Middle East, tension between leading economies and trading blocks, greater interventionism in world trade, and a potential reset of relationships across the global stage, including between the UK and Europe, and the USA.

Nationally public finances continue to be under severe pressure with increasing debt levels and a range of competing pressures on the public purse.

Our key partners face many challenges, with local authorities being impacted by increased costs including those associated with temporary accommodation, Social Care and Children's Services, and our voluntary sector partners facing increased demand and costs.



Across the North East we are seeing a sharp increase in social housing waiting lists and incidents of homelessness.

Our region has a significant number of older, colder pre-1919 homes, often in the private rented sector where rents are higher, pushing more people into fuel poverty.

A higher proportion of our children in the North East are growing up in poverty, with rates higher than any other region in the UK.

Pressures of the Cost of Living, including housing, utilities and the cost of basic food essentials continues to place unimaginable pressures on many of our tenants and wider communities.

Demographically we are seeing an aging population, alongside a growing complexity of need within our community and customer base, including both physical and mental illness and disability, that require a range of interventions and support.

The policy and regulatory environment has, and continues, to change significantly. Tragic events such as the death of Awaab Ishak due to exposure to damp and mould, and the Grenfell fire have rightly led to increased requirements on housing quality, tenant safety and accountability.

Change continues, with the full impact of Consumer Regulation, Decent Homes 2 Standard, Future Homes and Building Standards, Awaab's Law, Competency and Conduct Standards and Social Tenant Access to Information Requirements (STAIRS) yet to fully impact the sector.

We welcome and support any change that delivers additional value for our tenants and communities.

We continue to engage with our representative organisations and the Regulator to help inform future policy and ensure the original intent accurately translates through to final proposals. It is important that individual and cumulative impact assessments are understood, so informed decisions can be made, to ensure our sector delivers maximum value to those it was set up to help.

An environment characterised by increasing demands, requirements and costs reinforces the need for us to mobilise and put to work our financial and intellectual capacity, and to ensure we have a clarity of understanding that allows us to make informed strategic choices.

Housing is high up the political agenda, including the need for more social housing, as the individual and societal benefits of secure, safe and affordable housing are now widely acknowledged.

Recent announcements of an increased and longer-term Social and Affordable Homes Programme, on future rent settlements and a commitment to provide certainty on the regulatory environment are all extremely positive. They are a clear signal by government that they have listened and understand the pressures impacting our sector and the conditions required to enable us to work in partnership with them to deliver the social and affordable homes that are so badly needed.

We welcome the government's ambitious target of 1.5 million new homes, alongside a recognition that to deliver a place-based approach we need to tackle legacy housing issues, including improving the quality of existing stock and the replacement of homes that no longer meet local need and aspiration.

At a time of increased need it is incumbent upon us to work together, seize opportunities and do all we can to improve the housing conditions, quality of life and life chances for our tenants and the wider communities we serve.

We have a changing political landscape with the emergence of new and empowered Mayoral Combined Authorities, working alongside central government and our traditional local authority partners.

In the North East we have mobilised to form the North East Housing Partnership to work with our Combined Authority and local authorities, to better support the delivery of ambitious growth plans, that will unlock the potential of our region and improve living standards for the region's people.

Bernicia is a values driven, progressive organisation with a focus on Customer Excellence. We have successfully integrated new IT systems, including the use of AI with a high-performance customer centric culture, supported by a clear policy framework and data driven decision making.

Our approach is delivering positive results across many metrics, including tenant and customer satisfaction, colleague engagement and experience. It supports our drive for Value for Money, our desire to do more, and our aim of supporting opportunity for the people of the North East.



Vision, Mission and Values



Vision
(our overall impact)

We believe a good home makes lots of other things possible, so we provide great homes and services that do just that. By listening to tenants and customers, and supporting opportunity across the North East, we can enhance communities and help transform our region; it's called The Bernicia Effect.



Mission
(our purpose,
how we deliver
our vision)

Investing in homes, services, people and partnerships to make a positive impact on the communities of the North East:

We will invest to provide quality new and existing homes, in the provision of services that respond to our tenant, customer and business requirements, in our people, and in the communities within which we operate.

We will invest in the North East and in doing so will help unlock the potential of our region.

Our Values



Customer Focused

We understand our customers and champion customer focus.



Trusted

We uphold the highest standards of integrity in all our actions, we are personally accountable and deliver what we say we will do.



Respect for People

We respect our tenants and customers and recognise them as individuals. We value our colleagues, encourage their development and reward their performance.



Leadership

We provide strong and transparent leadership, supported by clear decision-making which is evidence-based and outcomes-focused.



Collaborative

We collaborate to help meet the needs of tenants and customers, partners and the wider North East.

Our Strategic Objectives

We have identified four Strategic Objectives which articulate the direction of travel for Bernicia, and the value we want to deliver.

Each objective has key success factors, supplementary targets and measures (measures being an overall indicator of our direction of travel towards a target).

Monitoring our progress against these targets and measures informs us of progress towards the delivery of our corporate objective and therefore the successful delivery of our strategy.

Objective 1

Investing in Homes and Communities



Objective 2

Listening and Delivering Value for Money Services

Objective 4

Working Collaboratively to Support Opportunity across the North East

Objective 3

Demonstrating Organisational Effectiveness





Objective 1:

Investing in Homes and Communities



We understand the impact that good quality, safe and secure homes can have on the health, quality of life and life opportunities of tenants and customers, and their families.

For our existing homes, we will:

- Maintain a high level of understanding through the analysis of stock condition surveys, repairs trends, complaints and other valuable insight and intelligence we gather during our touch points with tenants and customers.
- Carry out a strategic sustainability assessment of existing assets every three years.
- Ensure our investment in existing properties remains a key priority and that the level of investment reflects the needs of our homes and estates.
- Increase the proportion of responsive maintenance services that are delivered through our in-house provider, our Property Maintenance Division, where they have demonstrated a positive cost and quality return on investment.
- From a good starting point, continue to deliver further energy efficiency works, to meet our obligations and save our tenants money.
- Keep our tenants safe through a comprehensive inspection, maintenance and monitoring regime.

On the delivery of new homes, we will:

- Understand local housing markets, changing demographics, need and aspiration.
- Seek to align the delivery of new homes to reflect and support local and regional growth plans.
- Ensure our homes are the right properties, in the right places, built to the right standards, and at the right cost – to strengthen communities.
- Engage and work positively with a range of partners to deliver new homes, including the North East Combined Authority, and our local authority partners, house builders, land owners and development contractors.

To demonstrate delivery against this objective we have identified a range of measures and targets, including four key success factors: The Bernicia Effect:

- 1) Maintaining comprehensive, up to date data, insight and intelligence on our housing stock and maintenance trends.
- 2) Effectively use this to maintain high satisfaction levels with the quality of our homes.
- 3) Evidencing our commitment to keeping tenants safe within their homes.
- 4) Delivering up to 1000 new homes (starts on site) during this Corporate Strategy period.





Objective 2:

Listening and Delivering Value for Money Services



Our customers want to live in safe, secure, affordable and comfortable homes. They also want to live alongside considerate and respectful neighbours, in safe, welcoming and well managed neighbourhoods. They also want the ability and opportunity to connect and engage with like-minded people in their community. In response to this, we will:

- Provide a range of ways for customers to influence strategic decision making and the design and delivery of service standards and improvements, in support of our customer first culture.
- Learn about the people living in our homes, so we have services in place to meet their diverse needs and that deliver fair and equitable outcomes.
- Be clear about our services and standards, publicise these, and effectively engage tenants in monitoring and scrutinising our performance on delivery.
- Produce and publish timely and targeted performance and management information to empower tenants with relevant knowledge.
- Be customer, community and colleague connected, to engender and strengthen mutual trust and respect, enhance customer engagement, and connect colleagues to rich, robust and comprehensive insight.
- Build clear and effective local management plans to maintain positive, inclusive neighbourhoods and respond to any fragile environments.
- Work in partnership to maintain stable and sustainable tenancies and neighbourhoods, specifically considering our approach to lettings, safer communities, safeguarding and domestic abuse.
- Work in partnership to help prevent, and respond to, rising homelessness, through the provision of permanent and temporary accommodation, as well as specialist supported housing that enables people to maintain their independence.
- Support economic wellbeing, helping tenants optimise their income and minimise outgoings, improving their financial resilience and economic stability.
- Support social wellbeing, extending activities delivered at our community facilities into the wider neighbourhood and community through physical and digital means.

To demonstrate delivery against this objective, we have identified a range of measures and targets, including four key success factors. The Bernicia effect:

- 1) We will be clear about the services and standards we deliver and will widely publicise them.
- 2) Use insight and intelligence to secure equitable outcomes.
- 3) An annual report to Board from tenants (with summary in financial statements) on performance against priorities.
- 4) Triennial external validation of our tenant engagement framework.

Objective 3:

Demonstrating Organisational Effectiveness



Organisational effectiveness begins with clarity and strength, of purpose and in leadership. We are clear on the value we wish to deliver and provide strong and transparent leadership that is evidence based, and outcome focused.

We have robust risk management and financial controls and align our resources, both financial and people, to deliver our objectives. Our approach is supported by a clear policy framework and investments in technology that enable us to deliver.

To demonstrate organisational effectiveness, we will:

- Demonstrate excellence in governance, having efficient and effective structures in place, including those that enable and embed the voice of our tenants in and across the organisation.
- Provide strong leadership, supported by clear succession planning that meets our strategic needs.
- Continue to promote inclusivity, as this makes us a stronger and better organisation.
- Ensure that appropriate and robust financial management and controls are in place.
- Maximise capacity and the delivery of value wherever possible.
- Embed a Value for Money approach.
- Ensure the financial position of Bernicia remains resilient.
- Maintain high levels of colleague engagement, consulting and working with colleagues to gain valuable insight and intelligence that influence plans, priorities and objective setting.
- Embed the new Bernicia Way values, enabled by effective performance management, and clear, relevant and timely communications.
- Undertake effective workforce planning, investing in our talent pipeline, to ensure Bernicia are future ready, with the right skills, in the right place at the right time.
- Use technology to “do the heavy lifting” and to support our business to continually improve.
- Ensure our ICT systems and infrastructure are resilient and protected.
- Provide accurate, timely and robust data, that informs decision making.
- Ensure ICT delivery follows robust governance, information management and change management principles.

To demonstrate delivery against this objective, we have identified a range of measures and targets, including four key success factors. The Bernicia effect:

- 1) Positive G, V and C regulatory judgements.
- 2) Meeting our financial targets.
- 3) Demonstrating high levels of engagement with, and support for colleagues.
- 4) Optimising technology to drive the organisation forward.



How to contact us

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00 [illegible]



Objective 4:

Working Collaboratively to Support Opportunity Across the North East



We believe the North East is a region of opportunity and that a good and secure home can be a launchpad to closing inequality gaps, improving the quality of life and life chances of our tenants and wider communities. As an anchor institution we are rooted in and trusted by our communities and as such we are well placed to deliver opportunity to and for them. By innovating and working with trusted partners, both within and outside our sector we believe we can have an even greater impact.

We will:

- Continue to support and promote the work of our sector trade and professional representative bodies to highlight the importance of housing at a national and regional level.
- Continue to support and work with the North East Combined Authority and with our Local Authority partners, Strategic Partnerships and with other organisations who champion the North East, promote its potential and deliver opportunity to its residents.
- Continue to invest significantly in aspirations, confidence, skills development and employability support, particularly for young people and social housing tenants.
- Support the NECA Mayor's focus on child poverty by tackling the causes of poverty with a comprehensive and multi layered long-term response. Whilst doing so we will also provide support to those suffering from the symptoms of poverty to help them in the immediate term.
- Support the New Deal for North East Workers through our adoption of SHINE and other Local Employer commitments.
- Continue to deliver on our commitments to Care Leavers and Armed Forces by removing barriers to opportunity.
- Work with our supply chain to maximise public value for the region in our procurement of contracts.
- Use insight to better understand need and support economic and social wellbeing in communities where we operate.
- Support the ambitious growth plans of our Commercial company, Kingston, who operate on a profit for purpose basis. Kingston donates their surplus to Bernicia as gift aid, to enable us to deliver more community investment initiatives across the North East.

To demonstrate delivery against this objective, we have identified a range of measures and targets, including four key success factors. The Bernicia effect:

- 1) Our Community Investment priorities of financial and social inclusion will deliver at least £30m of social value over the strategy period.
- 2) Demonstrating our contribution to partnerships that promote the region and seek to deliver opportunity to and for its residents.
- 3) Growing the profitability of our Commercial company, using this to increase the contribution of Bernicia to our community investment initiatives.
- 4) Positive stakeholder perception survey.

Tackling Poverty Through Supporting Opportunity

The North East has some of the highest levels of poverty, including amongst our children. The impacts of poverty can manifest in many ways, including, we believe, in discrimination and other barriers that need to be overcome for our communities to reach their true potential.

By understanding our neighbourhoods, and listening to our customers, we know some people face barriers to living well, achieving their potential, and feeling connected to their community.

Our objectives and culture are shaped around placed based solutions, considering physical, social, economic and democratic principles, on macro and micro levels, to help eliminate the difficulties created by disadvantage and poverty.

Anti-poverty practices prevail throughout our business and operations, starting with testing the affordability of rents each year, and moderating these if necessary.

Our collect with care approach, helps tenants minimise outgoings and maximise income, generating over £1.3m of financial gains for tenants in the last 3 years. We've also set aside a safety net of support to lessen the immediate impacts or "symptoms" of poverty, helping households in crisis to stay warm, nourished, engaged and connected.





To tackle fuel poverty, our investment programmes have focussed on reducing household running costs. 90% of our homes are now SAP C rated, significantly higher than the sector average. This strategy goes further again, with an additional £55m of investment to keep our homes warm and even more energy efficient.

Sadly, homelessness continues to rise, with too many people without a suitable, secure, permanent home. We provide homes that unlock opportunities for people to live healthy lives. Through this strategy we will commit up to 150m to support our aspiration of delivering up to 1000 new homes, with the significant majority available for social rent, with charges approximately £3400pa lower than the market rent of comparable properties

When people are facing tough times, like unexpected illness, losing a job, or a relationship breakdown, they can be pulled into poverty, we show compassion, and support people to stay afloat, with our expert teams helping over 800 households avoid homelessness in the last 3 years.

We're also using other innovative solutions to tackle homelessness, and demand, including regenerating and remodelling neighbourhoods, adapting homes and delivering support services, partnering with specialist providers, and adopting housing first models.

Through community engagement we have developed effective management and sustainable allocation approaches, so that new and existing homes create mixed income, mixed tenure environments, that promote diverse, safe and cohesive communities.

We have a large portfolio of specialist, supported homes, and have partnered with The Internet of Caring Things and Newcastle University on the 'living lab' to test innovative and dynamic technology that evolves with people, to create homes that support healthier, longer lives.

With a keen eye on costs, its important services meet expectations, deliver equitable outcomes and value for money. We test this with customers through perception and transaction surveys, scrutiny panels, co-creation of services, and service reviews.

Our success relies on our fantastic workforce, so their physical, mental and financial wellbeing is of paramount importance. We pay the Real Living Wage and have eliminated our gender pay gap. We hold several well-regarded accreditations: SHINE (Advanced Award), IIP (Gold), Better Health at Work (maintaining excellence) and the Defence Employer Recognition Scheme (Silver award), and participate in the Disability Confident Employer Scheme, Mindful Employer Scheme and the Care Leavers' Covenant.

Placed-based thinking is the gateway to the opportunities we, and our region offer. So, again, we want to go further.

Tackling poverty - Economic Empowerment

As a trusted partner we will work with customers and stakeholders, to generate and support opportunities that tackle the “causes” of poverty, to deliver a sustainable route out.

Our work starts in the early years through our aspiration, confidence and effective communication programmes within our local schools and academies. Our “Opportunities By Bernicia” programmes are designed to understand, support and inspire, so that our people don’t feel left behind, rather they can be “the drivers” and in control of a better life and future.

To 2031 we will be investing £400m into our homes, neighbourhoods and communities. Who better to help deliver that work, benefit from the results, and generate the pride that evokes, than residents themselves, so our multi-million-pound investments will be procured through routes that prioritise and optimise social value. We play our own part, 5% (30) of our workforce are apprentices, with the vast majority progressing to permanent positions - a testament to the pastoral care and support we provide, alongside the technical training.

We have a developing Re-Skill, Up-Skill and Re-Deploy project to support military service personnel and their families through training and employment opportunities. We will optimise this to help grow our internal teams and bring awareness to our supply chain.

Our estate-based community hubs and learning hives deliver skills programmes into the heart of our communities. Progression through to work-based programmes are made possible by our partnerships with the Northern Learning Trust, local employers, the voluntary sector and education providers.

HICSA (Housing Innovation Construction Skills Academy) is just one example where we are collaborating with Education Partnership North East to deliver economic benefits, social cohesion and place-based prosperity through the new Northumberland campus.

We recognise that some people may face multiple barriers to work, and we have specific programmes to support armed forces and care leavers.

We have a developing, Recruit, Reskill and Redeploy, partnership with Building Heroes, a charity supporting military service personnel and their families through training and employment in construction. We will optimise this to help grow our internal maintenance teams and bring awareness to our supply chain.

We have an established care leavers pathway and work in partnership with the Virtual School in Northumberland to provide employment opportunities and support to care leavers. We are expanding our network of employers across the region to increase the range of opportunities for care leavers in organisations who share our values.

All these distinct and deliberate actions build to eliminate disadvantage and create the opportunities that can transform the quality of life for individuals, communities and our Region – it’s The Bernicia Effect.

Risk Management

Risk management is integral to all aspects of our activities, and whilst it is ultimately the responsibility of the Board, all colleagues share the responsibility to identify and manage risk.

Risk management supports the achievement of our Corporate Strategy through:

- Enhancing the quality of decision making, planning and prioritisation.
- Contributing to the efficient and effective allocation of resources.
- Protecting and enhancing Bernicia's assets and reputation.

We identify risks through a range of methods and sources. These include:

- Board and Committee Members, with risk being a standing item on all meeting agendas.
- Internal and External Auditors.
- Specialist advisors (e.g. governance, pensions, treasury, cyber security).
- The Regulator of Social Housing.
- The Housing Ombudsman.
- Customer feedback, insight and intelligence.
- Best practice in the sector and working with partners.
- Key performance indicators and stress testing (performance/data based).
- Horizon scanning.

The Group's Risk and Assurance landscape is founded on the 'Three Lines of Defence' model. Assurance activities are framed firmly around the context of the Corporate Strategy, Risk Appetite and the necessity of having a robust governance framework.

The Group monitors and manages risks using a number of assurance tools, including a suite of risk maps and a business assurance map. A strategic risk map is maintained covering high level risks which may jeopardise Bernicia achieving its strategic objectives. This is complemented by an executive risk map. In addition, there is a suite of operational and bespoke risk maps related to smaller risks which may impact the effective day to day running of the business. All of the Group's risk maps are inter-related and inform each other. The business assurance map is a 'live' document which continually maps assurance against the Group's critical and essential processes, and legal and regulatory requirements. It is used for gap analysis and to inform the planning of assurance activities.

In addition to the risks posed by the operating environment, the main risks we face at the start of this strategy period have been identified as:

- Cyber security.
- Emerging quality standards for stock.
- Wider global events and the economic pressures they can cause.
- Government policy changes.
- Our legal and statutory duties (including health and safety).
- Financial and reputational loss from a procurement or contractor failure.

The Board reviews our risk appetite annually to ensure that it considers the risks and challenges presented by our operating environment. Our risk appetite has been identified as follows:

Overarching risk statement

Bernicia adopts an averse risk approach regarding all compliance matters, but remains cautious and open to other aspects, making decisions in accordance with market place conditions, giving these due consideration and adopting risk based approaches.



Compliance with legislative and regulatory guidance, standards and codes – averse, the Board expressed no appetite regarding non-compliance with legislation or regulation.



Health and Safety compliance – averse, the safety of our people and customers is of paramount importance to the Board. The Board therefore has no tolerance regarding non-compliance with health and safety requirements.



Data integrity and security – averse, the maintenance of good quality data, that informs decision making, that is held in a safe and secure infrastructure and environment is a fundamental expectation and requirement of the Board. The Board is mindful however that this risk approach should not stifle our use of technology, which would be considered using an appropriate risk-based assessment.



Financial viability – cautious, maintaining the financial viability and strength, and ensuring that adequate and appropriate funding is in place, is a prerequisite of the Board. The Board agreed that the financial capacity and strength of Bernicia should be used to benefit customers and invest in existing and new properties, whilst maintaining overall financial viability. A minimum of V2 in RSH rating terms continues to be the aim.



Development of new supply – open, the Board remain open to the development of new housing supply, noting however, that the supply should be the right product, in the right place, at the right time and should meet the needs of customers/client groups. The Board also agreed that any investment in new supply should be in accordance with agreed financial principles.



Business diversification – open, the Board will openly consider business diversification activities, with a backdrop of caution and ensuring a risk-based approach is adopted when considering new opportunities.



Financial Planning



Framework

We have a detailed five-year plan incorporating the 2026/27 agreed budget and a further four years estimates. This is reviewed and updated annually as part of the budget and business planning process. Our budgets form the basis for our long-term financial forecasts (30-years) and the annual Financial Forecast Return (FFR) made to the Regulator of Social Housing. These show that we have the financial strength to support the delivery of our plans, sufficient liquidity to meet our commitments, that we comply with our lenders' covenants and meet the financial viability standard of our regulator.

Finance Strategy

Our financial plans are guided by our Finance Strategy, the overriding purpose of which is to ensure the long-term financial viability of the Group is maintained, that appropriate resources are available, and that these are invested in services and in existing and new homes. This supports the delivery of the Group's overarching mission.

We aim to:

- Maintain a strong financial profile, providing resilience to both known and unknown financial risks.
- Generate additional financial capacity to invest in new homes, existing homes and services.

These two aims are both inter-dependent and competing, requiring financial capacity to be optimised at a level appropriate to our risk profile and appetite.

Golden Rules

We have established key principles and parameters (Golden Rules) that guide the Group's financial planning, and build resilience and financial discipline into our forecasts. These include key targets and measures to manage our cashflow, surplus, interest cover and loan covenant compliance. By operating within these parameters, we maintain a level of headroom on our funding covenants, healthy interest cover and positive cash flows from our core business. These parameters safeguard our services to residents by maintaining an appropriate level of financial strength, thereby ensuring there is capacity to absorb any adverse changes to our business.

The golden rules are reviewed on an annual basis to ensure they continue to provide the level of headroom commensurate with the financial and operating environment, the risks we face and our aim of maintaining a strong rating with our Regulator. The golden rules are also reviewed if there is a significant change in the external operating environment that may increase financial risk and uncertainty.

Framework

The five-year plan supports the delivery of this Corporate Strategy and the Group's aspirations. It incorporates the resources required to deliver our agreed objectives and reflects the financial targets set in core strategies that have been agreed by the Board.

The financial plan reflects the Government's commitment to a rent policy of CPI +1% for a ten-year period from 2026/27 and a mechanism for rent convergence. It also includes enhanced investment across a range of priority areas.

The shortage of housing supply nationally and regionally is well trailed. Our plans continue to provide investment to deliver our existing committed development programme and up to an additional 1000 new starts during the strategy period.

We are proud of the quality of our stock condition data. We hold 100% stock condition data, with 20% of surveys being refreshed/undertaken each year. In informing our strategy, our data has been externally validated, and the financial requirements of our assets are fully reflected in our medium and long-term plans.

Our previous Corporate Strategy contained an ambition to achieve SAP C rating for at least 90% of our homes by the end of that strategy period, improving the overall average SAP C rating to over 73. This objective was achieved early in 2025/26, well ahead of the target date of March 2026. Our new Corporate Strategy looks to build on this strong platform and will ensure all properties achieve SAP C by 2030.

Our confidence, aspiration, skills, training and employability initiatives aim to support people in our communities, arguably furthest away from the workplace on their journey towards employment. Our employability initiatives are a central theme within our Corporate Social Responsibility Framework (CSR), in addition to this we will deliver initiatives aimed at tackling loneliness and isolation.

Our core work and CSR framework help strengthen communities, through tackling inequalities, improving health, the quality of life and life chances of residents across the North East.

During the Strategy period, we will:



- Invest up to £150m in new housing, to deliver up to 1000 new supply starts.



- Deliver major works of £121m to continue to improve our existing homes and neighbourhoods.



- Spend £115m on day to day and cyclical maintenance.



- Invest over £3.25m in employability initiatives.



- Invest £2.5m in our systems where appropriate to do so, so that efficiencies can be derived.



- Maintain our overall cost per unit consistent with the sector median (where appropriate to do so).



- Create additional capacity through driving out efficiencies and careful cost control.

The plan is fully funded until 2028/29 should there be 750 new development starts and until 2027/28 should there be 1,000 new starts, however in order to meet our golden rule requirements new facilities will be arranged during the term of this strategy to ensure we maintain at least 24 months of liquidity.



Corporate Planning Framework

Our Corporate Strategy 2026-31

This sets out the type of organisation we are and what we are trying to achieve.

It articulates the scope and purpose of Bernicia, where we want to be in 2031, the strategic objectives we are focusing on, the high-level initiatives we will be implementing and the value we want to deliver.

Our Corporate Strategy directs the allocation of resources to match the priorities we have identified.

Our Business Plan 2026-31

This is our detailed medium-term plan to implement our Corporate Strategy. This includes our financial plan, alongside an agreed set of targets and performance measures (measures provide an indication of our direction of travel towards a target).

Each of our four high level objectives has a SMART action plan. We have identified five-year success targets and agreed annual targets and measures, the achievement of which demonstrates our overall direction of travel towards meeting the goals of our Corporate Strategy. Our action plans and targets are subject to a bi-annual progress report to Board.

Strategic Framework

The Business Plan is supported by a range of core, enabling and corporate (cross cutting) strategies and frameworks, which have been developed as part of the process of developing our Corporate Strategy. This is shown as follows:



The core and enabling strategies provide a clear direction of travel for Bernicia, with the corporate strategies and frameworks setting out our whole business approach to Value for Money, Corporate Social Responsibility and Business Improvement.

Our approach to equality, diversity and inclusivity (EDI) forms part of our Corporate Social Responsibility framework. Our approach to EDI is mainstreamed within our Corporate Strategy and supporting operational strategies and plans.

We have developed a strategic delivery plan in respect of EDI, inclusive of annual targets and measures which is overseen by the appropriate committee of the governing board.

We view poverty as a key barrier facing our communities, and their access to inclusive and equitable outcomes. Our Community Investment Strategy has a key focus on economic inclusion as a way of closing the “opportunities gap” often faced by those furthest away from the workplace.

Operational Plans

Each directorate develops an operational plan that sets out how individual services will implement actions to meet targets, which will ultimately deliver our strategies and help us achieve strategic outcomes. Progress is reviewed by the senior leadership team twice yearly (and by Board by exception).

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