



**Cabinet**  
10 March 2025

**Report from the Chair of i4B Holdings Ltd**

**Lead Member – Cabinet Member for Housing & Resident Services  
(Councillor Fleur Donnelly-Jackson)**

## i4B Holdings Ltd Business Plan 2025-26

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part exempt – Appendix 1(a) Financial Appendix and annexes to the Business Plan & Appendix 1(e) Service Level Agreement (costs) are exempt as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”
<b>List of Appendices:</b>	Six Appendix 1: i4B Company Business Plan 2025-26 Appendix 1(a) (exempt) Financial Appendix to Business Plan – including Annexe 1 - 3 Assumptions, Model & 30 Year Summary Business Plan) Appendix 1(b) Company Risk Register Appendix 1(c) 2024/25 Progress on Key Tasks Appendix 1(d) 2025-26 Key Tasks Appendix 1(e) 2025-26 Service Level Agreement (Schedules 1 -3)
<b>Background Papers:</b>	N/A
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Sadie East, Director of Change and Improvement Tel: 020 8937 1507 <a href="mailto:Sadie.East@brent.gov.uk">Sadie.East@brent.gov.uk</a>

## **1.0 Executive Summary**

- 1.1 This report provides Cabinet with a final draft of the i4B Holdings Ltd (i4B) 2025/26 Business Plan and revised Service Level Agreement with Brent Council. Cabinet is asked to approve the Business Plan and Service Level Agreement on behalf of the Council as Shareholder of i4B Holdings.

## **2.0 Recommendation(s)**

- 2.1 Cabinet approves the 2025-26 i4B Holdings Ltd Business Plan and financial model as Shareholder of the Company.
- 2.2 Cabinet approves the 2025-26 Service Level Agreement between i4B Holdings Ltd and the Council.

## **3.0 Detail**

### **3.1 Cabinet Member Foreword**

- 3.1.1 This business plan sets out i4B's strategy for the coming financial year, furthering the company's work to increase the supply of good quality affordable housing, reducing homelessness in the borough and alleviating the use of costly Temporary Accommodation. This supports the Brent Borough Plan 2023-2027 strategic priority of 'Prosperity and Stability in Brent: Safe, Secure and Decent Housing'.

### **3.2 Background**

- 3.2.1 In November 2016, Cabinet agreed to establish a wholly owned investment company – i4B Holdings Limited. The Company was set up to own and manage private rented sector (PRS) properties, in order to support the Council's homelessness agenda.
- 3.2.2 i4B's Shareholder Agreement states that the Company should produce an annual Business Plan for Shareholder approval.
- 3.2.3 This report provides a final draft version of i4B's Business Plan for 2025/26. The draft plan was presented to the i4B Board on the 28<sup>th</sup> January 2025, the Company Shareholder on the 6<sup>th</sup> February 2025, CMT on 12<sup>th</sup> February 2025 and PCG on 19<sup>th</sup> February 2025. Feedback from these meetings has been incorporated into this final draft.

## **4.0 Update on Operational Performance**

- 4.1 Table Two below gives a summary of operational performance at January 2025. High void times and rent collection continue to represent the principal operational issues for i4B, with both minor and major void times and rent collection rates remaining out of target. Recognising this, the Board initiated a deep dive session into voids with the aim of identifying areas for improvement,

including opportunities to carry out certain stages at the same time as each other rather than discretely, and to ensure timely handovers.

- 4.2 Rent collection for i4B also remains below target. The i4B portfolio typically experiences lower collection rates compared to First Wave Housing (FWH). This is influenced by factors such as higher rent levels in i4B and a larger proportion of temporary accommodation tenancies in FWH, leading to more tenants receiving Housing Benefit, directly credited to the rent account, in contrast to Universal Credit, where payments are primarily made to the applicants.

Table Two – Key Performance Indicators

Indicator	Target	Performance at January 2024 (YTD)	Performance at January 2025 (YTD)
Number of units	479 by April 2025	PRS: 427 Key Worker: 153	PRS: 469 Key Worker: 153
Instruction to Legal to Purchase	120 days	147 days	124 days
Minor void re-let times	35 days	New purchases: 95 days Re-lets: 138 days	New purchases: 84 days Re-lets: 98 days
Major void re-let times	72 days	New purchases: 212 days Re-lets: 282 days	New purchases: 119 days Re-lets: 127 days
Rent collection	98.50%	Brent Managed – 94.3% Home Counties – 89.7%	Brent Managed – 91.4% Home Counties – 91.39%
Emergency repairs completed within 24 hours	100%	99%	99%
Urgent repairs completed within 7 days	95%	98%	96%
Routine repairs completed within 28 days	95%	78%	88%
% of properties with a valid gas safety certificate	100%	Brent Managed – 100% Home Counties – 100%	Brent Managed – 100% Home Counties – 100%

- 4.3 Table Three provides an update on health & safety compliance. i4B has achieved full compliance in the relevant areas, except for a few outstanding electrical safety certificates. The legal process to gain access to carry out continues to be followed for each outstanding certificate; however, it is not possible to force entry to properties that refuse access, as is the case with gas certificates.

Table Three – Compliance Scorecard

Compliance Area	Certification	No. of Applicable Properties/ Blocks	No. of Compliant Properties/ Blocks	Compliance Rate
Electrical Safety (Property)	Electrical Installation Condition Report (EICR)	Brent Managed: 580 Home Counties: 77	Brent Managed: *498 Home Counties: *71	Brent Managed: 85.86% Home Counties: 100%
Gas Safety (Property)	Landlord Gas Safety Record (LGSR)	Brent Managed: 333 Home Counties: 67	Brent Managed: *333 Home Counties: *66	Brent Managed: 100% Home Counties: 100%
Asbestos (Block)	Asbestos survey	7	7	100%
Legionella (Block)	Legionella risk assessment	7	7	100%
Electrical Safety (Block)	Communal EICR	3	3	100%
Lifts (Block)	Inspection report	1	1	100%
Fire Safety (Block)	FRA	2	2	100%

*\*Data does not include void properties*

## 5.0 Progress in Implementing 2024/25 Business Plan

5.1 In February 2024, the 2024/25 i4B Business Plan was approved.

5.2 The 2024/25 Business Plan outlined the following as the Company's medium- to long-term objectives:

- Increasing the supply of affordable housing in the borough;
- Running a viable business;
- Delivering safe and sustainable homes; and
- Providing a consistently good housing service

5.3 The following summarises each of the priorities and reports on progress against these.

### 5.4 Increasing the supply of affordable housing in the borough

5.4.1 The 2024/25 Business Plan outlined that i4B's primary aim is to improve the Council's affordable housing offer through the acquisition and letting of properties in Brent and neighbouring boroughs.

5.4.2 As of January 2025, the company has successfully purchased 25 street properties and a small block of 9 units within the borough. A small number of additional completions is anticipated by the year's end.

## 5.5 Running a Viable Business

- 5.5.1. The i4B Business Plan is set to ensure the ongoing financial viability of the Company. The main cost pressures for i4B continue to be high void times and levels of arrears; however, some improvement has been seen during 2024-25.
- 5.5.2 Efforts to manage and reduce voids have faced several challenges. One issue is the delays caused by third-party freeholders in completing necessary repairs which impacted our turnaround times for voids. The i4B Board led a deep-dive session into voids to identify opportunities for reducing void times and rent loss, an action plan was put in place and is due to be reviewed by the Board in early 2025. Improvements are also being made to the way in which i4B report void statistics: voids will now be broken down into three stages, stage 1 void works, stage 2 housing needs nomination and stage 3 tenancy sign-up. Driving deeper down into the times allows i4B to better understand the delays and target service improvements.
- 5.5.3 Another key concern for i4B is value for money. A value for money strategy was approved by the Board in October 2024 and will continue to be implemented during the 2025-26 financial year.

## 5.6 Delivering safe and sustainable homes

- 5.6.1 During 2022/23, i4B commissioned an audit of its health and safety compliance arrangements, managed primarily through its Service Level Agreement with Brent Housing Management. Following the audit, a monitoring tracker has been produced that tracks all compliance elements for all i4B properties. i4B has also initiated increased clienting of the compliance certification process to provide further assurance.
- 5.6.2. Brent's Housing Management Service (HMS) have adopted the True Compliance system for long-term monitoring and reporting of compliance across all areas. i4B will continue to monitor health and safety compliance with bi-annual reporting to the Board..
- 5.6.3. i4B are developing an asset management strategy. A significant focus of this strategy is improving the energy performance of our housing stock, with the goal of bringing all properties up to a minimum EPC C rating, to achieve the government's 2030 target. This initiative is essential for both maintaining the value and quality of assets and supporting broader sustainability objectives and is expected to bring health and financial benefits to tenants.
- 5.6.4. Additionally, i4B's key worker block, Lexington, has been duly registered on the London Fire Brigade and Government Portals, aligning with the requirements of the Building Safety Act.

## 5.7 Providing a consistently good housing service

- 5.7.1. i4B is committed to improving tenant satisfaction. Unfortunately, the latest results are currently below the London 4th quartile, which is a significant concern. This performance does not meet the expected standards and highlights the urgent need for improvement in this area. To address these issues, i4B is implementing an improvement plan in collaboration with the Quality Assurance and Standards Manager. This plan focuses on making tangible changes to enhance tenant experiences. Regular monitoring and collaborative efforts are key components of this strategy.

## **6.0 2025/26 Business Plan**

- 6.1 Appendix 1 contains a final draft of the Company's 2025/26 Business Plan. Cabinet is asked to approve the business plan.

- 6.2 The 2025/26 Business Plan outlines the Company's strategic priorities for the year. Priorities for 2025/26 are set out within the framework of the medium to long-term objectives of Brent's Housing Companies. These objectives are:

- Providing a consistently good housing service;
- Delivering safe and sustainable homes;
- Running a viable business; and
- Increasing the supply of affordable housing in the borough

### **6.3 Providing a Consistently Good Housing Service**

- 6.3.1. This objective relates to improving tenant satisfaction, ensuring tenants are able to afford their rent and sustain their tenancies, and overall providing an effective and consistent housing service. While not regulated by the Regulator, i4B will continue to review initial responses to the Regulator's new tenant satisfaction measures, seek to improve its oversight of complaints handling, and continue to actively engage with its tenants on financial inclusion and affordability. The 2025-26 strategic priorities for this objective are:

- Priority 1: Monitor and improve results of tenant satisfaction measures
- Priority 2: Improve income collection performance
- Priority 3: Monitor complaints using improved portal
- Priority 4: Implement new Home Counties housing management contract

### **6.4 Delivering Safe and Sustainable Homes**

- 6.4.1. This objective involves ensuring that i4B's homes are of a good quality, safe, legally compliant, and environmentally sustainable. In 2025-26, the Company's focus will be on further embedding improved practices in the areas of compliance, disrepair and asset management & energy efficiency. This will include meeting all requirements of the Building Safety Act, and carrying out additional work on modelling & planning for future property management and decarbonisation works. The 2025-26 strategic priorities that relate to this objective are:

- Priority 5: Refine and implement asset management & decarbonisation strategy
- Priority 6: Improve the monitoring and management of Disrepair
- Priority 7: Maintain health and safety compliance

## 6.5 Running a Viable Business

6.5.1. This objective relates to improving the operational and financial performance of i4B in order to remain financially viable and thus continue to bring benefits to the Council. The Company's focus for 2025-26 will be on implementing its value for money strategy to reduce costs and improve financial performance, with a particular focus on voids performance and financial controls. The 2025-26 strategic priorities that relate to this objective are:

- Priority 8: Carry out actions to improve voids performance
- Priority 9: Improve the management of housing and property costs through SLAs and contracts

## 6.6 Increasing the Supply of Affordable Housing in the Borough

6.6.1 i4B's primary aim is to improve the Council's affordable housing offer through the acquisition and letting of properties in Brent and neighbouring boroughs. i4B has available finance and aims to ensure this is spent in a way that adds maximum value to the Council, whilst also being feasible and supporting the Company's financial viability. This includes exploring the acquisition of both street properties and blocks. i4B has committed all of its remaining finance during 2024-25, and as a result the company is continuing to engage the Council on the company's future strategy. Following the Shareholder meeting in February 2025, i4B will review its position on setting a target for acquisitions. This review will consider and address the current challenges in the housing market. The strategic priorities are as follows:

- Priority 10: Identify and appraise potential acquisitions
- Priority 11: Continue to seek the best strategy to ease Council pressures and deliver unique opportunities

## 7.0 **2025/26 Service Level Agreement**

7.1 i4B has worked with service area leads to review and update its Service Level Agreement with the Council for the provision of services including operational and financial support, legal and internal audit support, and all housing management services.

7.2 The schedule is contained in Appendix 1(e). This outlines the services provided to i4B, service standards, and management costs. The SLA will run throughout

2025/26 and will be reviewed again for 2026/27. All costs and service standards have been agreed between the relevant Council heads of service and i4B.

7.3 Cabinet is asked to approve the updated SLA.

## **8.0 Stakeholder and ward member consultation and engagement**

8.1 N/A

## **9.0 Financial Considerations**

9.1 The detailed financial implications are set out in the business plan. These include the key assumptions used and the stress testing carried out to test the business' financial viability should assumptions vary from those forecasted.

9.2 Over the year, inflation has fallen from 6.7% in 2023 to 1.7% in September 2024 which impacts costs and income. Rental increase caps are at the standard policy of CPI + 1% at September 2024 and the LHA rate has remained the same as 2024/25 as there has been no increase agreed by the government.

9.3 In summary, rental income has increased over the life of the business plan and this has had a positive impact on the company despite costs also increasing. The company maintains a healthy cashflow position until debt repayments are required towards the end of year 2047/48. In the short term, refurbishment works to the Granville blocks also reduce the company's cash balance.

## **10.0 Legal Considerations**

10.1 The adoption of the proposed Business Plan is a matter reserved to the Council as the sole shareholder in i4B Holdings Limited and the intention is to seek Cabinet approval on 10<sup>th</sup> March 2025.

10.2 i4B is a wholly-owned local authority company, controlled by the Council, which was established to own and manage private rented sector (PRS) properties, in order to support the Council's homelessness agenda. Though i4B owns the out-of-Borough properties referred to in the Report, they ultimately serve the Council's housing purposes. The Council exercises a degree of control over disposal of these properties given the requirements of the Shareholder Agreement as to Council consent for disposal. In exercise of that control, the Council ought to ensure that, the spirit and purpose of section 123 Local Government Act 1972, is complied with, so that any sale of i4B's out-of-Borough land is for best consideration reasonably achievable by i4B.

10.3 In the context of the various delivery routes referred to in the report and Business Plan, it should be noted that companies such as i4B, established and solely owned by a council parent, are regarded as "contracting authorities" in their own right for the purposes of the Procurement Act 2023. As a result, services or works over the relevant Procurement Act 2023 financial threshold that i4B commissions from another organisation, even those commissioned from its own parent or other providers, potentially have to be competitively



tendered, unless relevant exemptions available under the Procurement Act apply.

- 10.4 The Building Safety Act 2022, sets out a number of provisions which requires i4B as a Landlord to comply with various safety standards to its buildings. In order to comply with the Building Safety Act, i4B has to give consideration to who will act as the Principal Accountable Person (“PAP”). The PAP will have a range of legal duties to ensure buildings are safe from a fire and building safety perspective. These duties cannot be delegated to others, but the PAP may employ a managing agent to carry out some or all of those duties on behalf of the PAP.

## **11.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 11.1 N/A

## **12.0 Climate Change and Environmental Considerations**

- 12.1 N/A

## **13.0 Human Resources/Property Considerations (if appropriate)**

- 13.1 N/A

## **14.0 Communication Considerations**

- 14.1 N/A

### **Report sign off:**

**Peter Gadsdon**

Corporate Director Partnerships Housing and Resident Services