



**i4B Holdings Limited**  
**2024/25 Business Plan**

# **i4B Holdings Ltd 2024-25 Business Plan**

## **1. Introduction**

- 1.1. i4B Holdings Ltd (i4B; the Company) was established to reduce homelessness, provide affordable, good quality homes, and invest to deliver regeneration and financial benefits for its sole shareholder, Brent Council (the Council).
- 1.2. The following document is i4B's 2024-25 Business Plan. The Business Plan outlines how the Company will grow and diversify its products and increase its contribution to the Council's ambition of creating a borough with "a future built for everyone, an economy fit for all".
- 1.3. The Business Plan takes the following format:
  - 2.0 Purpose of the Company
  - 3.0 Performance against Overall Purpose
  - 4.0 Progress against the Company's 2023-24 Business Plan
  - 5.0 Context for 2024-25 Business Plan
  - 6.0 Strategic Priorities for 2024-25
  - 7.0 Appendices
    - A1 Closed Financial Appendix – Financial Implications of Proposals
    - A2 Risk Register
    - A3 Progress on 2023-2024 Key Tasks
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## 2. Purpose of the Company

- 2.1. Between 2010 and 2015, homelessness doubled in Brent. This growth in homelessness was driven by the loss of private rented sector (PRS) tenancies due to affordability issues.
- 2.2. As a response to this challenge, on 14 March 2016, Brent Council's Cabinet approved the Council's Temporary Accommodation (TA) Reform Plan. The plan proposed that the Council set up a private company to acquire a large portfolio of affordable PRS accommodation for letting to homeless households.
- 2.3. In November 2016, Cabinet agreed to establish its wholly owned investment company, i4B Holdings Ltd. The Company was set up with the purpose of acquiring, letting, and managing a portfolio of affordable, good quality PRS properties. Properties would be let to homeless families at Local Housing Allowance (LHA) levels. This would enable the Council to either prevent or discharge its homelessness duty and therefore reduce TA costs.
- 2.4. The Company was allocated an initial PRS phase one loan of £109m to purchase 300 units of private rented sector accommodation by September 2019. The 2018-19 business plan increased this target to 600 units and allocated additional PRS phase two funding of £110.5m. The Company's core business plan anticipates a financial breakeven position over 30 years.
- 2.5. The Company is set up with the following requirements:
  - The Company has discretion over the individual properties it acquires provided that:
    - They are in a suitable location for the Council to comply with its duty under the Homelessness Suitability of Accommodation Order of 2011;
    - They are within the affordability criteria set out in the Company investment plan and Capital financing agreement with the Council; and
    - The rental income will be broadly equivalent to the relevant Local Housing Allowance.
  - The Board of i4B has limited discretion to let properties at discounted market rents, higher than LHA rates, where this is affordable for the tenant household and provides additional funding stability for the Company. The total mix of properties that may be let at greater than LHA rates is 25% of the portfolio, which may be flexed by prior agreement with the Shareholder.

### 3. Performance against Overall Purpose

- 3.1. Since 2016, i4B has performed well against its purpose. i4B has purchased PRS accommodation and let it to families in TA. i4B has also brought financial savings to the Council.
- 3.2. As of December 2023, i4B has purchased 427 private sector homes and switched the tenure to an affordable PRS product. All properties have been refurbished to a high standard. Table One provides a breakdown of i4B's portfolio and pipeline as of December 2023.

Table One – i4B portfolio as of December 2023

	1b	2b	3b	4b+	All
Purchased properties	60	182	135	50	427

- 3.3. i4B has housed 449 families and 1010 children. The majority of these families were previously housed in stage one TA. The number of families housed is higher than i4B's PRS portfolio due to certain properties being re-let.

Table Two – Breakdown of families accommodated by i4B as of December 2023

Previous Accommodation	no. of families	no. of children
Direct to i4B	116	216
Women's Refuge	2	15
TA Stage one – B&B	294	665
TA Stage two – Leased	37	114
<b>Total</b>	<b>449</b>	<b>1010</b>

- 3.4. i4B also owns a 153-unit block, which is let to public sector key workers; Lexington has now been operational for three years.
- 3.5. The Council has received the following one-off financial benefits:
- PRS phase one loan: loan arrangement fee of £872k and non-utilisation charge of £330k
  - PRS phase two loan: loan arrangement fee of £884k and non-utilisation charge of £408k

## 4. Progress against the Company’s 2023-24 Business Plan

4.1. The medium- to long-term objectives of Brent’s Housing Companies 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.

4.2. This section outlines performance in 2023-24 against each of the Company’s strategic objectives.

### 4.3. Summary of performance

4.3.1. During 2023-24, work to implement the Development Strategy for both of the Council’s housing companies – i4B and First Wave Housing Ltd – has continued.

4.3.2. In May, i4B’s street property purchase programme resumed, following agreement to draw down loan funding at the 3.45% interest rate. By way of comparison, current Public Works Loan Board (PWLB) rates are over 5%. This resulted in more opportunities becoming viable for the company. i4B is forecast to purchase 12 properties in the current financial year, with a further 25 predicted for 2024-25.

4.3.3. Additionally, the company agreed to explore the option of acquiring a new build. i4B commissioned consultants Red Loft to analyse the housing development market and explore potential acquisition routes. It was agreed that off-the-shelf purchases through s106 schemes or bulk purchases would represent a viable route for the companies to acquire a new build. i4B have not yet found an appropriate scheme to take forward but continue to explore opportunities in this area.

4.3.4. During 2023-24, a dedicated operational team for the housing companies has been set up by Brent Housing Service. This was put in place to provide housing management services outlined in the Service Level Agreement, including overseeing housing & neighbourhood services, tenancy management, income collection, tenancy sustainment, and lettings. Table Three below provides a summary of operational performance at January 2024:

Table Three – Summary of Performance

Indicator	Target	Performance at January 2023 (YTD)	Performance at January 2024 (YTD)
Number of units	429 by April 2024	PRS: 415 Key Worker: 153	PRS: 427 Key Worker: 153
Instruction to Legal to Purchase	120 days	147 days	149 days

Minor void re-let times	35 days	New purchases: 111 days Re-lets: 162 days	New purchases: 95 days Re-lets: 138 days
Major void re-let times	72 days	New purchases: 126 Re-lets: 206 days	New purchases: 212 days Re-lets: 282 days
Rent collection	98.50%	HM – 92.1% Mears – 90.5%	HM – 94.26% Mears – 89.66%
Void Rent Loss	1%	5%	4%
Emergency repairs completed within 24 hours	100%	97%	99%
Urgent repairs completed within 7 days	95%	80%	98%
Routine repairs completed within 28 days	95%	75%	78%
% of properties with a valid gas safety certificate	100%	HM – 100% Mears – 95.2%	HM – 100% Mears – 100%

- 4.3.5. 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 that this is an issue facing the whole of Housing Management, Brent addressed this matter by introducing a Voids Hit Squad. The team comprises of three officers and one manager who are the owners of the end-to-end voids and lettings process. Each void now has an officer attached to it who tracks and monitors it to ensure that delays are prevented, and void turnaround times are brought back within target. Their work to-date has shown promising results in identifying and clearing historical voids with contractors turning minor voids around in 12 days and major voids in 19 days. The i4B Board will continue to closely track this progress during 2024-25.
- 4.3.6 Rent collection is also an operational issue for i4B. The year-to-date rent collection figure is 94.26%, which falls below the target of 98.5%. To address this, Brent Housing Service have appointed a dedicated Housing Companies Operational Team. The Team are in the process of piloting changes and improvements to the income collection and tenancy sustainment process, which will also be monitored and reported on in the coming year.
- 4.3.7 Mears currently provide housing management, repairs, compliance and voids management services for 73 properties in the Home Counties. The overall performance has been generally in line with Brent. However, void turnaround times are consistently out of target. Part of the reason for this is the difficulty in letting

properties to families wishing to remain in Brent. Subsequently, i4B will consider the disposal of these properties when they become void; this will be reviewed on a case-by-case basis. In addition, the year-to-date rent collection figure for Mears is 89.66%, which falls below the target of 98.5%.

4.3.8 Table Four provides an update on health & safety compliance. Aside from one gas safety certificate and a number of outstanding electrical safety certificates, i4B has achieved full compliance in the relevant areas. The one missing LGSR is for a property managed by Mears, and the legal escalation route to gain access is being followed. On EICRs, the legal process to gain access 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 Four – Compliance Scorecard

Compliance Area	Certification	No. of Applicable Properties/ Blocks	No. of Compliant Properties/ Blocks	Compliance Rate
Electrical Safety (Property)	EICR	HMS: 507 Mears: 77	HMS: *374 Mears: *71	HMS: 82.93% Mears: 93.4%
Gas Safety (Property)	LGSR	HMS: 303 Mears: 67	HMS: *303 Mears: *66	HMS: 100% Mears: 98.5%
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*

4.3.9 The following paragraphs provide a more detailed update on progress against the sub-objectives for each Housing Company objective in the 2023-24 Business Plan.

4.4. Performance against strategic objectives

4.5. ***Providing a Consistently Good Housing Service***

4.5.1. i4B's rent collection rates are below target. Some reasons for this include delays in processing Universal Credit claims leading to build-up of arrears in the initial stages of a tenancy and the potential unaffordability of rents for some tenants; this has been further compounded by the ongoing cost of living crisis. In order to address this,

during 2023-24 the new Housing Management team have reviewed the sign-up, tenancy sustainment, rent collection and arrears management processes, and evaluated historic highest arrears cases to assess ongoing suitability. Subsequently, the sign-up process has been revised and is in a pilot phase, with lettings officers now assisting with Universal Credit and Council Tax applications, as well as advance payments. Moreover, a newly introduced welcome pack and Nominations Panel are ready to be implemented in 2024-25 to enhance tenancy sustainment. Ongoing improvements are also being made to rent collection and arrears management, with a focus on providing a more comprehensive service for 2024-25.

- 4.5.2. i4B is working to improve tenant satisfaction and monitors this regularly. During 2023-24, new tenant satisfaction measures were implemented and some transactional feedback from tenants were received. The initial results of the tenant satisfaction measures, and transactional feedback were reviewed and presented to the Board in July 2023. The findings of the survey reveal that overall satisfaction with i4B has decreased, with areas such as repairs, tenant engagement and neighbourhood management presenting particular concern. These results have been used to identify and carry out specific actions to improve tenant satisfaction, with the Board being set to receive six-monthly reports and regular updates on tenant satisfaction from Housing Management.
- 4.5.3. Additionally, to improve i4B's oversight of complaints and transactional satisfaction surveys, a separate hierarchy on the Council's complaints processing system has now been set up for i4B. This will enable company complaints to be monitored and reported on separately. Regular reporting to Board will be agreed with the Housing Companies Operational Manager.
- 4.5.4. In June 2023 it was agreed that the Mears contract for management of properties in the Home Counties would be extended for an additional year. Ahead of the next potential extension in September 2024, i4B is planning to re-tender the Home Counties management contract to ensure that the company is receiving a high quality service that brings value for money.

#### 4.6. ***Delivering Safe and Sustainable Homes***

- 4.6.1. During 2022-23, i4B commissioned an audit of its health and safety compliance arrangements, managed primarily through its Service Level Agreement with Brent Housing Service. In response to the audit, a monitoring tracker was created to track all compliance areas for i4B properties and blocks. All compliance certification is centralised and audit follow-up actions have been addressed. Officers will continue to monitor performance in this area. i4B has also initiated increased clienting of the compliance certification process to provide further assurance.
- 4.6.2. 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 oversee the implementation of True Compliance throughout 2024-25, with increased clienting and monitoring of health and safety compliance with monthly reporting to the Board.
- 4.6.3. The results of recent stock condition and energy surveys will be developed into a costed asset management and energy efficiency strategy during 2023-24 and will be



inputted into the financial plan to inform long-term asset management planning; impacts will be assessed on a property and stock level. This will be further refined during 2024-25, including agreeing an approach for future stock rationalisation.

- 4.6.4. 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.
- 4.6.5. Regarding disrepair, HMS have implemented measures to identify and address disrepair early on, aiming to support tenant well-being, reduce legal claims and minimise compensation payments. Four contractors, including new additions, now respond to disrepair reports for i4B properties. HMS have tackled damp and mould by contacting tenants, receiving 800 responses and remedied ongoing issues, with a newly hired specialist company for improved mould treatment. A new forced entry protocol has also been implemented, which handles leaks promptly. Daily contractor reports are also reviewed, and post-inspections ensure complex jobs meet the relevant standards. During 2023-24 disrepair cases have been added to monthly performance reports, and this closer monitoring will continue into future years.

#### 4.7. ***Running a Viable Business***

- 4.7.1. The i4B Business Plan monitors and assures the ongoing financial viability of the Company. The key operational issues for i4B continue to be high void times and levels of arrears; however, some improvement has been seen during 2023-24. A void improvement project was implemented to significantly reduce void costs, covering both the housing companies and the Council's Housing Revenue Account; chaired by senior management. In addition to the initial void inspection, a surveyor checks the quality and progress of void works part way through the process, ensuring they are on target for completion. The Voids Hit Squad was formed in July 2023, which monitors all void stages focusing on efficiency and reporting to senior management.
- 4.7.2. Further, all voids are now handled by Wates Living Space – the Council's principal repairs and void works contractor – and undergo pre- inspection, in progress inspection and a joint-inspection by a Wates Supervisor and a Brent Surveyor. The cost of void works has also now reduced as a result of carefully scrutinising specifications and implementing an approval hierarchy.
- 4.7.3. Following a procurement exercise in October 2023, i4B will begin a voids pilot scheme with C & C Builders Ltd. It is anticipated that contracting i4B voids work to a smaller provider would allow greater focus on i4B voids and a better understanding of the company's portfolio and void specification. If the pilot is successful in reducing void costs and turnaround times, a longer-term contract will be considered.
- 4.7.4. i4B also commissioned a tax planning review from EY. While the review confirmed that company tax calculations were accurate and appropriate, it highlighted the need to carry out regular tax planning exercises, which will be taken forward into 2024-25.
- 4.7.5. Another key concern for i4B is value for money. A value for money strategy for i4B was approved by the Board in October 2023 and will be implemented during the 2024-25 financial year. In addition, i4B has now commissioned a consultant to carry out a value for money review of voids, with a further review of repairs to be

considered following the initial results, expected in early 2024. Outstanding actions from the strategy have been incorporated into the 2024-25 business plan.

#### **4.8. *Increasing the Supply of Affordable Housing in the Borough***

- 4.8.1. i4B acquires and lets properties in Brent and neighbouring boroughs to improve the Council's affordable housing offer, and the company has price caps which represent the maximum amount the Company can pay in order for acquisitions to meet its financial viability criteria.
- 4.8.2. In response to challenges posed by higher global inflation rates and increased interest rates, i4B temporarily paused street property purchases at the beginning of the year. Subsequently, there were no initial purchasing targets for 2023-24. In May 2023, it was agreed that acquisitions would resume at the drawn down interest rate of 3.45% with a target of 12 for the year. Alongside this, the decision to increase equity within financial modelling from 5% to 20% aimed to enhance the company's competitive position in the market.
- 4.8.3. As of January 2024, the company has successfully purchased 11 street properties, and a small number of additional completions is anticipated by the year's end.
- 4.8.4. i4B now has £13.5m of remaining loan funding yet to be committed. Once this funding has been used, i4B would need to agree new loan funding at a new interest rate. Advice from the Council's Treasury team is that rates are likely to trend upwards in the future, negatively impacting the number of properties that meet i4B's viability criteria. However, this is likely to be somewhat offset by rises to LHA rates as of April 2024. The company is engaging with the Council on its future acquisition strategy, including looking at both the possible continuation of the street property purchase programme and a greater focus on the purchase or leasing of blocks or new builds.

## 5. Context for 2024-25 Business Plan

5.1. This section outlines the various contextual factors that have influenced the i4B Business Plan and how they impact the Company. These include, but are not limited to:

- Current economic context;
- The housing market & current acquisition strategy;
- Current demand and housing need within Brent;
- The regulatory environment;
- Energy efficiency; and
- The key risks the Company currently faces

5.2. These factors have influenced the proposals outlined in Section 6.

### 5.3. *Current Economic Context*

5.3.1 Following 20-year highs during 2022-23 – a result of a variety of factors including the impacts of Covid-19, Brexit and the war in Ukraine – consumer price inflation has reduced across 2023-24.

5.3.2 CPI is currently at 4.0% <sup>1</sup> and is expected to continue falling to 3.1% by Q4 2024. This is due to several factors, including lower energy prices and reduced inflation in consumer goods and food.<sup>2</sup> However, the ongoing cost of living crisis is expected to have continued impacts on affordability for tenants and rent collection.

### 5.4. *The Housing Market & Current Acquisition Strategy*

5.4.1 During this financial year, from May 2023 onwards i4B has been able to identify properties on the market that meet its acquisition criteria at the drawn down interest rate of 3.45%. Purchasing is expected to be more challenging following the use of funding at 3.45%, given current interest rates of over 5%. However, this is partially offset by the Government's announcement that LHA rates will be raised to the 30<sup>th</sup> percentile for the beginning of 2024-25, which will increase i4B price caps.

5.4.2 Alongside this, according to the Office for Budget Responsibility house prices are expected to fall by 4.7% throughout 2024.<sup>3</sup> It is also anticipated that it could take until 2027 for house prices to recover to 2022 peak levels; predictions which remain in line with Savills' latest forecast, estimating that UK house prices will fall in 2024, 3% across the UK and 4% in London before bottoming out.<sup>4</sup>

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<sup>1</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest#latest-movements-in-cpi-inflation>

<sup>2</sup> <https://researchbriefings.files.parliament.uk/documents/CBP-9428/CBP-9428.pdf>

<sup>3</sup> <https://www.standard.co.uk/homesandproperty/property-news/obr-forecast-house-price-mortgages-transactions-2024-b1122430.html>

<sup>4</sup> <https://www.standard.co.uk/homesandproperty/property-news/obr-forecast-house-price-mortgages-transactions-2024-b1122430.html>

## 5.5 ***Current Demand and Housing Need within Brent***

- 5.5.1 i4B has been housing Council homelessness nominees since 2016. There are growing pressures being placed on the Housing Needs Service, with a significant overspend on Temporary Accommodation (TA) being driven by the reduction of private-rented sector (PRS) properties available at Local Housing Allowance (LHA) levels. This has led to an increased reliance on TA as a medium-term solution for households in need. The difficulty of finding TA has meant that local authorities are housing a growing number of their most vulnerable residents outside the capital, away from vital services and support networks<sup>5</sup>.
- 5.5.2 Temporary Accommodation has a significant financial impact on the Council, with a projected overspend of £4.5m against the 2023-24 budget. This is partly due to the fact that benefits paid to those living in TA have been limited to 90% of the 2011 LHA rates. This is significantly less than the rents currently being charged by most private sector landlords. In the 2023 Autumn Statement, the Chancellor announced that from April 2024, LHA rates will rise to the 30<sup>th</sup> percentile of local market rates. This will relieve some of the pressures faced by families but will need to be balanced against the restraints of the benefit cap, which will not be updated next year.
- 5.5.3 The Council are now faced with increasing pressures to source cost-effective TA. Options for this include the purchase of homes on the private market or from developers; i4B's acquisition programme forms part of this route, and the company is able to work with the Council to explore new loan funding in order to acquire more properties or blocks and further contribute to relieving current pressures. Any blocks considered would also help to relieve ongoing high demand from families who require adapted properties due to mobility issues or disabilities.

## 5.6 ***The Regulatory Environment***

- 5.6.1 While i4B is not regulated by the Regulator of Social Housing, it aims to comply with its standards in line with requirements for the Council's HRA and First Wave Housing. The regulatory environment for housing continues to be stringent, with the introduction of new legislation such as the Building Safety Act and more proactive regulation in areas such as tenant satisfaction.
- 5.6.2 The Regulator's new tenant satisfaction measures have been effectively implemented from April 2023, and the Housing Companies Operational Manager will begin regular reporting to the Board on these.
- 5.6.3 Stock condition is another key theme. Alongside decarbonisation requirements discussed below, the sector continues to see increased numbers of disrepair cases and complaints to the Housing Ombudsman, principally in relation to property condition and damp and mould. The Board are receiving more regular and comprehensive reporting on disrepair cases, and disrepair is one of the focuses of a financial controls audit currently being undertaken for the company. HMS must also continue to adhere by the legal process set out in the Pre-Action Protocol for Housing Conditions Claims when addressing disrepair cases.

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<sup>5</sup> [Inside Housing - News - London's biggest landlords to provide temporary accommodation for councils](#)

5.6.4 Finally, the new Building Safety Act brought the introduction of a new Building Safety Regulator and a New Homes Ombudsman. The Act covers residential high-rise buildings at all stages from design and planning to construction and occupancy, and requires the provision of a 'golden thread' of detailed building information both to the Regulator and residents. It also introduces greater protections for leaseholders against historical defects as well as the requirement for a resident engagement strategy. As a result of this, i4B is required to provide detailed information to the Regulator for Lexington.

## 5.7 **Energy Efficiency**

5.7.1 Brent Council declared a climate and ecological emergency in 2019 and committed to do all reasonable in its gift to aim for carbon neutrality for 2030, and to work with government to achieve the national 2050 target. The target for Brent's housing in its Climate & Ecological Emergency Strategy (2021-2030) is to achieve an average EPC rating of B by 2030, in line with the London Councils target. Brent Council's housing companies' environmental sustainability targets are aligned with the Council's own environmental sustainability targets. Although the Government has made the decision to change its policy regarding climate targets and commitments<sup>6</sup>, i4B and the wider Council group are still aiming at previously agreed targets.

5.7.2 Stock decarbonisation will be a significant capital expense for the Company. Modelling shows an indicative average cost per property of £18,000 for reaching EPC C and £20,500 for reaching EPC B; this has the potential to increase with inflation. Therefore, the company's ongoing work to forecast its capital programme and decarbonisation requirements will be important for securing financial viability while meeting targets.

## 5.8 **Risk Context**

5.8.1 The Company currently faces a number of risks. Key risks include:

- Poor data quality on asset management systems means compliance with H&S standards cannot be effectively monitored, resulting in i4B being non-compliant with its statutory obligations.
- i4B lacks the policies, knowledge and governance arrangements to effectively monitor regulatory and legal standards on compliance.
- Tenant non-payment of rent increases due to unaffordability of rent.
- High Capital Programme costs, including future climate change expenditure, undermine the viability of the business plan.
- Greater uncertainty in the external operating environment brings greater risk to i4B's financial modelling.

5.8.2 Mitigating measures are in place to help to minimise the impact of all risks, with some risk scores being likely to reduce. A copy of the full Company risk register has been included in Appendix 2.

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<sup>6</sup> <https://www.gov.uk/government/news/pm-recommits-uk-to-net-zero-by-2050-and-pledges-a-fairer-path-to-achieving-target-to-ease-the-financial-burden-on-british-families>

## 6. Strategic Priorities for 2024-25

6.1. This section outlines the Company's strategic priorities for 2024-25. In 2024-25 i4B will seek to consolidate its position while reviewing development opportunities in the borough. Priorities for the year 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.

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

6.2.1 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. This will also include the re-tender of i4B's management contract for its properties in the Home Counties. The 2024-25 strategic priorities for this objective are:

#### 6.2.2 Priority 1: Monitor results of new tenant satisfaction measures

6.2.3 Following the implementation of new tenant satisfaction measures in April 2023, the initial results were presented to the Board in July 2023. i4B will continue to review results from these surveys as well as transactional feedback from its tenants to identify the direction of travel for tenant satisfaction and carry out any necessary actions to improve tenant satisfaction. The Board will receive reporting on tenant satisfaction every six months.

#### 6.2.4 Priority 2: Monitor complaints using improved portal

6.2.5 A separate hierarchy on the Council's complaints processing system has been set up specifically for i4B. This will enable company complaints to be monitored and reported on separately. Plans for regular reporting to the Board on complaints oversight and monitoring will be agreed with the Housing Companies Operational Manager and implemented during 2024-25.

#### 6.2.6 Priority 3: Monitor and improve income collection performance

6.2.7 As part of the company value for money strategy, i4B will monitor and scrutinise the impact of improvement actions implemented by Housing Management, including new staffing arrangements, on rent collection and arrears recovery performance. This will include assessing the impact of the two new Housing Companies Tenant Managers who are responsible for the end-to-end tenancy management processes for the companies – including managing rent collection, arrears and tenancy sustainment as well as lettings, estates, and any tenancy issues such as ASB and tenancy verification visits.

6.2.8 There will be a renewed focus on income when letting new properties by way of the completion of Universal Credit applications at the tenancy sign ups. Verification visits

will also see a focus on income collection via targeted budgeting advice. The focus for year for the Housing Companies Tenant Services Managers will be on giving improved budgeting advice to i4B tenants who have experienced income issues following the cost of living crisis and also assisting those who have lost employment and are affected by the Overall Benefit Cap into employment. The Housing Companies Tenant Services Managers will also be working with the employment assistance organisation BEAM, to help tenants find and sustain employment. There will also be closer work between the Housing Management Team and the Housing Needs Service to ensure those that are placed into properties are able to suitably sustain tenancies in the long term.

#### 6.2.9 Priority 4: Re-tender Home Counties housing management contract

6.2.10 The i4B Board has taken the decision to re-tender the contract for the management of its properties in the Home Counties, currently managed by Mears. This will allow the company the opportunity to make improvements to the contract specification – specifically in areas of legal proceedings and disrepair – and review contract performance, KPIs and costs to ensure the company is receiving the best possible value for money. The new contract will begin in September 2024.

### **6.3 *Delivering Safe and Sustainable Homes***

6.3.1 This objective involves ensuring that i4B's homes are of a good quality, safe, legally compliant, and environmentally sustainable. In 2024-25, 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 overseeing the successful implementation of True Compliance, meeting all requirements of the Building Safety Act, and carrying out additional work on modelling & planning for future property management and decarbonisation works. The 2024-25 strategic priorities that relate to this objective are:

#### 6.3.2 Priority 5: Fully implement True Compliance

6.3.3 The True Compliance system has been procured by the Council and is close to being fully implemented. i4B officers are working with True Compliance to set up reporting widgets which can be incorporated into the Housing Management Performance Reports. During 2024-25, i4B will continue short-term monitoring and reporting of compliance areas, providing reassurance to the Board that the Company remains compliant with all relevant law. It will also gradually phase out the manual compliance report as widgets for individual compliance areas are set up and officers have confidence in these. The possibility of incorporating the data into the Housing Management BI system is also being explored.

#### 6.3.4 Priority 6: Fulfil the requirements of the Building Safety Act

6.3.5 i4B's Lexington key worker housing block has been registered on the Government and London Fire Brigade Portals as per the requirements of the newly introduced Building Safety Act (BSA).

6.3.6 For the start of 2024-25, i4B is working with Brent's Compliance Team and Quintain to develop the Building Safety Case for Lexington in time for the 31 March 2024 deadline. In 2024-25, i4B will review the Regulator's response to the submission,

provide any further information required, and meet any additional requirements in relation to the BSA.

6.3.7 Priority 7: Continue to effectively monitor and manage disrepair

6.3.8 Disrepair cases continue to be a prevalent issue for i4B and the sector more widely. Housing Management will continue to adhere to the legislative framework set out in the Pre-Action Protocol for Housing Conditions Claims, when addressing disrepair cases. Moving forward, the Board will receive updates on live and settled disrepair cases through the regular Housing Management performance report on a monthly basis. Between meetings, i4B will also continue to work closely with the Housing Companies Operational Manager to ensure that cases are being progressed in a timely manner. It is expected that increased reporting will not only improve Board oversight of cases but improve the timeliness of resolving cases, minimising disruption to tenants and reducing associated costs.

6.3.9 Priority 8: Refine and implement asset management & decarbonisation strategy

6.3.10 For the start of 2024-25, i4B will model the outputs of its stock condition & energy survey work into its financial business plan in order to develop an asset management and decarbonisation strategy. The strategy will ensure that i4B has affordable, costed plans to ensure its stock remains in good condition and reaches target Energy Performance Certificate levels.

6.3.11 To support this, i4B will also develop and agree with the Board a stock rationalisation approach in 2024-25 and will explore any relevant grant funding opportunities for energy efficiency in collaboration with Climate and Asset Management colleagues in the Council.

6.3.12 While the company has encountered challenges in engaging with freeholders on their future asset management and decarbonisation plans despite repeated attempts at escalation, i4B will continue to send periodic requests to freeholders and input any information received on timings, costs and responsibilities for these works into its financial plan.

## 6.4 ***Running a Viable Business***

6.4.1 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 2024-25 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 2024-25 strategic priorities that relate to this objective are:

6.4.2 Priority 9: Monitor and carry out actions to improve voids performance

6.4.3 Voids represent a key strand of the company's value for money strategy. The impact of various restructures and improvement actions in the Housing Management service on voids performance will continue to be closely tracked in 2024-25 by officers and the Board. This includes the activity of the Voids Hit Squad, the movement of the lettings service into the dedicated Housing Management team, and work to clear long-term legacy voids from the pipeline to focus on new voids.



- 6.4.4 The lettings function will now be carried out by the Housing Companies Tenant Services Managers, who at tenancy sign ups will focus on providing information to tenants on what to do when they decide to leave the property; this will allow for the Housing Management Team to start action on voids earlier. The Housing Companies Tenant Services Managers will also be responsible for an increased number of verification visits (targeted at 6 per week) to ensure that properties are in better condition so if and when tenants leave the property, the void works are reduced.
- 6.4.5 Alongside this, i4B will assess the outcome of a value for money review of voids from external contractor Ridge. This project will improve the oversight of void costs and specifications and identify any issues with how works are being specified and charged currently. The work is underway and will be completed by the beginning of 2024-25, after which i4B will work with Property Services to implement any necessary improvements and consider a similar exercise for day-to-day repairs charging.
- 6.4.6 i4B is currently undergoing a re-let voids pilot with C&C Builders. Following the completion of this pilot of circa 10 voids, i4B will examine C&C's performance in areas such as void costs, turnaround times and engagement with i4B and Council colleagues. A longer-term arrangement with a smaller provider may then be considered dependent on the outcomes of the pilot.
- 6.4.7 i4B will also continue to consider the disposal of properties in the Home Counties once they become void, if there are persistent issues with reletting.
- 6.4.8 Priority 10: Carry out mid-year review of the financial business plan
- 6.4.9 Alongside regular financial monitoring and reporting throughout the year, at the mid-year point the financial plan will be updated with the actual position and latest forecast and will reflect any significant changes arising in the first part of the year. The plans will then be stress tested and presented back to the Board.
- 6.4.10 Priority 11: Implement actions arising from financial controls audit
- 6.4.11 An external audit is in progress in early 2024 looking into the financial controls and billing arrangements of i4B. The audit specifically has been set up to examine the billing processes, raising of charges and oversight and approval of payments in relation to disrepair claims, Council Tax and void refurbishment costs. Following the conclusion of the audit, in 2024-25 i4B officers will look to implement any actions arising and make any recommended improvements to processes.
- 6.4.12 Priority 12: Introduce regular tax planning exercises
- 6.4.13 In 2023-24, a tax planning review from EY provided assurance that i4B's current tax calculations are accurate and appropriate. The review also highlighted the need for regular tax planning exercises in order to improve forecasting and implement tax efficiencies where possible; these will be regularly carried out during 2024-25 and beyond.

## **6.5 *Increasing the Supply of Affordable Housing in the Borough***

- 6.5.1 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 is forecast to use the majority 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. The strategic priorities are as follows:

6.5.2 Priority 13: Continue street property acquisition programme

6.5.3 The Company has an ongoing commitment to acquiring street properties to house homeless families; this will contribute to alleviating the Council's current issues in relation to the use of Temporary Accommodation. For 2024-25, a target of 25 properties has been agreed, supported by the recruitment of a dedicated Property Acquisition & Disposal Officer. This is expected to use the majority of i4B's remaining loan funding, and discussions with the Council regarding i4B's future acquisition strategy are proceeding as per priority 15 below.

6.5.4 Priority 14: Identify and appraise potential block acquisitions

6.5.5 i4B continues to explore a number of block purchases in collaboration with Council colleagues each year as part of its development strategy. It will continue to do so in 2024-25, with block purchases seen by the Board and Shareholder as a preferential acquisition route to bring in a large amount of housing supply that is easier to manage and has the potential for adapted units, subject to acquisitions being viable. Any suitable opportunities will be taken forward as appropriate.

6.5.6 Priority 15: Identify and appraise the potential acquisition or leasing of new builds

6.5.7 As well as block acquisitions, i4B will continue to review the market for new build opportunities as these materialise, aiming to identify viable options for acquisition or leasing. As above, this will also include adapted properties, and viable opportunities will be taken forward as appropriate.

6.5.8 Priority 16: Engage Council on future strategic direction of company

6.5.9 i4B's available finance is likely to be mostly or fully used up within 2024-25, and the Company is thus beginning discussions with the Council as its Shareholder on i4B's future strategy beyond this. These will be progressed during 2024-25 in order to agree the best approach to meet the housing objectives of the wider Council group, taking a holistic approach in order to reduce the usage and associated costs of Temporary Accommodation, increase housing supply at scale, and secure the future viability of the companies.

6.5.10 This will include looking at: the availability of further finance; modelling the impact of new LHA rates and Greater London Authority schemes on acquisitions at current interest rates; the shared risk appetite of the Council and company; and any areas of potential flexibility within the company's overall acquisition strategy and modelling. The i4B Board is open to inventive solutions to meet the aims of the Council's housing strategy and concrete plans will be agreed during the year.