



Housing Companies Value for Money Statement

1.0 Value for Money Statement

- 1.1 In September 2023, a Value for Money Strategy and Action Plan were agreed for Brent Council's two wholly owned housing companies, i4B Holdings Ltd (i4B) and First Wave Housing Ltd (FWH).
- 1.2 Within the framework of the companies' medium- to long-term strategic objectives and the principles of the Regulator of Social Housing's Value for Money Standard, the strategy set out value for money (VfM) as a key consideration for the companies when delivering services, setting strategic plans and making decisions at all levels of the business, and outlined the companies' strategic approach to delivering value for money.
- 1.3 The strategy set out the financial context, the ways in which the companies currently monitor VfM, the intended outcomes of the strategy, roles and responsibilities for VfM, and how the strategy would be monitored and measured. Part of this included agreement to present an annual statement of value for money alongside the i4B and FWH business plans which would update on action plan progress and performance against the Regulator of Social Housing's VfM metrics.
- 1.4 The strategy's six areas of focus for VfM are as follows:
 - Voids performance
 - Income recovery and arrears management
 - Asset management and energy efficiency
 - Housing management costs
 - Tax efficiency
 - Value for money for tenants
- 1.5 For each area, the strategy set out current performance and available benchmarking, issues that had been identified, agreed improvement actions, and the desired outcomes of these. These actions were summarised into a Value for Money Action Plan which was agreed by the Board alongside the strategy.
- 1.6 Annex 1 provides a copy of the VfM action plan with updates on progress since the plan was agreed in September 2023. Further work is being carried out to provide a set of updated financial metrics.

1.7 A summary of progress in each area is provided below:

1.8 ***Voids Performance***

1.8.1 A report on the impacts of the Voids Hit Squad was presented to the January i4B and FWH Board meetings, showing early signs of improvement in returning around new voids. The Lettings function is being taken over by the new dedicated Housing Companies Operational Team. Improving voids performance remains an action in the 2024-25 Business Plans for the companies.

1.8.2 Procurement exercises for two pieces of work – the value for money review of void charging & costs, and the i4B re-let voids pilot – have been completed. The VfM review, showing an analysis on the appropriacy and accuracy of charging of voids costs within i4B and FWH, has been received and will be presented to the February Board meeting. The voids pilot action has been updated following procurement, and the pilot is expected to run until Q1 of 2024-25, after which an analysis report will be presented back to the Board.

1.9 ***Income Recovery and Arrears Management***

1.9.1 The recently formed Housing Companies Operational Team are taking over the functions of tenancy sustainment and income collection, alongside tenancy management, for the companies in early 2024. In addition, BEAM have been appointed to support tenancy sustainment within i4B. The impact of these changes will continue to be monitored during 2024-25 with early signs of performance improvements expected to continue.

1.10 ***Asset Management and Energy Efficiency***

1.10.1 Work to finalise stock condition & energy efficiency costs and input these into the i4B and FWH business plans will be in place for the beginning of the 2024-25 Business Plans. From this, a report to the Board outlining the impacts of this work and proposing an approach for potential future stock rationalisation will be prepared.

1.10.2 Regarding gathering information from freeholders on future asset management and decarbonisation works, a further round of letters has been sent out to third party freeholders outlining legal obligations under leases, etc. Response rates remain very low, and further escalation is difficult following discussions with Legal services; however, i4B and FWH will continue to send out requests for information on a periodic basis.

1.10.3 The company Boards have begun receiving more detailed reporting on live and closed disrepair cases, improving management oversight of the issue, which will continue into 2024-25 and beyond.

1.11 ***Housing Management Costs***

1.11.1 The companies have two main housing management contracts – the SLA with Brent Housing Service and i4B's contract with Mears for its properties in the Home Counties. The SLA is due to be renewed for 2024-25 alongside the Business Plans, and has been amended to reflect changes to management structures across 2023-24 which aim at future improvements to performance and VfM. The Mears contract will be re-tendered in time for its expiry date of September 2024, and officers are working with Procurement to begin this process, including improvements to the specification in areas such as disrepair and housing management KPIs.

1.11.2 As above, gaining further information from freeholders on service charges, etc. remains a challenge but will continue to be monitored.

1.11.3 Finally, fieldwork for an audit into the companies' financial controls is progressing, with the outcomes and recommendations actions due to be presented back to the Board in Q4 of 2023-24.

1.12 ***Tax Efficiency***

1.12.1 The external tax planning review by EY has been completed and the final report was presented to the Board. Whilst this confirmed that existing tax calculations for the companies are accurate, and did not give rise to any substantive changes to practices, it did highlight the need for regular tax planning. Regular reviews will be scheduled in by the Finance Team for i4B and FWH beginning from June 2024.

1.13 ***Value for Money for Tenants***

1.13.1 Alongside updates on income collection & tenancy sustainment in 1.9, i4B and FWH officers are carrying out the rent setting exercise for 2024-25. The rent setting policies and approach have been agreed by the Board, and following confirmation of new Local Housing Allowance rates for 2024-25, detailed modelling will be carried out. Rents will be updated and letters will be sent out to tenants in advance of 1 April 2024. Rent setting policies continue to follow best practice as set out by the Regulator of Social Housing, and any adverse impacts of rent increases on affordability for tenants will be closely monitored.

1.13.2 The Board is now receiving reports on tenant satisfaction every six months following changes to regulatory standards, and the direction of travel in satisfaction areas will be monitored alongside improved analysis on complaints during 2024-25.

1.14 The full Value for Money Strategy is presented in Annex 4. As the strategy has been in operation a short time, future statements will reflect on how well the strategy & action plan have contributed to achieving the desired outcomes set out in the strategy.