

	<p align="center">Community and Wellbeing Scrutiny Committee 20 November 2024</p>
	<p align="center">Report from the Chair of i4B Holdings Ltd and First Wave Housing Ltd</p>
	<p align="center">Cabinet Member for Regeneration, Planning & Growth</p>
<p align="center">i4B Holdings Ltd and First Wave Housing Performance Update</p>	

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	<ol style="list-style-type: none"> 1. i4B Performance Scorecard 2. FWH Performance Scorecard
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	<p>Hal Chavasse Strategy & Delivery Manager Harry.Chavasse@brent.gov.uk</p> <p>Alice Lester Corporate Director, Neighbourhoods & Regeneration Alice.Lester@brent.gov.uk</p>

1.0 Executive Summary

- 1.1. This report provides an update to the Community and Wellbeing Scrutiny Committee on the housing management performance of the Council's two wholly-owned housing companies, i4B Holdings Ltd (i4B) and First Wave Housing (FWH), delivered by the Council's Housing Service via Service Level Agreements (SLAs).
- 1.2. To ensure that operational performance meets the targets set out in the SLAs, i4B and FWH have implemented a comprehensive monitoring framework. The Board receives and scrutinises a bi-monthly performance report accompanied by a monthly scorecard that details both monthly and year-to-date (YTD) performance against targets, allowing for close oversight. Additionally, the companies' officers hold monthly SLA meetings with the Council to address any areas of concern or underperformance. To further reinforce this, i4B officers

conduct fortnightly conveyancing and voids meetings, weekly panel meetings with property buyers and a separate fortnightly meeting with Housing Companies Operational Manager. These regular meetings provide opportunities to discuss specific cases or challenges and maintain high standards of service delivery.

- 1.3. As well as the i4B and FWH Boards, performance is periodically reported to the Audit & Standards Advisory Committee and to the Council as Shareholder of i4B and Guarantor of FWH.
- 1.4. In September 2024, the companies presented a report to the Resources and Public Realm Scrutiny Committee regarding operational, financial and strategic performance and the delivery of affordable housing to alleviate the use of Temporary Accommodation. Principal discussion points at this meeting included: the companies' acquisition programme and contribution to increasing housing supply in the borough; the financial viability model used to appraise opportunities; financial mechanisms such as borrowing, grants and rent setting; and building safety and asset management. This report to the Community and Wellbeing Committee focuses solely on housing management performance via the SLA as per the summary below and Section 3 of the report.
- 1.5. 2024-25, i4B is on track to acquire a total of 40 new units, exceeding its target of 25.
- 1.6. Void turnaround times remain an area of concern for the two companies, with performance remaining out of target. However, turnaround times for i4B have improved in this financial year, and the companies have carried out a number of improvement actions, including: the introduction of a series of process improvements following a deep-dive review; an external review of void works specification and charging; and a pilot scheme with a local works contractor.
- 1.7. Performance in the areas of health and safety compliance and repairs is good for the companies, with commissioning outstanding electrical certificates and improving consistency in routine repairs performance being the two principal actions here.
- 1.8. Rent collection represents another area where improvements are required. A minor restructure is underway to increase resourcing for the Housing Companies Operational Team; this will allow tenancy managers to devote more time and effort to focus on income collection, which will be supported by a bespoke improvement plan for i4B and FWH.
- 1.9. Following the introduction of the new Tenant Satisfaction Measures by the Regulator of Social Housing, the companies regularly report on these metrics to the Board alongside complaints. However, satisfaction is well below where i4B and FWH aim to be. In line with the Council's own improvement plans, the companies will be introducing a range of activities aimed at improving service delivery and boosting resident satisfaction.

2.0 Recommendation(s)

2.1 The Committee note the content of the report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of i4B and FWH to increase the supply of good quality affordable housing, reduce homelessness in the borough and alleviate the use of costly Temporary Accommodation – as well as to provide safe and sustainable homes and a consistently good housing service to their tenants – supports the Brent Borough Plan 2023-2027 strategic priority of ‘Prosperity and Stability in Brent: Safe, Secure and Decent Housing’.

3.2 Performance

3.2.1 Housing management performance in the financial year 2024/25 to date can be found in Appendices 1 and 2 for i4B and FWH respectively.

3.2.2 A summary of performance and trends for the year in each key area, including details of remedial action being taken to address areas below target, is presented below.

3.3 *New acquisitions*

3.3.1 i4B has an active property acquisition programme, and set a target of 25 property acquisitions in 2024-25. As of November 2024, i4B has exceeded its target and completed on a total of 30 units, including a new-build development of nine units. i4B is projected to purchase a further 10 properties in the year, and is exploring the best future approach for the company – alongside FWH – to increase supply to the Council group.

3.4 *Void*s

3.4.1 i4B and FWH measure void turnaround times as ‘minor’ and ‘major’, with minor voids requiring general repairs and maintenance but no major renewals such as new kitchens and bathrooms, and major voids requiring such renewals or other significant works such as external repairs or the replacement of electrical and heating systems. For i4B, these are further split into new acquisitions and re-let properties; while there is a significant variation in condition on a property-by-property basis, new acquisitions are generally more likely to be handed over in a poor condition and to require major works. Both categories have a turnaround target of 35 days for minor voids and 72 days for major voids.

3.4.2 Void times have historically been an area of poor performance for both companies, and this has continued into 2024-25, although performance has improved from 2023-24 for i4B in all areas.

- 3.4.3 For i4B, YTD performance shows an average of:
- 118 days for major new acquisitions (191 in 2023-24)
 - 94 days for minor new acquisitions (95 in 2023-24)
 - 145 days for major re-lets (282 in 2023-24)
 - 92 days for minor re-lets (128 in 2023-24)
- 3.4.4 However, FWH void times have increased from 111 for minor and 151 for major voids in 2023-24, to 243 for minor and 246 for major in 2024-25. While this is partly due a very small sample size of voids, and despite performance improvements in i4B, both companies remain out of target.
- 3.4.5 To address this, the company Boards held a deep dive session with representatives from all teams involved in the voids process (including tenancy managers, surveyors, contract managers and Housing Needs) to identify 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.
- 3.4.6 From this a series of actions have been agreed and are in the process of being implemented, including:
- Review of Voids Information Form to ensure this captures all information required by surveyors and Housing Needs, and review of CRM to ensure that this information is flowing through to correct areas;
 - Completion of Voids Information Form at earlier stage (i.e. before the property is purchased or the tenant moves out);
 - Improved communication through earlier notification to all colleagues of planned purchase dates, works completion dates, nominations required, etc.;
 - Trial of reducing number of post-works inspections by Brent surveyors, to reduce times and build up trusted relationship with works contractors;
 - Nominations review and approval process to be streamlined, with a standard set of information to be provided by Housing Needs including affordability information and details of any arrears, anti-social behaviour, etc.; and
 - Review of requirement for tenancies to start on a Monday.
- 3.4.7 In addition, two projects have been delivered aiming at improvement of the voids process. Firstly, a consultant was appointed to review the specification, charging and invoicing of i4B and FWH voids. While this process has generally been working correctly and appropriately, some consistent minor issues with charging were identified by the consultants (such as minor duplication of items); this led to a small credit note being issued to the companies, and to a refinement of future void specs, improving the value for money received by the companies and the relationships with contractors.
- 3.4.8 i4B also carried out a pilot scheme with an independent local contractor to deliver some of its minor void works. The company carried out works at circa 15 properties, and demonstrated consistently low turnaround times, quality works and good communication. The Board have now asked officers to consider the best way of extending this pilot and make the use of a wider pool of contractors, including local businesses, a part of the companies' business-as-usual arrangements.

3.4.9 Through this variety of improvement projects, voids remain a priority for i4B and FWH and the companies will be working towards improvements in turnaround times and more consistent performance in this area.

3.4.10 The topic of voids was also discussed at the September Resources & Public Realm Scrutiny Meeting, specifically in regard to the use of i4B's out-of-London properties and historic challenging in nominating to these.

3.5 *Health and safety compliance*

3.5.1 Since introducing detailed dwelling- and block-level compliance monitoring across all FLAGE (fire, legionella, asbestos, gas, and electrics) areas, and the introduction of True Compliance, i4B and FWH have been able to considerably boost performance in the important area of health & safety compliance.

3.5.2 For example, all necessary Fire and Water Risk Assessments are in place for both companies, and FWH has valid gas safety certificates in place for all properties that require these. i4B has five gas certificates outstanding and is following the legal process to gain access; this involves sending a series of appointment letters, and applying to the court to gain an injunction if access is not provided. While important that the legal process is followed to allow these certificates to be commissioned as soon as is practicable, a small number of overdue certificates is not unexpected, and the established legal process will allow the company to force entry to inaccessible properties if i4B is required to escalate to that stage.

3.5.3 The key area of focus for compliance is therefore the commissioning of outstanding electrical certificates. While the same process as for gas (a series of appointment letters followed by court applications), the Housing Service is ultimately unable to force entry for electrical safety checks as it is for gas.

3.5.4 However, consistent and regular contact from Brent and contractors to properties where certificates are outstanding is having a positive effect, as demonstrated by the performance figures which continue to improve for both companies. To reach as close to 100% as possible, the companies are working with the Housing Service to explore new routes, such as having electrical engineers attend at the same time as gas engineers or Tenant Services Managers when other visits are arranged.

3.5.5 In the appendices, certain compliance data has only been introduced from July 2024; the Committee should note that before July this information was provided to the Board in a separate monthly report.

3.6 *Repairs*

3.6.1 Repairs performance for the companies is good, particularly for emergency repairs (required to be completed within 24 hours) and urgent repairs (7 days).

- 3.6.2 This target has been achieved for 100% of emergency repairs within 2024-25 for both companies.
- 3.6.3 For urgent repairs, i4B has achieved a YTD performance of 94%, slightly below the target of 95%. However, this primarily relates to two months of poor performance earlier in the year, and since July 2024 performance has improved to a consistent rate of 100%. Only one urgent job for FWH in May has fallen out of target during the year, and otherwise the company has achieved 100%.
- 3.6.4 Routine repairs are required to be completed within 28 days, and have shown a similar pattern of improvement from the first months of the year, with i4B achieving 86% within target compared to a 2023-24 year-end figure of 79%, and FWH achieving 89% in 2024-25 compared to 80% in 2023-24.
- 3.6.5 These figures remain below the target of 95%, and issues have been traced to certain jobs requiring additional unexpected visits, and the Housing Management Contact Centre not booking in appointments when raising repairs due to a systems issue. These issues have been raised with Property Services, contractors, and the Contact Centre to ensure that any required extensions are properly processed and that appointments are consistently booked in to enable targets to be achieved.

3.7 *Rent collection*

- 3.7.1 Alongside void turnaround times, rent collection remains the main performance focus for i4B and FWH, with both companies showing a drop in performance from 2023-24. i4B's YTD collection rate is 90.3%, against a 2023-24 year-end outturn of 95.1%; for FWH the respective figures are 92.6% and 99.1%.
- 3.7.2 A deep-dive report into income collection issues is due for the next i4B and FWH Board meetings in December, and in advance of this an action plan to improve collection figures is in progress.
- 3.7.3 The companies currently employ, via the SLA, two Housing Companies Tenant Services Managers (HCTSMs). Each of these has a patch size of close to 400 properties which, due to the nature of i4B and FWH's stock, is spread across the borough and beyond rather than concentrated on estates. This creates a significant workload including travel times for property visits, and until recently support in income collection had been informally provided by the Council's Income Team. This has recently ended due to the Housing Service restructure, and the workload of the HCTSMs is such that sufficient time cannot currently be dedicated to supporting tenants with paying their rent.
- 3.7.4 This is compounded by continued issues with benefit payments which continue to impact performance. The rollout of Universal Credit is now steadily impacting i4B tenants who are being migrated over from legacy benefits, with the intention that all tenants will be migrated over by the new financial year in 2025. It is more time consuming and challenging to receive direct payments from Universal Credit than in-house from Housing Benefits. Relationships with the Department

for Work and Pensions are being formed, and HCTSMs are proficient in requesting direct payments, but the casework involved is significant.

3.7.5 Finally, with i4B rents being set at or around Local Housing Allowance rates (three or four times the social rent level), high levels of arrears are much quicker to build up than in the Council's General Needs portfolio, especially where there are delays from Universal Credit. These rent levels can lead to affordability issues that need significant unpicking and support for tenants to become financially resilient.

3.7.6 In order to address this combination of factors, the Income Maximisation Manager and Specialist will develop a bespoke plan for both i4B and FWH to:

- better manage arrears with consistent repayment plans;
- ensure that all appropriate action is taken on each case;
- ensure that the rent increase is applied next financial year to benefits automatically;
- ensure direct payments are requested on Let as default; and
- develop performance monitoring tools such as dashboards on the current IT systems that are patch based, and can be more readily used to support officers to address arrears.

3.7.7 The Board has also agreed the appointment of a third HCTSM to allow each Manager sufficient capacity and support to effectively manage all aspects of their patch, which will reduce to circa 250 for each Manager. This will further allow HCTSMs to continue the positive work already happening with localising service delivery, being more accessible and holistic while enhancing the Housing Companies brand.

3.8 *Tenant satisfaction*

3.8.1 Both i4B and FWH monitor and report on tenant satisfaction, and as a Registered Provider FWH is subject to the Regulator of Social Housing's Economic and Consumer Standards. As part of the latter, new statutory Tenant Satisfaction Measures (TSMs) were introduced from April 2024, and the Consumer Standards were refreshed.

3.8.2 The companies are working with colleagues in the Housing Management and Quality Assurance & Standards Services to respond to the new TSMs and Consumer Standards. Results from the first set of tenant satisfaction measures show satisfaction for FWH to be broadly in line with that of the Council, while i4B's satisfaction is slightly lower.

3.8.3 A snapshot of results is provided below.

Measure	i4B	FWH	Council
Overall satisfaction	40%	50%	52%
Keeping properties in good repair	54%	58%	55%
Building management and safety	45%	57%	60%
Neighbourhood management	49%	51%	48%

Anti-social behaviour handling	32%	46%	38%
Complaints handling	16%	14%	17%
Treating tenants fairly and with respect	59%	61%	62%

3.8.4 Reasons for variation in scores are thought to include: the companies owning a significant number of properties in blocks managed by third-party freeholders other than i4B, FWH or Brent, particularly in relation to neighbourhood management, and a series of anti-social behavioural issues at one of i4B's blocks representing a large proportion of its stock. Recently introduced reporting on complaints is seeking to further drill down into reasons for dissatisfaction.

3.8.5 Despite certain variations, scores for all of the TSM metrics are below where i4B and FWH aim to be. Improving satisfaction will be a focus for the companies over the coming period.

3.8.6 A detailed improvement plan has been put together by the Housing Management Service with the goal of addressing identified issues, improving tenant satisfaction and achieving full compliance with the Regulator's Standards. This improvement programme was also discussed at the September Resources & Public Realm Scrutiny Meeting.

3.8.7 The plan is structured around the following three themes:

- Our people, culture and partnerships;
- Our relationship with tenants and leaseholders; and
- Delivering a good landlord service.

3.8.8 Actions under these themes include all Brent-managed i4B and FWH properties and progress will be monitored via reports to Board as well as to wider Council committees. Where company-specific issues and improvement opportunities are identified, for example in relation to a certain i4B or FWH block or initiative, these will be taken forward separately from the overall Housing Service plan. This will be further facilitated by regular reporting to the Board on complaints received for i4B and FWH. The companies will remain closely involved in the delivery and tracking of this plan, and the management team and Boards will hold the Housing Service to account for this delivery, while continuing to support the service and seeking new ways to ensure high quality service delivery. This improvement programme was also discussed at the September Resources & Public Realm Scrutiny Meeting.

4.0 Stakeholder and ward member consultation and engagement

4.1 N/A

5.0 Financial Considerations

5.1 New acquisition major and minor void turnaround targets are not being meet for i4B Ltd:

For i4B Ltd the YTD average of 118 days for major works is 46 days greater than the allocated 72 days, resulting in over 6.5 weeks average rent loss of £2,485 per property.

For i4B Ltd the YTD average of 94 days for minor works is 59 days greater than the allocated 35 days, resulting in approximately 8.5 weeks average rent loss of £3,187 per property.

5.2 Re-let major and minor void turnaround days are exceeding the targets for i4B Ltd and FWH Ltd resulting in a loss of rental income:

For i4B Ltd the YTD average of 145 days for major re-let voids is 73 days greater than the allocated 72 days resulting in approximately 10.4 weeks average rent loss of £3,944 per property.

For FWH Ltd the YTD average of 246 days for major re-let voids is 174 days greater than the allocated 72 days resulting in approximately 25 weeks average rent loss of £7,753 per property.

For i4B Ltd the YTD average of 92 days for minor re-let voids is 57 days greater than the allocated 35 days resulting in approximately 8.14 weeks average rent loss of £3,080 per property

For FWH Ltd the YTD average of 243 days for minor re-let voids is 208 days greater than the allocated 35 days resulting in approximately 30 weeks average rent loss of £9,268 per property.

5.3 Rent Collection:

Based on the projected rental income to be collected per the Business plan and what has been collected, i4B Ltd rent collection YTD average is 90.3%, 4.7% below the budgeted target collection of 95%, resulting in an additional £439k of rental income loss.

Based on the projected rental income to be collected per the Business plan and what has been collected, FWH Ltd rent collection YTD average is 92.6%, 4.4% below the budgeted target collection of 97%, resulting in an additional £157k of rental income loss.

6.0 Legal Considerations

6.1 Legal should continue to be instructed promptly when I4B and FWH are acquiring properties so that deadlines can be met. This is also the case to pursue rent arrears so that Legal can advise on the correct strategy.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 The Housing Companies do not collect information on the protected characteristics of their tenants. All tenants are Council homeless nominees.

8.0 Climate Change and Environmental Considerations

8.1 N/A. Information on the companies' approach to meeting climate commitments was previously set out to the Resources and Public Realm Scrutiny Committee in September 2024.

Report sign off:

Peter Gadsdon

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