


|   |  |
|---|--|
|  | <b>Audit and Standards Advisory Committee</b><br>25 September 2025                     |
|   | <b>Report from the Chief Executive and Corporate Director of Finance and Resources</b> |
| <b>Report on i4B Holdings Ltd and First Wave Housing Ltd</b>                      |  |

|   |   |
|---|---|
| <b>Wards Affected:</b>  | All   |
| <b>Key or Non-Key Decision:</b>   | Not Applicable  |
| <b>Open or Part/Fully Exempt:</b><br><small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open  |
| <b>No. of Appendices:</b>   | Two<br>Appendix 1: i4B Risk Register<br>Appendix 2: FWH Risk Register   |
| <b>Background Papers:</b>   | N/A   |
| <b>Contact Officer(s):</b><br><small>(Name, Title, Contact Details)</small>   | Natoyah Vincent, Strategy & Delivery Manager<br>020 8937 2828<br><a href="mailto:Natoyah.Vincent@brent.gov.uk">Natoyah.Vincent@brent.gov.uk</a> |

## 1.0. Executive Summary

- 1.1. This report provides assurances to the Audit and Standards Advisory Committee (ASAC) on the governance and oversight arrangements the Council has in place as Shareholder of i4B Holdings Ltd (i4B) and Guarantor of First Wave Housing (FWH). It outlines the mechanisms through which the Council monitors performance, risk and compliance, and highlights key governance developments from the most recent Shareholder/ Guarantor meeting held in September 2025.

## 2.0. Recommendation(s)

- 2.1. ASAC is asked to note the governance arrangements and oversight mechanisms in place for i4B and FWH.
- 2.2. ASAC is invited to comment on any areas where further assurance may be required.

## 3.0 Details

### 3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The work of i4B and FWH contributes to the Borough Plan strategic priority of 'Prosperity and Stability in Brent: Safe, Secure and Decent Housing' as its core business activity involves increasing the supply of good quality affordable housing in the borough and reducing the use of Temporary Accommodation.

## 4.0 Governance Assurance Overview

### 4.1 Governance Framework

- 4.1.1 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 Temporary Accommodation costs. i4B currently own 473 properties, plus the key worker block, Lexington, with 153 flats.

**Table 1 i4B portfolio as of August 2025**

|                           | 1 Bed | 2 Bed | 3 Bed | 4 Bed+ | Total |
|---------------------------|-------|-------|-------|--------|-------|
| <b>Breakdown of units</b> | 67    | 202   | 144   | 60     | 473   |

- 4.1.2 FWH is a Registered Provider of Social Housing wholly owned by Brent Council. FWH is limited by guarantee and owns a stock of 216 units.
- 4.1.3 Governance of both companies is overseen by the Council through formal Shareholder/Guarantor meetings held biannually, scrutiny by the Community & Wellbeing and Resources & Public Realm Committees, and annual review and approval of business plans and statutory accounts. This framework aligns with CIPFA's guidance on audit committees and supports effective oversight of Council-owned entities.

### 4.2 Oversight Mechanisms

- 4.2.1 Shareholder and Guarantor meetings are held twice yearly with the Chief Executive, Corporate Director of Finance & Resources, and Deputy Leader. These meetings provide strategic oversight and review of governance, risk, and financial performance. Operational and strategic performance is also reviewed by relevant Council scrutiny committees. Both companies produce annual accounts and business plans, which are reviewed and approved by the Council.

### 4.3 Board Composition and Capacity

- 4.3.1 In response to company growth, the Shareholder and Guarantor approved an increase in board members in July 2025. The current Board structure includes an independent Chair, two independent non-executive Directors with finance and property expertise, and three internal Directors.

- Two new independent non-executive Directors, Mannie Ketley and Waqar Ahmed, were appointed with effect from 1st September 2025, each for a term of three years.
- Sadie East and Serita Kwofie were appointed as Council Directors, effective from 4th August 2025.
- Nicole Jarrett-Francis will join the Board as a Council Director from 1st October 2025.
- Peter Gadsdon stepped down as a Director on 31<sup>st</sup> March 2025 following his retirement from the Council.
- Melanie Smith will step down as a Director on 30th September 2025, coinciding with her retirement from the Council.
- Akintoye Doruwoju stood down as a Director from 1st September 2025, following the conclusion of his term of appointment.

4.3.2 The Chief Executive carries out an annual appraisal of the Chair of the Board and conduct an annual Board self-assessment to ensure ongoing effectiveness and good governance.

#### 4.4 *Board Governance and Regulatory Oversight*

4.4.1 Board Directors complete annual declarations of interest and confirm any updates prior to each Board meeting. No current conflicts have been declared. Training in carrying out the role of a Company Director is provided for Board members and is in the process of being arranged for the incoming directors.

4.4.2 An audit into the Companies' leasehold billing and charges is currently underway and expected to be finalised in early 2026. FWH is also exploring whether the Council's internal audit team can carry out a review of the company's compliance against consumer and regulatory standards set out by the Regulator of Social Housing to provide added assurance to the Guarantor.

4.4.3 FWH carry out an annual review of their governance against the Regulator of Social Housing's guidance, the most recent of which was presented at the July Board meeting. Additionally, i4B and FWH are currently reviewing their governance arrangements against the Local Partnerships Local Authority Company Review Guidance as an additional benchmarking tool following a recommendation from the Brent LGA Corporate Peer Challenge which took place earlier this year. The findings from this review will be presented at the October Board meeting.

4.4.4 In April 2025, the Council self-referred to the Regulator following issues relating to Health and Safety compliance. i4B and FWH were advised that the Housing Companies were not affected. Nevertheless, the companies are seeking additional assurance to confirm this position.

#### 4.4 *Risk*

4.5.1 Both companies maintain strategic and operational risk registers, reviewed quarterly by the Boards and biannually by the Shareholder/Guarantor. The

latest risk registers for i4B and FWH can be found in Appendices 1 and 2. Key risks identified include operational performance challenges, cyber fraud, implementation of the new Home Counties management contract, and future capital investment decisions.

#### **4.6 *Financial Performance***

- 4.6.1 A 30-year business plan is in place for the companies to ensure long-term financial standing. This is reviewed annually and is supported by monthly monitoring reports. The company produces and files annual statutory accounts.
- 4.6.2 i4B has a financial model that guides all acquisitions. A net yield target is set for all purchases. This ensures that property purchases are viable, and the Company is able to meet future financial commitments. The financial model is regularly reviewed to ensure its appropriateness and therefore the Company's ongoing financial viability.
- 4.6.3 Loans to fund asset acquisitions are on a long-term fixed rate basis which is an appropriate de-risking tool for financing the purchase of long-term assets held for rent rather than for sale. Interest charges are included in the plan and are paid to the Council. As all loan finance is provided by the Council, the Council retains substantial freedom to restructure i4B's financial and ownership arrangements should it be necessary in order to secure the ongoing viability of the company or to safeguard the Council's financial interests.
- 4.6.4 i4B are in the process of arranging a phase 3 loan with the Council, which will be made up of £32m loan and £8m in equity. This will support the delivery of the acquisition progress in 2025/26 and beyond.

#### **4.7 *Business Planning***

- 4.7.1 Work has commenced on the 2026/27 business planning cycle. A strategy session will be held in November to agree the priorities for the coming year. Draft business plans are scheduled for review by the Board in January, with final versions to be submitted to Cabinet for approval in early 2026.

#### **4.8 *Update from Shareholder & Guarantor Meeting***

- 4.8.1 The latest Shareholder/Guarantor meeting between the Council and i4B/FWH took place on 15<sup>th</sup> September 2025.
- 4.8.2 The Chair of the i4B and FWH Boards, Andrew Hudson, presented a report on the company's acquisition programme, operational performance, financial performance, 2025-26 business plan progress, risks and governance to the Council's Chief Executive, Corporate Director of Finance & Resources and the Deputy Leader of the Council.
- 4.8.3 The Shareholder/Guarantor noted the absence of updated financial reporting for 2025/26 and requested that a report be provided by the next Board meeting on 25<sup>th</sup> September 2025 and monthly thereafter. This will offer assurance that

the companies continue to be viable, are operating effectively and that appropriate oversight is in place. The Shareholder acknowledged the ongoing efforts to strengthen financial monitoring, reporting, and budget setting but emphasised the importance of interim reporting until the new financial framework is established.

- 4.8.4 The Shareholder/Guarantor observed that, consistent with challenges experienced across the Council's housing stock, the Companies continue to face persistent issues with void properties. The Chair advised that targeted work is underway to address these concerns, supported by enhanced Board oversight of operational delivery and a renewed focus on improving income performance. These priorities informed the recent decision to expand the Board, ensuring the necessary capacity and expertise to support strategic and operational improvements. The Chair continues to meet regularly with the Director of Housing Services and Interim Corporate Director of Housing and Resident Services, and the Director of Housing Services regularly attends company board meetings.

#### 4.9 *Acquisitions*

- 4.9.1 Movements in interest rates and other factors mean that i4B will find it harder to acquire properties in 2025/26 within its financial criteria. Nonetheless, the Chair updated the Shareholder on the progress of the 2025/26 acquisition programme, namely, that i4B have identified and made offers on 16 properties against a target of 15.
- 4.9.2 i4B will continue to explore a range of possible opportunities, e.g. conversions of non-residential property to residential use, as well as acquisitions. The additional expertise provided by the new independent non-executive directors will strengthen this work.

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

- 4.1 N/A

### 6.0 **Financial Considerations**

- 6.1 Financial considerations are outlined in section 4.6 above.

### 7.0 **Legal Considerations**

N/A

### 8.0 **Equality, Diversity & Inclusion (EDI) Considerations**

N/A

### 9.0 **Climate Change and Environmental Considerations**

N/A

#### **10.0 Human Resources/Property Considerations**

N/A

#### **11.0 Communication Considerations**

N/A

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources