

	Audit and Standards Advisory Committee 24 March 2026
	Report from the Chief Executive and Corporate Director of Finance and Resources
Report on i4B Holdings Ltd and First Wave Housing Ltd	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Two Appendix 1: i4B Risk Register Appendix 2: FWH Risk Register
Background Papers:	N/A
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1.0. Executive Summary

1.1. This report provides assurances to the Audit and Standards Advisory Committee (The 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 February 2026.

2.0. Recommendation(s)

2.1. The 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 Detail

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.

3.2 Governance Assurance Overview

Governance Framework

- 3.2.1 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 477 properties, plus the key worker block, Lexington, with 153 flats.

Table 1 i4B portfolio as of February 2026

	1 Bed	2 Bed	3 Bed	4 Bed+	Total
Breakdown of units	67	203	145	62	477

- 3.2.2 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.
- 3.2.3 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.

Oversight Mechanisms

- 3.2.4 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.

Board Composition and Capacity

- 3.2.5 The current Board structure includes an independent Chair, two independent non-executive Directors with finance and property expertise, and three internal Directors. Since the last report the following changes have been made to the Board membership:

- Sadie East stood down as a Director from 31 January 2026, following her departure from the Council.
- Jonathan Kay joined the Board as a Council Director on 16 March 2026.

3.2.6 The Chief Executive conducts an annual appraisal of the Chair of the Board. and the Chair also carries out an annual Board self-assessment to support continuous effectiveness and good governance.

Board Governance and Regulatory Oversight

3.2.7 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.

3.2.8 An audit into the Companies' leasehold billing and charges is currently underway and expected to be finalised during 2026/27. 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.

3.2.9 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 2025 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 March Board meeting.

Risk

3.2.10 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, management of the Home Counties contract, and future capital investment decisions.

Financial Performance

3.2.11 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.

3.2.12 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 thus the Company's ongoing financial viability.

3.2.13 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.

3.2.14 In January 2026, i4B agreed the terms for a phase 3 loan with the Council, which is made up of £32m loan and £8m in equity. This will support the delivery of the acquisition progress in 2026/27 and beyond.

Business Planning

3.2.15 The development of the 2026/27 business plan has now been completed. The draft plans were reviewed by Board in January and subsequently agreed by the Shareholder/ Guarantor in February. Cabinet approved the finalised plans on 9 March 2026.

3.3 Update from Shareholder & Guarantor Meeting

3.3.1 The latest Shareholder/Guarantor meeting between the Council and i4B/FWH took place on 6 February 2026.

3.3.2 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 Corporate Director of Finance & Resources and the Deputy Leader of the Council.

3.3.3 Operational performance formed a major part of the discussion. Voids remain a persistent challenge, reflecting broader pressures across the Council's housing stock. While some progress has been made, the overall performance remains significantly below target, and legacy voids continue to distort figures. Rent collection performance is also substantially below expectations. Although recent staff absence has affected progress, a revised improvement plan from the Housing Management Service (HMS) is now in place. The Shareholder/ Guarantor encouraged the Board to consider whether the current tenancy management model remains appropriate for the Companies and to explore alternative and innovative approaches where necessary.

3.3.4 On financial performance, the Chair reported early signs of improvement, with new financial processes beginning to embed across budget holders. The Shareholder/Guarantor welcomed the reduction in disrepair cases, the significant reduction in budget variances this year compared with last, and the improved clarity in reporting.

3.3.5 The meeting also considered the Companies' longer- term strategic direction. Proposals were presented for exploring new ways of increasing stock, including small- scale development schemes, partnerships with local builders, opportunities in the Home Counties, and the conversion of commercial units. The business plans include work to be done on these possibilities. The discussion also highlighted a capacity gap within the Companies, with the Shareholder/Guarantor noting that additional senior operational or development resource may be required to translate strategic concepts into deliverable work programmes. The Shareholder/Guarantor requested that these strategic considerations be reflected in the 2026/27 Business Plans, alongside strengthened SLA arrangements, clearer contract management, and an assessment of resource requirements for new areas of work.

Acquisitions

3.3.6 Movements in interest rates and other market factors mean that i4B is likely to continue facing challenges in acquiring properties within its financial criteria during 2026/27. Despite these pressures, the Chair reported positive progress against the 2025/26 acquisition target of 15 properties. To date, i4B has completed six acquisitions, with a further 13 properties progressing through various stages of conveyancing.

3.3.7 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.

3.3.8 Following the recent government announcement of loan availability at 0.1% interest under the Social and Affordable Homes Programme (SAHP) 2026-2036 administered by the GLA, FWH is working closely with Council colleagues to prepare a bid. This funding opportunity will support the delivery of additional new homes within the borough.

4.0 Stakeholder and ward member consultation and engagement

4.1 N/A

5.0 Financial Considerations

5.1 None other than outlined within the report.

6.0 Legal Considerations

6.1 None other than outlined within the report.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 N/A

8.0 Climate Change and Environmental Considerations

8.1 N/A

9.0 Human Resources/Property Considerations

9.1 N/A

10.0 Communication Considerations

10.1 N/A

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources