



CITY OF WESTMINSTER

MINUTES

Shareholder Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Shareholder Committee** Committee held on **Monday 6th December, 2021**, Rooms 18.01 - 18.03 - 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Heather Acton, David Harvey, Rachael Robathan (Chairman) and Paul Swaddle

Apologies for Absence: None

1 WELCOME, TERMS OF REFERENCE AND MEMBERSHIP

- 1.1. It was noted that the terms of reference approved by Cabinet in July 2021 had been subject to a minor amendment made in line with the delegated authority provided to the Executive Director of Finance and Resources. The amendment added paragraph 4.5.3 as follows:

“Certain decisions, including the nomination of Directors, may be taken outside of meetings by signed resolution of a majority of Committee Members.”

2 DECLARATIONS OF INTEREST

- 2.1. There were no declarations of interest.

3 WESTMINSTER BUILDS MID-YEAR REPORT

- 3.1. Cllr Jacqui Wilkinson, Chairman of Westminster Builds, gave an overview of the status of the work underway by Westminster Builds, including the move of the Company into a more practical, delivery phase across all of its work.
- 3.2. James Green, Managing Director of Westminster Builds, highlighted that there have been a number of early successes this year and highlighted a small number of examples of construction, delivery and acquisition as noted in the report. James Green also noted a number of challenges both in terms of delivery and finances but reassured Members that these are being managed, monitored and mitigated.

- 3.3. James Green's updated also noted the following key points. The model being worked towards is for the Company as a special purpose vehicle. There is an updated risk register for the Company which notes Brexit and COVID implications for price, resource availability and wider market forces which are also being monitored and mitigated where possible. Noted close links with council departments, including Finance, Legal and Planning, which support the Company to deliver its objectives.
- 3.4. Directors reported that, overall, the Company is performing against the business plan and look forward to taking stock and reviewing the business plan and objectives for the Company ahead of 2022/23
- 3.5. Cllr Rachael Robathan asked about demand for certain types and size of housing across various schemes including West End Gate and Carrick Yard. Debbie Jackson, the council's Executive Director of Growth, Planning and Housing responded, as this is assessed by the council not the Company, that council schemes are based on a housing needs analysis which is refreshed each year. The demand analysis for West End Gate will be shared with the Committee.
- 3.6. Cllr David Harvey asked why everything on the risk register was noted as such high risk, how are these managed on an ongoing basis and was there capacity in the team to do that. James Green responded that what a development Company does is inherently risky and clarified that amber markers on the register show where there are good mitigations in place. Steve Muldoon, the Company's Finance Director noted that the green risks had been filtered out for the purposes of this report and there is a longer list of risks being monitored. James Green noted that staffing is a challenge but it is being worked on constantly.
- 3.7. Cllr Paul Swaddle also noted concern about the approach being taken to sales at Carrick Yard, similar to Cllr Robathan previously, and emphasised the importance of clarity when planning development against demand.
- 3.8. Cllr Rachael when it is anticipated that peak debt to the council's General Fund will be if the forecast is that the debt will be repaid to the council to 2060. Steve Muldoon commented that the business plan will be brought back to this Committee in March and this will cover the issue of peak debt point.

4 WESTMINSTER BUILDS - APPOINTMENT OF DIRECTOR

- 4.1. Cllr Rachael Robathan asked if there will be a separate paper on the appointment of a Managing Director and a review of the correct level of resourcing and mix of board members including non-executive directors.
- 4.2. Debbie Jackson responded that the recommendation in front of the Committee makes the board up to the right level of directors for now. The model for the Company is however that it is resourced in house by council officers and their time is recharged. A full review will however be conducted on resourcing levels and board membership ahead of the March meeting of this Committee.
- 4.3. The Committee voted to accept the recommendations.

RESOLVED: The Shareholder Committee agreed that Neil Wightman, Director of Housing at Westminster City Council should be appointed as a Board Member of Westminster Builds, in the form of Westminster Housing Investments Ltd and Westminster Housing Developments Ltd. and that the secretary of the Company should make the necessary entries in the statutory books of the Company and to make the necessary filings at Companies House.

5 WESTMINSTER BUILDS - APPOINTMENT OF AUDITORS

5.1. The Committee voted to accept the recommendations.

RESOLVED: The Shareholder Committee ratified the appointment of Cooper Parry Group Limited to be the auditor for Westminster Housing Investments Limited and Westminster Housing Developments Limited for the year ended 31 March 2021 and approved the appointment of the same Company to be the auditor for Westminster Housing Investments Limited and Westminster Housing Developments Limited for the year ended 31 March 2022.

6 WESTMINSTER COMMUNITY HOMES MID-YEAR REPORT

- 6.1. James Green, Chairman of Westminster Community Homes and Steve Moore, Chief Executive of the Company, gave an overview of the schemes and stock being managed including the pipeline from Westminster City Council.
- 6.2. Steve Moore noted that there only a small number of leaseholders still to agree to sell at Ebury Bridge Estate. This is a phased approach and incrementally progress is being made, hopefully without the need for a CPO.
- 6.3. Steve Moore also noted his decision to retire in July 2022 and this, combined with a change in financial circumstances whereby the Company used to be the development delivery vehicle for the council but is no longer, mean that the financial and operational future of Westminster Community Homes needs to be considered by the council.
- 6.4. Cllr Rachael Robathan, and the whole Committee, noted their thanks for the brilliant job Steve Moore has does as Chief Executive of Westminster Community homes, and further noted the excellent work of the company as set out in the report.
- 6.5. Cllr Rachael Robathan noted that there are more pressures on the Affordable Housing Fund and these need to be reviewed by the council to look at the full mix of housing routes available and how benefit is maximised. Also officer were asked to undertake a more detailed piece of work about how we build on successes of Westminster Community Homes to date and when thinking about its purpose and how this fits as part of the council's wider ambitions. Opportunity to explore future role around leaseholder acquisitions.

7 WESTMINSTER COMMUNITY HOMES - APPOINTMENT OF DIRECTOR

7.1. The Committee voted to accept the recommendations.

RESOLVED: The Shareholder Committee agreed that Cllr Susie Burbridge should be appointed as a Board Member of Westminster Community Homes until the May 2022 local elections, and that the secretary of the Company should make the necessary entries in the statutory books of the Company and to make the necessary filings at Companies House.

8 WESTCO MID-YEAR REPORT

- 8.1. Cllr Tony Devenish, Chairman of Westco asked Ian Farrow, Managing Director of Westco to give an overview. Ian Farrow gave an overview of the history of Westco to place performance in context. Overall the Directors' assessment is that performance is strong but there are challenges arising from the COVID-19 pandemic and the council's own Communications and Engagement review. In response to both, Westco reviewed its business model and innovated its offer to the wider market. This has already achieved benefit as set out in the report, and the ambition for next year is to build on these.
- 8.2. Cllr David Harvey asked what the workforce challenges are in a business which is primarily people driven and where the report notes pay and conditions as challenging areas. Ian Farrow and Christos Pishias, Westco's Associate Director, noted that this is an area which is being actively worked on and there are really good insights into how to retain people. Other areas around pay and reward are being considered, including options such as mutualisation.
- 8.3. Cllr Paul Swaddle noted that the product mix is important and if 60% of the business is placing people and people for hire, how is mix being managed in the current context. Ian Farrow responded that the company is working directly with local authority clients and professionalising the business. Day rates are going up for those Westco want to work with and the Company doesn't just place people but instead offers wider services which add an extra layer of value to clients.
- 8.4. Cllr Rachael Robathan asked if the Westco Academy is new this year. Ian Farrow responded that although it has been in place for a number of years, it was more successful this year, possibly because of the pandemic and the flexibility this has afforded the Company in running events. 80-90% of attendees are drawn from across Local Government, but Central Government and the NHS also sent delegates. Cllr Heather Acton asked about pricing. It was confirmed that prices vary for different courses but the ambition is always to try to keep below £100 to keep competitive and respond to the market.

9 FUTURE WORK PROGRAMME OF MEETINGS

10 ANY OTHER BUSINESS

The Meeting ended at 14:03

CHAIRMAN: _____

DATE _____