



CITY OF WESTMINSTER

MINUTES

Shareholder Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Shareholder Committee** held on **Tuesday 26th March, 2024**, .

Members Present: Councillors Liza Begum, David Boothroyd, Adam Hug and Matt Noble

1 WELCOME AND DECLARATIONS OF INTEREST

The Chair, Councillor Adam Hug, welcomed everyone to the meeting.

The Chair noted that no apologies had been given for the meeting, and that no Declarations of Interest had been made.

2 MINUTES

The Chair asked if the Committee were able to approve the meeting minutes from the Shareholder Committees held on both 27 November 2023, and 29 January 2024. The committee indicated that both sets of minutes could now be approved.

3 WESTMINSTER COMMUNITY HOMES - BUSINESS PLAN 2024/25

The Chair invited Neil Tryner to the meeting.

Neil Tryner spoke to the Business Plan 2024-25 for Westminster Community Homes.

Neil Tryner talked through how the business is operating, noting that inflation and pressures are up, meaning that costs are up as well. Neil Tryner informed the committee that the business plan outlines that they will meet KPIs, as well as have a healthy level of surplus.

Neil Tryner said that the Board asked for stress tests to be applied, and that the business plan holds up against these stress tests, such as if there is a rent cap or a further inflation increase, the business can survive these.

The Chair thanked Neil Tryner for speaking to the report and invited the committee to ask any questions.

Councillor Liza Begum asked how Westminster Community Homes will know if they are reaching their financial KPIs, to which Neil Tryner responded that they will be measured during monthly check-ins.

Councillor David Boothroyd asked how they are seeking to minimise actual spend during the refresh. Neil Tryner confirmed that this will be part of the sweep up activity to identify and remedy the outstanding day to day repairs that have not yet been reported. He confirmed this would come from the £2m investment into the refresh.

Councillor David Boothroyd also commented that the stress tests are a welcome activity. Councillor David Boothroyd asked whether the lower income from temporary accommodation will have an adverse impact. Neil Tryner said that some units have been handed back, but they are currently working on how they can make those units permanent.

Councillor Matt Noble asked about the impact of the rise of inflation, to which Neil Tryner replied that this was part of the stress tests they have completed, and that they would expect rents to rise with inflation.

The Chair asked about the issue of increased shared ownership, and whether these lease agreements were put in place when inflation was lower. Neil Tryner responded that these agreements were put in place with the figures prior to September, which are in line with the lease agreements.

Councillor Hug also asked about improving standards for existing tenants, and whether Westminster Community Homes has the capacity to deliver on this. Neil Tryner confirmed that they have revised their services, and that there will be an uplift in resources.

The Chair asked the committee to approve the business plan for Westminster Community Homes 2024-25. The committee indicated approval.

4 WESTMINSTER BUILDS - BUSINESS PLAN 2024/25

The Chair informed that the committee would move to a private session. The live stream was stopped, and all other attendees were asked to leave the room.

The Chair welcomed James Green and Zohaib Nizami to the meeting, and asked them to introduce the Westminster Builds business plan for 2024-25.

James Green spoke through the business plan, highlighting that the RCR remains stabilised at 1.2m up to 2030.

The Chair invited the committee to ask any questions.

Councillor Matt Noble asked about the future of Westminster Builds, and how they see the organisation changing, now that they're less involved in development. James

Green confirmed that the company is transitioning more into a housing management organisation, rather than the initially intended purpose of developing the homes, but that further conversations were required to ensure the company continues to serve a useful purpose for the Council.

Councillor Hug asked what work had been done to identify particular niches, and if the Westminster Builds model offers anything other mechanisms do not have. James Green replied that the company offers more commercial flexibility due to being at arms' length from the Council.

Councillor Hug went on to ask what tenure type is their structure best suited to. James Green responded that the company has been in a period of maximum capacity in the last few years, but they are more suited to delivering multiple smaller schemes. Debbie Jackson also commented that this has worked quite well for limited risk and exposure.

Councillor David Boothroyd commented that Westminster Builds was primarily set up as a development arm, but asked if there is capacity to start partnering with outside bodies for the development pipeline. James Green said that their business plan outlines that they will be delivering on Ebury, and that the Council will be best placed to decide on other schemes they want Westminster Builds to deliver.

The Chair noted no other questions, but that they would like an update on build to rent and potential sites from Westminster Builds.

The Chair asked the committee to approve the business plan for Westminster Builds 2024-25. The committee indicated approval.

5 WESTCO - BUSINESS PLAN 2024/25

The Chair welcomed Ian Farrow (in person) and Christos Pishias (online) to the meeting. They were asked to introduce the report outlining the business plan for Westco 2024-25.

Ian Farrow spoke to the report, highlighting that it has been a challenging year for both clients and local government. He outlined that the business plan has a modest growth projected for next year in revenue, and that the company forecast to break even for profitability.

The Chair invited the committee to ask any questions.

Councillor David Boothroyd commented that it has been a difficult time for the company, and that they have successfully restructured. Councillor David Boothroyd ask what has led to the selected areas for growth outlined in the report. Ian Farrow replied that this is partly due to history, as the company has always completed work within the public sector, and that they are trusted because of that. Westco have also won a contract for the Hertfordshire Fire Services.

Councillor David Boothroyd also asked if there was scope for investment in IT services, to widen their offer, to which Ian Farrow replied that there is, and there are more possibilities with the development of AI.

Councillor Matt Noble asked about prospects for growth within the UK and international markets. Ian Farrow said that a lot of consultancy work can be done in the sector, but they are broadening their net to do international work, and that they are in early conversations with people to make this happen. Christos Pishias commented that it is an unpredictable market, but that they have had contracts extended to the end of the year.

Councillor Matt Noble also asked about the profit margins, and if the business were to scale up, would they need more staff. Ian Farrow replied that they have apply different margin rates to different products, and that it depends on the contract.

Councillor Liza Begum asked about Westminster Academy, and their timeline to achieving their objectives here. Ian Farrow replied that they run the academy more as a marketing tool, with more affordable services, to attract the use of further services. He commented that this could do with further investment.

Councillor Hug asked about the overheads calculation, and if this includes costs such as use of the building. Lyndsey Gamble replied that this does not include accommodation, or charging for her or any of the finance team's time. Councillor Hug noted that this is a cost that the company is effectively saving and should be more clearly understood.

Councillor Hug also asked about turning short term clients into longer term clients. Ian Farrow replied that their contract with the Hertfordshire fire services will likely expand to other services if it proves a success. Councillor Matt Noble asked if they will use this to expand to other contracts in Hertfordshire, and other Fire Services, to which Ian Farrow replied that they will.

The Chair asked the committee to approve the business plan for Westco 2024-25. The committee indicated approval.

6 ANY OTHER BUSINESS

No other business was noted.

The meeting ended at 15.13.

CHAIRMAN: _____

DATE _____