



City of Westminster

Committee Agenda

Title: **Shareholder Committee**

Meeting Date: **Monday 22nd July, 2024**

Time: **11.00 am**

Venue: **Room 18.04/05, 18th Floor, Westminster City Hall SW1E 6QP**

Members: **Councillors:**

Liza Begum
David Boothroyd

Adam Hug (Chair)
Matt Noble



Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Alfie Bailey.

**Email: abailey@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Committee and Governance Services in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

If required, the Committee may resolve to exclude the press and public from any other part of the meeting should any specific item of business so require on the grounds that discussions may involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended). Some reports on the agenda may include confidential information which is exempt from publication. The Committee may need to discuss this information in private session before any necessary decisions are taken afterwards, in public session.

- 1. WELCOME AND DECLARATIONS OF INTEREST**
- 2. MINUTES** **(Pages 5 - 10)**
To consider the minutes from the previous committee.
- 3. WESTMINSTER BUILDS END OF YEAR 2023/24 UPDATE** **(Pages 11 - 18)**
To consider the financial and operational performance for the 2023/24 period.
- 4. DIRECTOR APPOINTMENT FOR WHIL AND WHDL** **(Pages 19 - 20)**
To consider an appointment to the WHIL and WHDL boards to ensure good governance of the companies.
- 5. WESTMINSTER COMMUNITY HOMES END OF YEAR 2023/24 UPDATE** **(Pages 21 - 28)**
To consider the financial and operational performance for the 2023/24 period.
- 6. DIRECTOR APPOINTMENT FOR WESTMINSTER COMMUNITY HOMES** **(Pages 29 - 30)**
To consider an appointment to the Westminster Community Homes board to ensure good governance of the company.

PART 2 (IN PRIVATE)

7. WESTCO END OF YEAR 2023/24 UPDATE

To consider the financial and operational performance for the 2023/24 period.

(Pages 31 - 54)

8. ANY OTHER BUSINESS

**Stuart Love
Chief Executive
12th July 2024**

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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 _____

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City of Westminster

Shareholder Committee Report

Decision Makers:	<i>Shareholder Committee</i>
Date:	22 July 2024
Classification:	General release except for Appendix 1 which is exempt from disclosure as it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972.
Title:	Westminster Builds 23/24 Year End Update & 24/25 forward look.
Wards Affected:	All
Fairer Westminster Summary:	Fairer Housing – Delivering more truly affordable homes.
Key Decision:	No
Financial Summary:	The 2023/24 accounts are in the process of being audited and are almost finalised pending a valuation adjustment. Westminster Builds remains a going concern with further planned acquisitions in 2024/25 bolstering the portfolio of intermediate homes to 113. The company made a provisional operational profit of £0.437m in 2023/24.
Report of:	James Green, Zohaib Nizami, – Westminster Builds Directors

1. Executive Summary

- 1.1. Westminster Builds managed 71 intermediate rent homes at the end of March 2023/24, purchased from Council developments. The company has also overseen, through its joint venture with Linkcity, the successful completion of Luton Street, a development of 171 homes including 62 affordable.
- 1.2. The company expects to manage 113 intermediate homes by the end of 2024/25
- 1.3. Accounts for 2023/24 are in draft form, with the audit almost complete. These are summarised in section 4.
- 1.4. The company is continuing to pursue several workstreams in 2024/25 to improve efficiency and financial position, as well as a focus on risk management and a review of the role of Westminster Housing Developments Ltd (WHDL) in the delivery of Ebury Phase 2.

2. Recommendations

- 2.1. That the Shareholder Committee is asked to note this report.

3. WB Background & Policy Context.

- 3.1. Westminster Builds (WB) is the trading name of two companies: Westminster Housing Investments Limited (WHIL) and Westminster Housing Developments Limited (WHDL). The Council is the sole shareholder of WHIL, which in turn is the sole shareholder of WHDL. Therefore, WB is wholly owned by the Council, who also provide 100% of the company's funding through a combination of shareholder loans, development and acquisition finance and a working capital loan
- 3.2. WB was set up in 2018 to help increase the delivery of affordable housing to those who live and work in Westminster but cannot afford the cost of housing appropriate to their needs. It gives the Council an additional option when considering how it best delivers the schemes planned within its capital programme.
- 3.3. It enables the Council to embark on schemes which, for example, have a more commercial dynamic to them and to enter into joint ventures and other delivery vehicles, or to hold intermediate and market rental homes in order to diversify the council portfolio of tenures.
- 3.4. Following a director resignation in April 2024, the board is currently non-quorate and therefore cannot make decisions. The power to appoint is delegated to the serving directors under the Articles of Association. A new director Gill Matthews has appointed as a matter of urgency and the committee are asked to note this. A separate paper has been prepared for this for the committee to approve.

4. Draft Accounts Update for 2023/24 vs Business Plan

- 4.1. The company accounts for 2023/24 are in final draft and are close to sign-off. There is a final amendment to a site valuation being worked through. A summary of the draft profit and loss account for the year is presented below. Full final accounts will be presented at the next meeting in October 2024. If there are differences to the below draft, they will be fully explained at this meeting.
- 4.2. The company returned an operating profit of **£0.437m**. The Business Plan for 2023/24 assumed a loss of **£0.255m**. Key variances reasons are a decrease in interest payable due to delays in acquiring homes at 300 Harrow Road and West End Gate. Interest receivable is also higher than forecast, as additional interest income has been received from cash balances held.

Table 1 – Operational Profit and Loss Account 23/24

	2024 (£000's)
Rental Income	840
Misc Income	140
Total Income	980
Administrative expenses	(543)
Total expenditure	(543)
Operating surplus	437
Fair value movement in investment property	686
Income from Investments	7,650
Interest receivable and similar income	283
Interest payable and similar expenses	(683)
Profit before tax	8,373
Tax on profit	(2,130)
Profit after tax	6,243

- 4.3. Fair value movements in investment property of £0.686m is an accounting adjustment to reflect the overall increase in WHIL property values in 2023/24 from 2022/23.
- 4.4. Income from Investments of £7.650m is the in-year cash profit received from the Luton Street Sales. This cash will be utilised to purchase the 35 homes at 300 Harrow Road in Q2 24/25.
- 4.5. Interest receivable of £0.283m is the bank interest received in 23/24.
- 4.6. Acquisition loans provided by WCC are the key driver behind the net interest cost of £0.683m.
- 4.7. Corporation Tax of £2.130m is due to be paid to HMRC. This is largely due to the accounting and cash profit from the Luton Street scheme.
- 4.8. As of 31 March 2024, WHIL had total debt of **£38.9m** of which **£37.9m** was acquisition loans owed to WCC. Total Assets at the same date were **£47.9m**. This gives a debt to asset ratio of **79%**. This could be considered high; however, it must be remembered that WHIL is currently fully funded by WCC and would be highly unlikely to seek external sources of debt funding.

4.9. Additionally, each acquisition is assessed before being approved to ensure the company is not taking on a loss-making scheme which would require the council to inject more debt just to ensure WHIL remains a going concern.

5. Update on Key Activities for 2024/25

5.1. The company has continued to deliver on its business plan commitments and has 100% occupation rates across its intermediate rent portfolio, with 72 of 72 homes let, including 8 newly transferred homes at West End Gate.

5.2. The company will also acquire 35 one-bedroom homes at 300 Harrow Road in Q2 of 2024/25. These homes will all be let at London Living Rent. These homes will be purchased using the company's own internal funds, meaning 100% of the profit is retained, with no principal or interest payments due to WCC. This was made possible by the profits generated from the Joint Venture at Luton Street, highlighting the potential of developing schemes with a private sale element in Westminster Builds in the future.

5.3. The 2024/25 Business Plan, approved by Shareholder Committee in March 2024, saw the portfolio increase to 113 homes by the end of 2024/25, with 7 additional homes also being acquired at Luxborough Street.

5.4. The Business Plan assumes the delivery of Ebury Phase 2 through Westminster Builds. A detailed piece of work is currently being undertaken to analyse different delivery routes, with a formal decision being taken before the end of 2024. There is no impact on programme delivery timescales, as the main construction contract is not being awarded until Autumn 2025, however, it is important to finalise the intended delivery route well before that so appropriate governance can be put in place if Westminster Builds is the chosen route.

5.5. The Shareholder Committee approved a report in March 2023 stating the need for a new registered provider in WB's structure to secure GLA grant for the Council and company. This for-profit registered provider will allow homes built by the Council and managed by Westminster Builds to attract grant, in turn increasing the delivery of affordable housing across Westminster. The first stage of the application process is complete and feedback is due from the Housing Regulator, with the second stage application due to commence in the second half of 2024.

5.6. The 2024/25 Business Plan highlighted the ability to now analyse costs and income by site in more detail now homes have been under ownership for more than a year. Further work will be undertaken with the WCC Housing team to streamline the fee charging process and ensure up to date costs are reflected in management accounts.

5.7. The risk register will also be improved for 2024/25, with the Company working collaboratively with the internal Strategy and Intelligence team in order to explore and quantify risks further as well as identifying new risks as the company holds properties start to age.

5.8. The company will continue to make principal and interest payments on its loans taken from WCC. Appendix 1 shows the loans currently outstanding and a

demonstration that funds have been used for the outcomes for which they were originally given.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

gnash@westminster.gov.uk

Appendix 1 – Loan Schedule

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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City of Westminster

Shareholder Committee

Meeting or Decision Maker:	Shareholder Committee
Date:	
Classification:	General Release
Title:	Appointment of Gill Matthews as Interim Director of Westminster Housing Investments Limited (“WHIL”) and Westminster Housing Developments Limited (“WHDL”)
Wards Affected:	All
Company Affected:	WHIL and WHDL
Fairer Westminster/Policy Context:	Good governance of council-owned companies
Key Decision:	No
Report of:	James Green & Zohaib Nizami – Company Directors

1. Executive Summary

- 1.1 The Shareholder Committee holds delegated authority to act on behalf of the Council for a number of key decisions, including the nominations of Directors to be appointed to the Board of a subsidiary.
- 1.2 The new appointee will become a Director of WHIL and WHDL.

2. Recommendations

- 2.1 It is recommended that:
 - Gill Matthews, Head of Homelessness Prevention is appointed as a Director of WHIL and WHDL, subject to the provisions of the Companies Act 2006.
 - The secretary of the Company is instructed to make the necessary entries in the statutory books of the Company and to make the necessary filings at Companies House.

3. Reasons for Decision

- 3.1 Following the resignation of a previous director, to maintain quoracy and enable decisions to be made, a new director appointment is required.

4. Financial Implications

- 4.1 There are no financial implications associated with this decision.

5. Legal Implications

- 5.1 The authority for the Shareholder Committee to make appointments to the boards of the council's wholly owned companies was delegated by decision of Cabinet on 12 July 2021. Training will be provided to ensure conflicts of interest are understood and managed appropriately as well as the individual appointed is able to act in line with the responsibilities conferred on them under the Companies Act 2006.

6. Carbon Impact

- 6.1 There are no direct carbon implications from the appointment of an existing council employee to the Board of WHIL and WHDL.



Shareholder Committee Report

Decision Makers:	<i>Shareholder Committee</i>
Date:	22 nd July 2024
Classification:	For General release
Title:	Westminster Community Homes- Review of 2023/24 Performance
Wards Affected:	All
Fairer Westminster Summary:	Fairer Housing
Key Decision:	No
Financial Summary:	Financial implications are contained within the Business Plan and Cash Flow previously approved.
Report of:	Neil Tryner, WCH Chief Executive

Executive Summary

This report outlines:

- The Year end position regarding performance against KPI measure for landlord services.
- The Year end position regarding performance against KPI measures for financial viability.
- The Year end position regarding delivery of the 2023/24 annual management plan.
- The revised strategic priorities for delivery in 2024/25.
- The year end position regarding our self-assessment against the NHF Code of Governance, Regulatory standards for Rent, VFM, Governance and Financial viability and the Consumer Standards for Safety and quality, Tenancy, Transparency, influence, accountability and Neighbourhood and Community.

Recommendations

The Shareholder Committee are asked to:

- (a) Note and comment on the year end performance of landlord metrics.
- (b) Note and comment on the year end financial metrics.
- (c) Note and comment in the delivery of the 23/24 management plan.
- (d) Note and comment on the revised strategic priorities for 24/25.
- (e) Note and comment on the self-assessment against Standards.

1. The Year end position regarding performance against KPI measures for landlord services

1.1 WCH Board received and reviewed the full KPI year-end report at the May Board meeting. Most measures are on target and key highlights are:

- Overall Resident Satisfaction with Landlord achieved 84% against a target of 85%.
- Void turnaround was delivered in 7.1 days against a target of 12 days.
- Satisfaction with repairs completed within the last 12 months was 55%.
- Annual tenancy checks were achieved for 50% of all tenancies meeting the annual target.
- Arrears for Assured tenancies ended the year at 3.05% against a target of 3%.
- New Homes delivered were the 20 new homes at Victoria Wharf meeting our development target.
- Complaints handling for stage 1 and stage 2 complaints is a new measure following extensive work to enable WCH data to be disaggregated from WCC data. During the year we processed 57 stage 1 complaints, with 19 (33%) dealt with in time and 15 stage 2 complaints with 4 (26%) dealt with in time.
- Repairs completed on time for emergency repairs were at 96%
- Repairs completed in time for non-emergency repairs were 67%.

1.2 The two areas of concern for WCH are the complaints handling performance and the non-emergency repair completed on time. Specific actions are being taken within WCH and also with WCC teams delivering these aspects of the service and improvements are anticipated during the Summer.

2. The Year end position regarding performance against KPI measures for financial viability

2.1 The statutory accounts for the year end are currently being produced and will be received by the Board on the 6th of August. Financial performance has been strong throughout the year and the anticipated year end position will include:

- WCH are predicting an operating surplus of £960k.
- Full year income of £6.146m of income and £5.186m of expenditure.
- Key components of expenditure include service charges (£1.387m), and major works repairs (£712k) demonstrating significant investment in stock quality.
- After accounting adjustments for the year WCH ended the year with a deficit of £1.075m.
- WCH purchased 1 property in 2023/24, 13 Birch House and sold 1 property to the City Council for regeneration, 4 Rye House.
- WCH purchased 6 properties totalling £3.603m for the Church Street regeneration site and 2 properties totalling £1.481m for the Ebury site.

- WCH spent £1.090m on its stock refresh programme.
- WCH repaid £1.278m of long-term loan in 2023/24, split into £970k of principal or capital repayment and £308k of loan interest.

3. The Year end position regarding delivery of the 2023/24 annual management plan

3.1 The Board approved a baseline interim strategy and operational management plan for the year 2023/24.

3.2 The adoption of 4 strategic pillars provided clarity and focus for team members by articulating a golden thread, linking purpose and day to day activity which translates into individual performance targets and reviews and also sets out a framework for the Board to ensure full oversight and challenge.

3.3 The 4 pillars were:

- Be an outstanding Landlord by doing the basics brilliantly.
- Regeneration- Making it Happen.
- Provide more Homes and remain financially strong.
- Support WCC by maximising RP status.

3.4 An annual management plan for the year outlines in greater details the activity to be delivered by each team member. Key elements of delivery during the year include:

- Delivering an EPC rating of C or above for 86% of all applicable homes.
- Delivering 100% Decent Homes compliance for all applicable homes.
- Investing c£2m in our Healthy Homes programme to ensure all our homes are free from hazard, outstanding repairs are completed and are decent homes compliant.
- Procured an Approved Contractor Framework to deliver void works.
- Supporting the Regeneration activity at Church Street and Ebury Estates.
- Supporting Corporate Property manage short term property interests.
- Delivered 20 new Intermediate rented homes at Victoria Wharf.
- Secured £4m of GLA grant to support the MOT yard development at Harrow Road.
- Commenced pre contract works prior to demolition of the MOT yard.
- Supported WCC deliver schools breakfast clubs by providing £45k of funding.

4. The revised strategic priorities for delivery in 2024/25.

4.1 Westminster community Homes has focused its resources and energy on meeting the aspirations of Westminster City Council historically to increase the

provision of affordable homes in the borough and has successfully grown from a standing start in 2012 to 406 units in 2017 and to 502 units today.

- 4.2 We have succeeded in maintaining a strong, solid business that continues to provide efficient landlord services utilising the synergy of a large proportion of stock held in buildings where WCC are the freeholder.
- 4.3 With the successful delivery of our previous strategy, our customer profile, the changing external landscape, and our unique position as a Controlled but not owned Registered Provider of WCC there is an opportunity for us to rethink our place in the sector. We feel that the time is right to take a more proactive and positive position within the sector, and within our parent organisation, Westminster City Council.
- 4.4 Demand for affordable housing in Westminster is acute. Homelessness and acute housing need within Westminster ensures that affordable housing is highly sought after. WCH have previously secured AHG and GLA financial support to increase the supply of affordable housing in Westminster. Many current homes have been funded in this way.
- 4.5 WCH are a small organisation with less than 1000 homes in management. The Board are committed to ensuring standards of governance and service quality reflect those of the highest quality landlords. Increased requirement to ensure the safety of our homes and the financial viability of the organisation place increased pressure on resources.
- 4.6 WCC are unique as a Local Authority in controlling a Registered Provider. WCC have previously utilised this relationship to support temporary accommodation acquisitions, acquisition of resident leasehold interests in Regeneration sites and the provision of assured tenancies for customers.
- 4.7 The Board have during its Strategy time in the Spring reviewed the current Strategic ambitions and refreshed them to ensure they remain relevant and fit for purpose. The Board have revised our purpose to:

Providing Homes we can all be proud of

- 4.8 The Board have also adopted new values:
 - Work together.
 - Think customer.
 - Be trusted.

4.9 The Board have approved the adoption of three Strategic goals:

4.9.1 Modernise the current business to provide homes and services we would be happy with

4.9.1.1 The Board have a desire to continue with the current operational model of services being delivered by WCC due to most of our stock being within WCC blocks. However, any service must be at a quality standard we are content with. We will know we have delivered this by:

- delivering upper quartile KPI data against the basket of KPI benchmarks for peer organisations provided by Acuity.
- Demonstrating a robust VFM assessment of costs and quality in the context of working in Westminster.
- Agreeing robust Service Level Agreements with WCC service provider departments.

4.9.2 Support WCC in its ambition for a Fairer Westminster

4.9.2.1 Westminster Community Homes have identified several key actions which will support WCC meet its overall Fairer Westminster ambitions. WCH are committed to support this agenda by:

- Delivering new affordable homes
- Acquire existing homes and to increase the number of homes managed by WCH.
- Investing in our current stock to ensure all homes are Healthy Homes.
- Support homeless households.

4.9.3 Be a well governed organisation.

4.9.3.1 Due to the nature of services delivered to WCH by Westminster City Council we are committed to ensuring that we deliver appropriate scrutiny and oversight of services provided by all third parties to our customers and ensure remedial actions are taken to deliver excellent services and by default deliver compliant services when assessed against the Regulators Standards.

4.9.3.2 The Board are committed to supporting this intent and will ensure resources are available and skills and experiences held within the team are appropriate.

5. The year end position regarding our self-assessment

5.1 WCH as a Registered provider are subject to several Regulatory Standards. They can be summarised as:

- The National Housing Federation Code of Governance
- Regulatory standards for Rent, Value for Money, Governance and Financial viability
- The Consumer Standards for Safety and quality, Tenancy, Transparency, influence, accountability and Neighbourhood and Community

5.2 WCH have undertaken a self-assessment against the standards, and this has been reviewed by an external Governance advisor to ensure the assessment is robust. The exercise has produced two outcomes; first an evidence file of compliance against each element within each standard and secondly an action plan to ensure gaps in evidence are resolved. The key areas of activity to build on the evidence file against each set of standards are:

5.2.1 The NHF code of Governance

- Following the successful recruitment in 2023 of a new Board there is a requirement to undertake a Board effectiveness process. This will be undertaken in the Autumn 2024.
- Revised Stress tests and Business Plan to undertaken annually. Following the approval of the revised Business Plan, stress tests and cash flow by the Board and the March Shareholder Committee, this action is now complete.
- The successful submission of NROSH statistical data returns. The NROSH stock data return was submitted by the 31st May 2024 and the TSM statistical return has been submitted by the 30th June 2024. This action is now complete.

5.2.2 The rent standard

The Board have considered the requirement to collect income details for households in assured tenancies. WCH currently collect income data for Intermediate rent households and market rent households. The Board following a review and external advice in May 2024 will not seek to collect the data and compliance with this element of the standard is complete by this review.

5.2.3 The Value for Money Standard

A clear approach to benchmarking must be evidenced. The Board have adopted an approach to assessing VFM and the revised statutory accounts when approved in August 2024 will ensure that this action is complete.

5.2.4 The Governance and Viability Standard

A clear approach to risk with a clear policy, tolerance statement and framework to mitigate risks must be evidenced. WCH has undertaken further work to ensure that the elements of risk management are robust. The Board will receive the revised approach in August 2024 and this area will be closed.

5.2.5 The Consumer Standard for Safety and Quality

Requires providers to ensure all health and safety obligations are met to avoid the risk of harm to customers. The Board has received improved assurances on health and safety compliance and is awaiting further assurances on remedial actions for Fire before this standard can be closed.

5.2.6 The Consumer standard for transparency, influence and accountability

Requires providers to be able to evaluate complaints and implement service improvements. The customer voice should also be visible in shaping service design. Focus on the complaints handling process and data disaggregation has produced clarity on current performance in this area and a focus on improved response times is critical during the Summer. A revised service level agreement will also be developed to ensure that the themes of complaints and the feedback from the voice of the customer shape the housing management offer to our customers. This work is anticipated to be ongoing during the year and will not be closed until improved outcomes are achieved.

If you have any queries about this report or wish to inspect any of the Background Papers, please contact:

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City of Westminster

Shareholder Committee Report

Meeting or Decision Maker:	Shareholder Committee
Date:	22 nd July 2024
Classification:	General Release
Title:	Appointment of Cllr Iman Less to the Westminster Community Homes Board
Wards Affected:	All
Policy Context:	Good governance of council-owned companies
Key Decision:	Non-key
Report of:	Richard Cressey, Head of Governance and Councillor Liaison

1. Executive Summary

- 1.1. The Shareholder Committee holds delegated authority to act on behalf of the Council for a number of key decisions, including the nominations of Directors to be appointed to the Board of a subsidiary.
- 1.2. The new appointee will become a board member of Westminster Community Homes and a Director of the company.

2. Recommendations

- 2.1. It is recommended that:
 - Cllr Iman Less is appointed to the Board of Westminster Community Homes, subject to the provisions of the Companies Act 2006.
 - The secretary of the Company is instructed to make the necessary entries in the statutory books of the Company and to make the necessary filings at Companies House.

3. Reasons for Decision

- 3.1. Following the resignation of a previous board member, to maintain quoracy and enable decisions to be made, a new board appointment is required.

4. Financial Implications

- 4.1. There are no financial implications associated with this report. The role of Director is not subject to any remuneration.

5. Legal and Governance Implications

- 5.1. The authority for the Shareholder Committee to make appointments to the boards of the council's wholly owned companies was delegated by decision of Cabinet on 12 July 2021. Training will be provided to ensure conflicts of interest are understood and managed appropriately as well as the individual appointed is able to act in line with the responsibilities conferred on them under the Companies Act 2006.

6. Climate Implications

- 6.1. There are no direct climate implications associated with appointing an existing councillor to the Board of Westminster Community Homes.

7. Equalities implications

- 7.1. There no direct equalities implications associated with appointing an existing councillor to the Board of Westminster Community Homes. The make-up of the board will continue to be monitored by the company to ensure diversity of representation. Further detail on the current make-up of the Board was covered in the report to the Board appointing five new Board Members on 27 November 2023.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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