



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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