



Shareholder Committee City of Westminster Report

Decision Maker:	Shareholder Committee
Date:	27 th March 2023
Classification:	For General Release
Title:	Westminster Community Homes – Operational and Financial activities 2022/3 and Future direction
Wards Affected:	All
Key Decision:	No
Report of:	WCH Chief Executive and WCH Chairman

1. Executive Summary

1.1 This report outlines:

- Extension of two Board Members term of service by up to one year
- Seeks approval of Jones Avens as WCH Auditors for 2022/23 and 2023/24
- Seeks approval of the appointment of Neil Tryner as the Company Secretary
- Performance 2022/23
- Proposals for Future Direction for WCH

1.2 Appendix A and B are confidential as it contains Commercially Sensitive Information (Exempt) and is not for publication.

2. Recommendations

2.1 The Shareholder Committee are asked to:

- (a) Note the extension of terms of service for two WCH Board Members (Para 3.2)
- (b) Approve the appointment of Jones Avens as WCH External Auditors for 2022/23 and 2023/24 (Para 4)
- (c) Approve the appointment of Neil Tryner as the Company Secretary (Para 5)
- (d) Note Performance in 2022/23 (Para 6)
- (e) Note the proposed review of WCH and production of a paper setting out the future direction (Para 7)

3. WCH Governance

- 3.1 WCH was set up by the City Council in December 2009 as a Co-Operative & Community Benefit Society with charitable objectives and became a Registered Provider in December 2010. It is a 'not for profit' body, where the shareholders' derive no financial benefit and their rights are significantly less than in ordinary companies. Through their charitable objectives, WCH have tax exemptions through which it does not pay Corporation Tax, Capital Gains or Stamp Duty but does pay VAT.
- 3.2 WCH has a five-person Board who are all nominated by the City Council. There are currently two vacancies, so the Board are at the minimum level to be quorate. The City Council have advised WCH that it wants to conclude its consideration of the 31Ten report into the various City Council subsidiary companies before deciding on the Board recruitment. As both James Green and Olivia Harris reach the end of their six year term in 2023, at the WCH Board meeting in February it was agreed to extend their terms on the Board for up to a further 12 months in order to ensure the Board remains quorate and WCH meets its regulatory requirements.
- 3.3 WCH would welcome an update from the City Council on the timing for consideration of the 31Ten report and resulting decision on WCH Board recruitment.

4. **Appointment of External Auditors**

- 4.1 In October 2022, WCH carried out a tender exercise for its Audit Services. The current auditors have been in place for several years and the Board felt it was time to test the market once again. Three companies including the current Auditors were invited to tender. All three were contacted in advance and indicated that they would be interested in submitting a tender. Unfortunately two of the three companies decided not to proceed both citing difficulties in recruiting suitably experienced Auditors. This left the existing auditors as the only tenderers.
- 4.2 Their tender was evaluated and met the requirements provided in the tender documentation and WCH Board have approved the appointment of external auditors, Jones Avens for 2022/23 and 2023/24 subject to City Council confirmation.

5. **Appointment of Company Secretary**

- 5.1 The current CEX, Steve Moore has undertaken the duties of the Company Secretary since City West Homes were disbanded and their Company Secretariat Service was closed. Steve is leaving WCH on 31st March 2023 and has tendered his resignation as Company Secretary with effect from 31st March 2023. Neil Tryner, the new CEX has agreed to take over this role from 1st April 2023.

5.2 WCH Board have approved this change subject to final approval by the City Council.

6. Performance 2022/23

6.1 WCH performance in the key areas of activity undertaken in 2022/23 are as follows:

- Regeneration Acquisitions

WCH has continued to support the City Council as its agents for the acquisition of leasehold interests in the Ebury and Church Street Regeneration Areas.

WCH gave evidence at the CPO Public Inquiry for Ebury in August 2022 and supported the City Council through this process. Of the original 140 leasehold interests, to date 129 have been acquired, 9 have had terms agreed and we are working through the legal processes for acquisition. The terms on 2 leasehold interests have not been agreed to date but both are in the final phase of the scheme, so there is still adequate time to reach agreement and finalise these acquisitions without impact on the delivery of the scheme.

On Church Street to date we have been advised to focus our acquisition activities on Site A, although we have acquired units in other phases as they have become available. So far we have acquired 39 of 47 leasehold interests in Site A and have a further 4 cases under offer. WCH are now working on obtaining agreements with the remaining 4 lessees in order to provide full vacant possession of these blocks.

Following the successful residents ballot we are now looking to expand our acquisition programme to further Sites within the Regeneration Area.

Across the entire Church Street Regeneration scheme there were 189 leasehold interest to acquire and to date a total of 77 units have been acquired and 6 further cases are under offer.

- Completion of Victoria Wharf (Phase 2) inc overcrowding cases

This scheme is nearing completion with handover expected in later March/early April. This comprises of 20 x 1 bed units for Intermediate Rent.

In order to produce the best outcome for the City Council from this scheme WCH has provided priority to the sons and daughters of existing overcrowded City Council households to help to alleviate their overcrowding. These households were written to with details of the scheme and 12

individuals responded. Viewings were then held and so far 4 individuals are proceeding through the lettings process.

- Revision and provision of new planning application for 581-587 Harrow Road

WCH obtained planning permission in 2022 for 25 x 1 bed Intermediate Rented units on this site. In July 2022 WCH decided to review the tenure on this scheme. A planning application for a new scheme comprising of 15 Social Rented units (11 x 2 beds, 3 x 3 beds and 1 x 4 beds) has been submitted and is due to be considered on 13th June. WCH are moving forward with the detailed design work required to enable a successful tender of these works with a view to be able to start on site in the late Autumn.

- Completion and sale of 2a Bravington Road W9 (Shared Ownership)

This scheme comprises of 3 x 1 bed units for low cost shared ownership and was completed in late Autumn 2022. All three units were valued at £395,000 each with the option of buying a minimum of 25% share and rents set at 2%. This produced a total housing cost in line with the local London Living Rent for the area. All three units have now been sold to previous Intermediate Renters.

- Tender and appointment of contractor for the Refresh scheme

WCH have carried out surveys of its housing stock to identify the works that are required to meet new and emerging statutory requirements, provide additional ventilation and refresh the units in order to ensure they meet our standards. These surveys have now enabled this work to be tendered and the Board has now approved the successful contractor to enable these works to be carried out.

- Social Value

WCH has now many years had a small but important Social Value programme. This delivers such things as football training, farm trips, support for girls youth club in Lisson Grove, various homework and breakfast clubs and more recently support for the Westminster Wheels project. The budget for this area has been increased for 2023/24 and we are looking to support the delivery of additional breakfast clubs.

7. Future direction

- 7.1 The appointment of a new CEO, and the current stable position operationally in terms of scheme delivery provides an opportunity for WCH to reflect on previous successes and outline future priorities. Over the coming weeks the new CEO will carry out this review and formalise workstreams that seek to support the City Council's strategic objectives and aspirations to ensure that WCH plays a valuable role in their delivery.

- 7.2 The CEO will work with the Board to develop a 5 year roadmap and strategy of activity that is fully supported by a stress tested Business Plan.

The scale of WCH is such that it can support the City Council in the delivery of its wider activity and as a wholly owned Registered Provider of the City, there are a number of opportunities where the legal structure could benefit wider delivery aspirations. In addition to our current programme of activities we will seek to work up the following items for consideration by the City Council in the coming weeks :

- To source additional homes for complex cases where multiple departments have an interest in securing rehousing. Examples could include complex disability or children service involvement alongside housing needs teams where the specific nature of the accommodation required is currently challenging.
- To increase the provision of Temporary Accommodation in borough and near to Westminster to support the City Council in discharging its statutory homeless duty to families and support the retention of family and support networks locally.
- To review the proposed conversion scheme to provide 2 bed homes from the conversion of larger 1 bed properties for use by single parent with one child households.
- To assist with the delivery of small sites/conversions for development and provision of social housing.
- To work with the City Council to encourage more active involvement by other Registered Providers in Westminster to deliver additional social value outcomes such as funding for breakfast clubs.

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

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