



CITY OF WESTMINSTER

# MINUTES

## Shareholder Committee

### MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Shareholder Committee** held on **Monday 27th November, 2023**, 64 Victoria Street.

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

**Apologies for Absence:** Councillor Liza Begum and Councillor Tim Roca

#### 1 WELCOME AND DECLARATIONS OF INTEREST

There were no changes to the membership of the Shareholder Committee. There were apologies given by Cllr Roca and Cllr Begum.

There were no declarations of interest.

#### 2 MINUTES

**RESOLVED:** Councillor Adam Hug, with the consent of the Members present, agreed that the minutes of the meeting held on 24 July were a true and correct record of the proceedings.

#### 3 WESTMINSTER BUILDS- MID YEAR REVIEW

**James Green and Gary Allen (virtual) were present at Committee**

- Cllr Adam Hug welcomed James Green and Gary Allen to the meeting.
- Mr. Green asked that the report is noted and confirmed that the company's year-end position is likely to have the operating surplus in line with expectations.
- Mr. Green informed the committee they will end the year £3m in profit.
- Mr. Allen gave a detailed financial update, and confirmed that Westminster Builds will buy 300 Harrow Road units directly, rather than on a loan
- Cllr David Boothroyd asked if, once Luton Street is completed, if Westminster Builds will move more into the management of these rented homes. Mr. Green confirmed this would be the case.

- Mr. Allen confirmed that the first tranche of profit from the Luton Street development will be released in December, which will allow Westminster Builds to buy the units at 300 Harrow Road.
- Cllr Boothroyd asked if Westminster Builds are seeking additional development pipeline.
- Mr. Green informed committee that they are considering a move to directly work with the Council to develop these homes.
- Cllr David Boothroyd asked if Westminster Builds will be taking out a loan to buy these units, rather than using internal funds.
- Mr. Allen confirmed it is better financially buying these acquisitions directly.
- Cllr Adam Hug noted that there is a strategic shift in Westminster Builds operation.
- Cllr Adam Hug asked that committee note the report.

#### **4 WESTMINSTER BUILDS - APPOINTMENT OF INTERIM DIRECTOR**

- Due to the previous director Neil Wightman leaving the organisation, Westminster Builds is need for a replacement Director.
- Mr. Green recommends that Tim Hampton is appointed as interim Director.
- The committee had no questions.
- The committee agreed with the recommendation.

#### **5 WESTMINSTER COMMUNITY HOMES - APPOINTMENT OF BOARD MEMBERS**

##### **Neil Tryner was present at Committee**

- Cllr Adam Hug welcomed Neil Tryner to the meeting
- Mr. Tryner talked the committee through the recommended board members
- Cllr David Boothroyd noted that he knows one of the appointees, Andy Whitley, however, it was noted that this does not pose a conflict of interest but that it would be recorded in the minutes that Mr Whitley is known to a number of councillors.
- The committee thanked Mr. Tryner for this recruitment exercise.
- The committee agreed with the recommendations as outlined in the report.

#### **6 WESTMINSTER COMMUNITY HOMES - MID YEAR REVIEW**

- Neil Tryner introduced the report, and talked through the financial position of the company
- Cllr Adam Hug asked where the operating surplus had come from. Mr. Tryner confirmed this was not from a loan, but from a healthy operating business.
- In relation to the refresh section of the report, Cllr David Boothroyd asked how long this refresh period is expected to last for.

- Mr. Tryner confirmed that the aim is for 80% of the refresh is to be finished this financial year.
- Cllr David Boothroyd asked if people are staying in the properties while the works are being carried out.
- Mr. Tryner informed committee that depending on the level of works required, people are being decanted to other properties, for example, at Gloucester Terrace, two people at a time are being moved.
- Cllr Adam Hug asked if we know why there has been such an increase in demand for repairs.
- Mr. Tryner said they're currently in the process of investigating the reasons behind this, as there has been a third increase in demand.
- Cllr Adam Hug asked if we have the data on demand for repairs from pre-pandemic to compare the levels.
- Mr. Tryner said that all back-log repairs from during the pandemic should now have been completed.
- Cllr Adam Hug noted that this needs to be taken away and looked at with council officers who support with repairs.
- Cllr Adam Hug asked that with this increased repair pressure, how long is it taking to get things done?
- Mr. Tryner answered that 80-85% of repairs are completed within an appropriate time frame, but sometimes the timelines are difficult to reach.
- Mr. Tryner said he would like different housing repairs categories to be introduced.
- Cllr Adam Hug noted that an alignment on repairs timelines is needed.
- Sarah Warman told committee that the complaints performance will require some unpicking on the operational side.
- Cllr Adam Hug asked that the committee note the report.

## **7 WESTCO - MID YEAR REVIEW**

### **NOTICE OF PRIVATE PART OF MEETING**

Part II of the Agenda will concern matters under Section 100 (A) (4) and/or Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), as per paragraphs 1 and 3. The public and press will be excluded from the meeting for this item of business because it involves the likely disclosure of exempt information, most notably commercially sensitive information.

**RESOLVED: IT WAS RESOLVED TO HOLD THE REST OF THE MEETING IN PRIVATE SESSION UNDER PART II.**

**Ian Farrow, Christos Pishias and Lyndsey Gamble (Virtual) were present at the Committee:**

- Mr. Farrow introduced the report.
- Mr. Farrow talked through the financial situation, and that the company is undertaking a variety of cost reduction activities to maximise
- profit.

- Mr. Farrow explained that some activities, such as HR reductions may take some time as the company is in the process of re-negotiating contracts
- Pedro Wrobel thanked Westco for their efforts in moving to a more profitable position over the last few months.
- Mr. Farrow explained that the pipeline is healthier than it has ever been, which is bringing positive predictions for the first half of the next financial year.
- Cllr Adam Hug asked how long term the new business is.
- Mr. Farrow explained that 20% of their business is long term clients.
- Mr. Pishias said that most of the other contracts are between 6-12 months long.
- Cllr David Boothroyd asked if they are securing sizeable new contracts.
- Mr. Farrow replied that they are, and they are best know for their consultancy work.
- Cllr Adam Hug asked that the company share more about how they're reducing costs.
- Mr Farrow and Mr Pishias explained that they previously had a large creative team, but they have pivoted towards digital marketing.
- The company has cut its cost base down and that is has a strong pipeline for services coming through on the back of other projects, as well as upselling services.
- Cllr Matt Noble asked regarding the new business pipeline of 1.5m what the profit margin is on these contracts and if they are having to bring in additional resources to service these contracts
- Mr Farrow and Mr Pishias gave shared information on profit margins which is not recorded in these minutes as it would require disclosure of information which is exempt under paragraph 3, Schedule 12A of the Local Government Act 1972. It was however confirmed that profit margins are healthy and monitored with respect to industry averages.
- Cllr David Boothroyd noted that he is keen for the restructuring noted in the report to go ahead.
- Cllr Adam Hug wanted to check that the profit position is not just because invoicing has been done more efficiently.
- Mr. Farrow confirmed that there is underlying profit and the p6 position is not due to timing of invoicing.
- They informed the committee that they are examining their financial management, and that Liz Roberts is doing deep dive of financial process, so they can make some decisions around pricing to improve margins further.
- Cllr Adam Hug asked when they would feel confident in giving projections for the next financial year.
- Mr Farrow and Mr Pishias confirmed they would be looking at the next financial year towards the end of 2023.
- Cllr Matt Noble asked when clients are invoiced.
- They informed committee that some clients are partially invoiced up front and then monthly, dependent on the size of work; but most are invoiced monthly.
- Cllr Adam Hug asked that the committee note the report.

**8 ANY OTHER BUSINESS**

No other business was noted.

The Meeting ended at 3pm.

**CHAIRMAN:** \_\_\_\_\_

**DATE** \_\_\_\_\_