

WESTMINSTER COMMUNITY HOMES LTD BOARD MEETING MINUTES

Tuesday 18th February 2025

Room 18.08 Westminster City Hall

Present -

Victoria Elvidge (VE) (Vice Chair)
 Andy Whitley (AW) (Board Member)
 Gary Preston (GP) (Board Member)
 Boe Williams (BW) (Board Member)
 Thomas Harding (TH) (Board Member)
 (All Board Members are nominated by Westminster City Council)

In Attendance-

Neil Tryner (NT) (Westminster Community Homes)
 Paul Tewkesbury (PT) (Westminster Community Homes)
 Jasbir Sohal (JS) (Westminster Community Homes)
 Elizabeth Roberts-Mills (ERM) (Westminster City Council)
 Kim Wright (KW) (Westminster Community Homes)

Apologies-

Mark Davies (Chair)
 Cllr Iman Less (Board Member)

No.	ITEM	ACTION
1.	Introductions, Apologies and Declarations of Interest	
	The Vice Chair welcomed everyone to the meeting. Apologies were received from Mark Davies and Cllr Iman Less. No declarations of interest were received.	
2.	Minutes & Action list for Board meeting held on 16th December 2024	
	The minutes of the last meeting were agreed. All outstanding actions are either progressing or are addressed within one of today's papers, with one update as follows: <i>Update on Action 18 from 25th September meeting regarding the return of £35k from GLA grant for failure to deliver two units as affordable housing:</i> WCC have agreed to a 50/50 split of the £35k. Board felt WCC should take more responsibility but agreed for Neil to go back and accept the offer, but to be clear we would not agree to the same again. ACTION 1: Accept the proposed 50/50 split of the £35k to be returned to GLA due to the failure to deliver affordable housing on two units.	NT

3.	Finance Update
	ERM presented finance update papers and invited questions from the Board. a. Management Accounts and P10 - ERM highlighted an improved position from P9 of £169K due to recharges in the projected deficit, and an overspend of £897K for full year. - ERM confirmed, following a question from GP, that the overall cash flow position is improving. - GP asked for clarity on the movement under service charges. ERM confirmed no further increases should happen within service charges as all prior year commitments have been met. - GP asked for clarity on the movement of £500K in income and ERM confirmed that this was due to the correct reclaim of fees to WCC for the out of borough property management fees for TA. ERM confirmed that this income relates to this year and last year. - GP asked for clarity on the improved income figures and ERM confirmed that this is a result of the P&L review ensuring that all fees due are collected from WCC. - The Board members agreed and congratulated ERM in producing timely and accurate management accounts and NT added that the accounts now inform the CEO and Board to make informed decisions. - VE asked for confirmation on actions to date on the recovery plan and ERM confirmed that good progress was being made and the result has been an improved financial position moving to year end. - ERM also confirmed that the Board decision to appoint JS with her expertise in property will lead to improved oversight and control of costs. - There was a question on the split between capital and revenue under stock refresh GP asked for clarity on the capital percentage on planned works as it seems low. ERM confirmed that most of the budget for the Refresh programme was on day-to-day minor works rather than major component replacements. - JS confirmed that we will be undertaking a stock condition survey as part of WCC Behind Every Door programme to inform future works. - GP asked JS to confirm if concrete would be included in the surveys for each property. JS confirmed that it will be included. - GP raised the view that there was too much information in the accounts, and they should be simplified, targeting only things the Board need to consider. - GP also highlighted that the board no longer needed to receive management accounts monthly. - The Board requested to see quarterly accounts only and NT confirmed that accounts would be produced monthly for operational oversight and would be made available to the board if required. VE added that a monthly summary would be helpful until full confidence of the Board is restored. - MD was unable to be present had supplied written comments on the management accounts. MD wanted it to be noted that significant work and progress had been made on the production of timely and accurate management accounts. MD thanked ERM for her hard work. VE reiterated this. - MD suggested the executive summary is misleading and it is better to present exceptional items. GP disagreed and felt they were correctly presented. - MD also asked how the £521K surplus compares with sector benchmarks. NT said we would compare surplus with peers at year end. - MD also highlighted the challenges of multiple data sets in tables and requested a simplified version be presented to the board.

	- MD asked if £64K for Gatliff Road could be recovered from WCC. NT confirmed it would be. ACTION 2: Board to receive on a monthly basis a 1-page summary update on the financial position. ACTION 3: Board to receive quarterly management accounts going forward: Q1 (Management Accounts to June – P3) – August Board Q2 (Management Account to Sept – P6) – November Board Q3 (Management Accounts – Dec – P9) – Feb Board Q4 (Year End Management Accounts) – April Board b/c/d Budget/Cashflow/5-Year Business Plan - ERM presented the budget, and for 2025/26 highlighting a projected surplus of £583K which is a significant improvement from the draft budget presented to Dec Board. - ERM highlighted the operating £2.3M cash position will improve and there will also be a repayment of loan to WCC approx. £1m. - GP suggested 1.7% increase in housing related costs seemed low. NT suggested using constructing inflation rates and ERM would amend to budget position. - GP asked for clarity on the lack of a fee uplift from WCC. NT confirmed that this is correct and may be amended as part of the SLA review. - GP asked for clarity on the decrease in rent loss due to voids. ERM confirmed that the number of voids has reduced during the year and therefore rent loss has improved. - GP requested the key assumptions for the budget need to be clearer. ERM confirmed she would review prior to presentation to the shareholders committee. - GP asked if we could defer payment of our existing loan facility. NT replied that reprofile of loans would be possible, however as we have sufficient liquidity to ensure our minimum cash balance exceeds £1m it is prudent to comply with the repayment schedule. - GP asked for further detail on the loan schedule and ERM would update GP following the meeting. - ERM confirmed that the Business plan and budget needs are required to be approved by Board prior to approval at the shareholders committee. - TH asked for clarity on the cancellation of funding provided towards community projects. NT confirmed that as part of the budget build discretionary spend was removed. It was agreed to put the funding back. - The board requested that the funding be maintained due to the improved budget surplus position presented. The Board approved the draft budget The Board approved the budget provision for community projects The Board approved the 5-year Business plan The board approved the cash flow forecast e. Component Accounting - ERM presented the report for approval. ERM highlighted that in August there was a £347K non-accounting loss on disposal of kitchens and bathrooms. - Following a review, components identified to date which have been replaced equates to a £162K loss due to the % value application of Kitchens and bathrooms of the property value.	ERM ERM
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	- ERM outlined to key points of the policy- from 1st April kitchens and bathrooms in all new properties acquired should be valued at £0 and when they are replaced, we value them from that point. Kitchens and Bathrooms would be valued at £7k and £5k respectively. - Board agreed to costs on the balance sheet being amended for kitchens and bathrooms but asked if the same logic ought to apply to other attributes. ERM will review other attributes. The Board approved the proposed changes in policy. f. Approval of Auditors - ERM outlined the tender process in December to source auditors. ERM confirmed that ten audit firms were contacted but only two tenders were received, one with social housing accounting background and one without. - ERM proposed we confirm the re appointment of the existing audit firm. - VE and GP requested assurances of the improved client management arrangements and ERM confirmed a clear audit timeline and protocol will be implemented based on the lessons learnt exercise from the previous year. The Board agreed to appoint Carpenter Box for a two-year term.	
4.	Health & Safety Update	
	JS outlined the Health and Safety report. - JS confirmed she has carried out a 100% reconciliation audit on compliance areas and updated the following key issues: - Gas servicing is now 100% compliant. - Electrical - two properties are non-compliant – one due to access issues and the other due to ongoing legal proceedings. - FRA – 88 actions still outstanding. 76% are fire door related and WCC have been given a deadline of end of March 2025 to complete. - Asbestos – one block non-compliant (Cherwell House). We have met with the compliance team and requested confirmation work will be completed by the end of this financial year. NT met with lawyers last week, who advised WCH to enforce their leaseholder rights. - Legionella – Non-compliant in WCC blocks. Compliance team agreed to look at issues as a matter of urgency. Will continue to work with WCC to ensure actions are carried out. - Lifts – 100% compliant - Damp and Mould – lack of ventilation seems to be main cause of the problem and further work is required to track progress. - JS proposed doing a monthly reconciliation to ensure data is correct. - GP requested, for actions that are overdue, for the length of time to be included on tables. JS confirmed this would be included in the next report. - JS informed Board she is looking at improving monitoring and reporting moving forward and will present to the next meeting. ACTION 4: Length of time actions are overdue to be added to individual tables for each area.	JS
5.	Key Performance Indicators P9 Update	
	PT presented the KPI report and highlighted the following: Customer Service - The Housing Management Team have given a firm commitment to improve their processes. They will carry out a deep dive into	

	the causes of dissatisfaction amongst tenants and will look at how we deal with those issues. A review of training and development for Housing Officers will be undertaken to improve their knowledge and expectations. • Repairs and Maintenance – At the time of reporting, 243 works were in progress, with 68% of those being out of time. JS is working with repairs and maintenance team to address this. As part of the SLA we have given percentages of what we propose as targets. A breakdown of Works-in-Progress which are outstanding ¼ by ¼. • Disrepair – Generally we do not have a high number of disrepair cases. Further work has commenced to monitor and track WCC performance. • Voids – There has been some improvement in void times for Q3. The last 7 voids have been relet in 53 days. We are now using notice periods to get voids ready to be relet quicker. Board suggested WCC be informed sooner when a property is to become void but were advised this is not always possible, depending on different circumstances. Board asked for a breakdown to be included in the table, split by tenure and the different processes involved. • Complaints – Q3 saw an improvement in complaint handling. A maladministration case due to works not being completed in 2022 has now been closed by the Ombudsman. Since writing the report it has been decided NT, JS and PT will oversee all complaints. • Current Arrears – There has been an increase in arrears. Mainly due to how the HMT were reporting arrears, ie looking at current balance and taking into account future payments. Going forward HMT will focus on arrears on set days. • Former Tenancy Arrears – As of 1st December, HMT have begun working on former tenant arrears and will report progress to PT every month. • Anti-social – No major issues in this area. • EDI Data – Figures will be available in time for the next Board meeting. The Board raised a question of how the data will be used. PT confirmed once data is received, it will be reviewed and reported back to Board with recommendations for service changes. ACTION 5: ‘Works in Progress’ breakdown to be added to Repairs and Maintenance table for each quarter. ACTION 6: Breakdown, split by tenure and process involved, to be included in Voids table. ACTION 7: EDI Data to be available at next Board meeting, along with a report on its use to inform policies and procedures.	JS JS PT
6.	Former Arrears Write-Off’s (24/25)	
	PT presented paper highlighting the following: • All are below £50 or are over the 6-year Limitation Act. • The Board were asked to approve the write-offs. • A new process was agreed where finance and NT will sign off individual cases up to £1000 • All write-offs to be included in the KPI report. The Board approved the £11,060.73 write-offs. Action 8: New process to be written with CEO signing off Former Tenant Arrears of cases up to £1,000	PT

7.	Chief Executive Update Report
	NT introduced the paper and outlined that the two key sections of the report to focus on were Board Appraisal and the MOT yard. Board Annual Appraisal – Board appraisal was introduced and the rationale for them taking place once all board members have served a 1-year term. • GP asked if the process would include 360° feedback, NT confirmed that this was not in the current format of appraisal provided to the chair. • BW asked if TH would be replaced with a council officer and NT confirmed that as part of the appraisal process the chair would form a view on any potential skills gaps and requirement to appoint additional board members. Board Noted Annual Appraisal process. MOT Yard (581-587 Harrow Road W10) - The MOT yard was introduced by NT and the context of the decision required was summarised as: • Board members had expressed concern about the poor financial position of WCH at the Dec Board meeting, where the draft budget position for next year was outlining a low surplus of c£200k and further work is required to ensure further liabilities of costs are clarified. • The Board had also requested an outline of the implications of ceasing works alongside risks of entering into contract. A summary of 3 options for the board to consider was highlighted. ○ Option 1 – Not sign the contract. £560K has already been spent on works involved in demolishing the site, moving bus stop etc. If we were to not sign costs to date of £1.7M would need to be written off. ○ Option 2 – Sign the contract and continue with the development. Additional grant from the GLA is secured at £450K. The contract is a fixed price contract. ○ Option 3 - Delay signing the contract – If we come back to it in a year or two we would be required to retender. We would also be unable to and would be required to reapply in a future programme. • The Board had also requested a legal summary advising in the suitability of the proposed contract terms which is appended to the report which concludes that with the proposed contract amends our lawyers are satisfied, though the firms preference would be to use an up to date contract. • The Board also instructed NT to seek additional financial support for the scheme from the GLA and WCC. NT confirmed that the GLA have confirmed additional funding of £450k and WCC would support additional loan capacity of a corresponding amount. • BW outlined that the options set out in the paper are clear and endorsed Option 2 but confirmed she had not seen the Devonshires report attached to Board papers. She articulated that she would not support the partnership with an RP Development team but would support the engagement of a Management Surveyor. • BW felt that the financial support secured gave sufficient headroom to manage an overspend and the current contract is fixed and should be managed with the additional support of a Management Surveyor to control costs and work alongside our agent. NT confirmed that due to the length of time from contract award to today we have already increased the contract sum by £300k to reflect inflation pressures.

- BW also felt that she would expect valuation certs to be approved and that there is sufficient control of costs.
- GP asked for clarification on spend to date on the scheme, and ERM confirmed that to date £1.7m of expenditure is on the balance sheet. GP expressed a view that should we pause the build that this would show as a loss in year and this would not, he believed, transfer with any future sale of the site. He also shared a view that the grant rate we are currently receiving is high and may be lower if we reapply for GLA funding. NT confirmed that if the scheme does not go ahead, we would also notify WCC and Cabinet approval would be required for variation.
- GP highlighted the data in the report confirming the positive cash position of proceeding with the scheme.
- GP outlined he supported option 2, delaying the scheme for a period of time being unworkable and not signing the contract would lead to a material impact to WCH. GP also asked for clarification in insurance provision and NT confirmed the contract terms provide £2m of cover should Helix go into administration.
- VE asked the question about how we would cover any overspend and GP responded that there is provision of £850k currently, plus additional loan capacity and a £4m positive cash balance meaning we have sufficient funds should costs overrun to not impact on company visibility.
- AW outlined his support of Option 2, confirming that there are risks of the development but was satisfied that with the increased funding, insurance cover and appointment of a Management Surveyor.
- TH asked about the risk posed by the site and NT confirmed that the party wall risk has been mitigated by the purchase of the neighbouring property, the bus stop has successfully been relocated and highway levels and Cranage agreed. TH highlighted that the delivering of social rented units of high Quality is a desire of WCC and felt that the risks of the scheme have been suitably managed and supported option 2.
- MD shared views in writing that NT has done an excellent job in mitigating financial risk through the GLA grant and potential loan, but risk is still very high.
- £850k contingency is less than 10%, which isn't excessive. GP argued that the longer-term cash position of WCH improves and there is sufficient capacity within our cashflow forecast to cover any unforeseen costs.
- MD highlighted the Devonshires report on the contract isn't adequate assurance – raises issues with regard to risks and to the instructions given both by and to the Employers Agent, Phillip Pank; GP and BW gave a counter argument and concluded that the assurance is sufficient.
- MD expressed concern that we do not have the resources to adequately manage the development process, including instructing Pank or other EA; BW restated her desire for a management surveyor, and there was some support from other board members for this.
- MD recommended we don't approve the contract, but don't drop the scheme out of hand – we explore options for developing in partnership with an RP that has a strong development function.
- Board members present rejected this proposal by a majority, all voting, save VE, to approve signing the contract and the drawing down of the grants.
- MD also requested expansion of the options appraisal too. Gary argued that the options section of the report was appropriate and did not require

	additional detail. No counter argument was offered and the board rejected the request. • VE presented her concerns over the possible adoption of the decision to approve option 2. Key concerns for VE are summarised as: ○ Grant - the grant, while major, does not itself make this a development we should be doing. She gave the analogy of a substantial mortgage being offered for a house purchase. The existence of a large mortgage does not mean that the house is good value, it just enables you to buy it. ○ Contract price – the contract was negotiated some time ago and at a keen price. This means that the contractor is more likely to feel squeezed which may result in 1) substantial extras/variations and 2) the contract becoming uneconomic for the contractor and, at worst, 3) the collapse/ departure of the contractor. Even the 20% margin being allowed for by WCH would be insufficient in these circumstances. ○ Devonshires report is not favourable. While it concludes that the contract could go ahead, it offers this conclusion having explained that the contract is not current, nor properly completed and that the project seems to Devonshires to be driven to a large degree by the high levels of grant. ○ Partnership - A possibility of proceeding in partnership with another provider with greater development experience has been mooted. VE would recommend this on sound commercial terms with an incentive for both partners to achieve a good outcome. ○ Planning – the current scheme is very low density. The current planning regime looks set to change under the current government which may well result in a higher density scheme being permitted. ○ Costs incurred - Not all the costs incurred are irrecoverable as many of the works involved would need to be done in any event. ○ There is not enough detail contained in the 3 options offered in the board paper. Board members voted and approved the adoption of Option 2 be taken forward. VE and MD voted to not sign the contract. AW, GP, BW and TH Board members Noted the increased financial support secured from WCC and the GLA. Board members Noted revised cash flow. Board members noted the advice received from Devonshires. Board members agreed the signing of the Helix contract.	
8.	Intermediate Rents	
	PT presented a paper and asked Board to consider the following: • Tenancy agreements currently renewed annually, be moved to five yearly, due to the amount of work involved for each renewal; and • the Horizon Incentive Scheme be withdrawn for any new sign-ups. WCH are currently the only provider of this scheme, and only three incentives have been taken up this year.	

	The Board agreed to a 3-year tenancy, with the option of 2 further 3-year renewals (undertaking checks on income) up to a total 9 years. The Board agreed the Incentive be withdrawn for new tenancies.	
9.	Service Charges (25/26)	
	The Board noted the report.	
10.	Risk Register	
	The Board noted the report.	
11.	Governance	
	Governance – Policy Report a. Gift & Hospitality Policy Approved b. WCC Housing Repairs Policy Noted c. Policy Review Schedule Noted	
12.	Forward Meeting Plan	
	VE confirmed she is not available for meeting on 16th December. ACTION 9: KW to seek availability from Board Members to rearrange. ACTION 10: Quarterly presentation of Management Accounts to Board to be added to Forward Meeting Plan: • Q1 (Management Accounts to June – P3) – August Board • Q2 (Management Account to Sept – P6) – November Board • Q3 (Management Accounts – Dec – P9) – Feb Board • Q4 (Year End Management Accounts) – April Board	KW PT
12.	Date of Next Meeting	
	1000-1300, 29th April 2025 - Additional WCH Board Meeting (Management Accounts) via Teams 1000-1300, 27th May 2025 - WCH Board Meeting (Q1), Room 18.01, 18th Floor, Westminster City Hall	
Minutes signed off by:  Vice Chair		