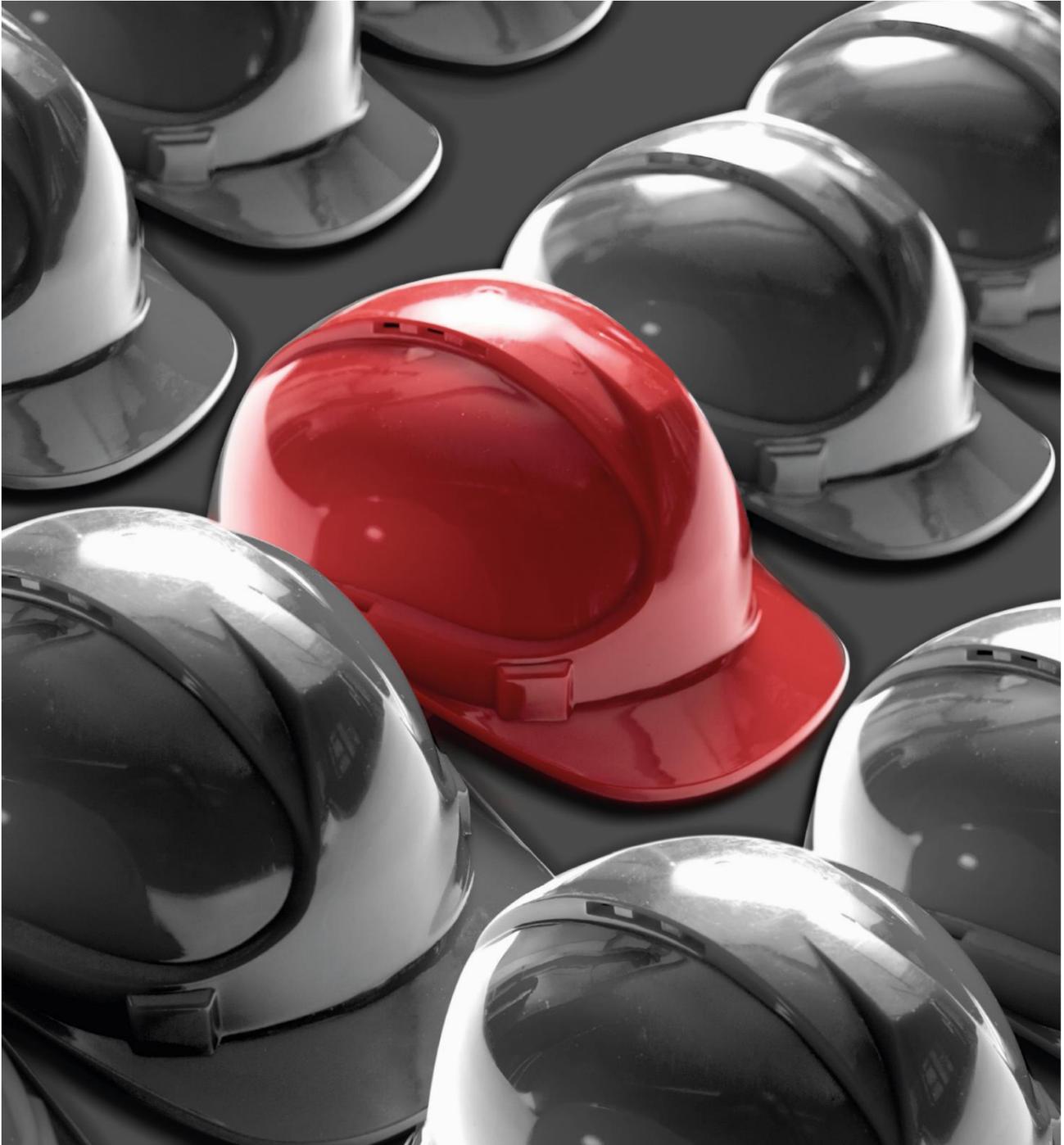




Trusted procurement for better
buildings and homes



Start time & Date: Friday, 30 September 2022, 10.00 am
Finish time: 12.30pm
Address: LHC, 4th Floor, 2 Vine Street, Uxbridge, Middlesex,
UB8 1QE
Published: Thursday, 22 September 2022

Lloyd White, Head of Democratic Services, London Borough of Hillingdon, Phase II, Civic Centre, High Street, Uxbridge, UB8 1UW

Agenda

Members of the LHC Joint Committee

PART I - Members, Public and Press

Items are normally marked in the order that they will be considered, though the Chairman may vary this.

- | | | |
|----------|--|-----------|
| 1 | Members Attending & Apologies for Absence | 3 - 4 |
| 2 | To sign and receive the minutes of the previous meeting | 5 - 12 |
| 3 | Interim Managing Director's Report | 13 - 34 |
| 4 | Register of Gifts and Hospitality / Rejected gifts and Hospitality | 35 - 38 |
| 5 | PART II - Member's Only - Report by the Director of Central Services | 39 - 92 |
| 6 | PART II - Member's Only - Governance Review - Option Recommendation | 93 - 154 |
| 7 | Any Other Business | 155 - 156 |
| 8 | Date & Time of next meeting | 157 - 158 |



Members of the LHC Joint Committee:

Councillor John Bevan, Haringey
Councillor Philip Corthorne MCIPD, Hillingdon
Councillor Sarah Williams, Haringey
Councillor Kabir Ahmed, Tower Hamlets
Councillor Hass Yusuf, Enfield
Councillor John Chilver, Bucks
Councillor Susan Fajana-Thomas, Hackney
Councillor Maria Kay, Lambeth
Councillor Abdul Mannan, Tower Hamlets
Councillor Gina Needs, Enfield
Councillor Peter Mason, Ealing
Councillor Clayeon McKenzie, Hackney
Councillor Edward Lavery, Hillingdon
Councillor Harbi Farah, Brent
Councillor Promise Knight, Brent
Councillor Adrian Garden, Lambeth
Councillor Mark Winn, Bucks

Members of the Public and Media are welcome to attend. This meeting may also be broadcast live.

You can view the agenda at www.hillingdon.gov.uk.

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ATTENDANCE RECORD

Representative:	Borough	Attendance
Councillor John Bevan	Haringey	Attending
Councillor Adrian Garden	Lambeth	Attending
Councillor Philip Corthorne	Hillingdon	Attending

Apologies received:

Councillor Sarah Williams	Haringey	Apologies
---------------------------	----------	-----------

Officers and Advisers:

Clive Feeney – Interim Group Director	LHC	In Person
Nimesh Bhudia – Director of Central Services	LHC	In Person
Jennifer Castle – LSE Director	LSE	In Person
Peter Quinn – LHC Board of Directors Chair		In Person
Robert McDowall – LHC Board of Directors Client Nominee		In Person
Neil Fraser – Honorary Clerk (Deputy)	LB Hillingdon	In Person
Vaneeasha Kapur – Finance Manager	LHC	In Person
Neil Barker – WPA Director	WPA	Virtual
Mary Bennell – SWPA Director	SWPA	Virtual
Nimesh Bhudia – Acting Director IT & Transition Management	LHC	Virtual
Ethan James – Interim CPC Director	LSE	Virtual
Lesley Anderson – Interim SPA Director	SPA	Virtual
Mandy Clarke – LHC Board of Directors Vice Chair		Virtual
Nick Abbott – LHC Board of Directors Client Nominee		Virtual

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Agenda Item 2

LHC JOINT COMMITTEE – FRIDAY 25 MARCH 2022

Held at LHC Offices, 4th Floor, 2 Vine St, Uxbridge UB8 1QE and by Virtual Meeting

Representative:	Borough	Attendance
Councillor John Bevan	Haringey	Attending
Councillor Adrian Garden	Lambeth	Attending
Councillor John Chilver	Bucks	Attending
Councillor Eleanor Southwood	Brent	Attending
Councillor Susan Fajana-Thomas	Hackney	Attending
Councillor Mick O’Sullivan	Islington	Attending via Teams*
Councillor Nick Naylor	Bucks	Attending via Teams*

***Those Councillors participating via Teams are not classed as ‘present’ and their contributions have not been included in the minutes**

Apologies received:

Councillor Gideon Bull	Haringey	Apologies
Councillor Eddie Lavery	Hillingdon	Apologies
Councillor Gina Needs	Enfield	Apologies
Councillor Danny Hassell	Tower Hamlets	Apologies
Councillor Peter Mason	Ealing	Apologies
Councillor Philip Corthorne	Hillingdon	Apologies
Councillor Hass Yusuf	Enfield	Apologies
Councillor Diarmaid Ward	Islington	Apologies
Councillor Sharma Tatler	Brent	Apologies
Councillor Clayeon McKenzie	Hackney	Apologies

Officers and Advisers:

Elaine Elkington – Interim Managing Director	LHC
Clive Feeney – SPA Director	SPA
Neil Barker – WPA Director	WPA
Mary Bennell – SWPA Director	SWPA
Mij Rahman – Director of Operations	LHC
Pam Chander – HR Manager	LHC
Neil Fraser – Honorary Clerk (Deputy)	LB Hillingdon
Asha Patel – SIG	LHC
John Skivington – Group Director	LHC
Nimesh Bhudia – Acting Director IT & Transition Management	LHC
Ethan James – Acting Regional Manager	LSE

PART 1 – PUBLIC

1. APOLOGIES FOR ABSENCE

- 1.1 Apologies for absence were received as set out above.

2. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the LHC Joint Committee meeting held on 03 December 2021 be agreed as a true record.

3. REQUEST FROM LB ENFIELD TO WAIVE JOINT COMMITTEE ATTENDANCE CRITERIA FOR 21/22

- 3.1 Consideration was given to a request made by LB Enfield to waive the Joint Committee attendance criteria for 2021/22 due to difficulties with attendance, including issues relating to the COVID-19 pandemic, which had resulted in their ineligibility to receive the annual rebate.

- 3.2 The Chairman advised that all members of the Joint Committee had been advised of the requirements for attendance in order to qualify for the subsequent rebate, and it was therefore the Chairman's recommendation that the request should be declined.
- 3.3 Members accepted that all Member Authorities had been advised of the attendance criteria and asserted that exceptions should not be allowed. Members therefore supported the Chairman's recommendation to decline the request, and it was unanimously:

RESOLVED: That the request from LB Enfield to waive the Joint Committee attendance criteria for 21/22 be rejected, and to continue 'as-is', with the agreed allocation of £75k to be paid during the 2022/23 financial year.

4. REPORT FROM THE INTERIM MANAGING DIRECTOR

- 4.1 Consideration was given to a report by the LHC Interim Managing Director, which provided Members with an overview of the organisation's performance.
- 4.2 Progress was being made against all objectives set out in the 03 December 2021 Joint Committee report, alongside the implementation of the recommendations relating to the Governance Review, as set out in item 8 of the meeting papers.
- 4.3 The assessment of the impact of COVID on LHC business turnover was positive overall, with projected year-end turnover for 2021-2022 forecasted to increase by 6% against the approved budget, however, the pandemic continued to have a significant impact across the UK but particularly in Scotland.
- 4.4 The latest Health & Happiness survey showed staff morale to be high, despite the challenges of the previous 12 months. Sickness absence figures showed a slight increase, predominantly due to COVID-19 related illnesses, together with a small number of long-term absences.
- 4.5 Progress on the Transformation Change Programme was continuing, with 'Communities in Practice' teams now in place to support the new Target Operating Model. The procurement of the new Procurement Portal was continuing, with a preferred supplier now identified. A revised procurement strategy was now in place to support future LHC business growth.
- 4.6 LHC had contributed to the Cabinet Office's independent review for public Sector Frameworks, to help develop a 'Gold Standard' of framework providers. LHC officers had carried out analysis of the report and were working to resolve business gaps identified, with the aim of further improving LHC's offering versus competitors.

- 4.7 It was requested that the Joint Committee approve a request for delegation of future years Budget approval to the sub-committee of the Joint Committee, the 'LHC Board of Directors', with further detail to follow in the private part of the meeting.
- 4.8 The regional Directors provided an update on performance within their areas. All advised of positive performance and rustled, including increased client numbers and interaction, increased turnover, and improved performance against income targets. However, market difficulties regarding availability of materials/workers, reduced client budgets, and some client choice of low margin frameworks had been recognised. Such difficulties had been seen within Scotland, where despite record turnover, income was below target, though this was expected to be addressed in the coming year.
- 4.9 Members were advised that a key focus for the business moving forward concerned how to provide frameworks for clients seeking to be 'greener' and address climate change through decarbonisation and renewal energy.
- 4.10 The Joint Committee recognised the good performance of the business in what were challenging market conditions, and highlighted the positive feedback from LHC staff.
- 4.11 The recommendations were considered as set out in the report, and it was unanimously:

RESOLVED:

- 1. That the information contained in the report be noted;**
- 2. That Members approve the request for delegation of future years' Budget approval to the LHC Board of Directors.**

5. THE LONDON WARMER GREENER BUILDINGS PROGRAMME

- 5.1 The Joint Committee received a report detailing the London Warmer Green Buildings Programme.
- 5.2 The background and context to the Mayor of London's aim to make the city carbon neutral by 2030 was set out as per the report. The London Warmer Greener Buildings programme aimed to achieve this target by combining the various actions and initiatives currently underway.
- 5.3 Under this programme. London authorities and partners were creating a project management organisation to act as a single delivery mechanism for future actions. The appointment of a Director for this organisation was ongoing, and an initial 12 month implementation plan was being drafted that would deliver the first steps towards meeting London's carbon target.

- 5.4 LHC's involvement included collaboration and the sharing of best practice with all contributors and key individuals, including those at the GLA, London Councils and BEIS. Opportunities for business growth for LHC within future actions was high.

RESOLVED: That the information contained in the report be noted.

6. DATE AND TIME OF NEXT MEETING

- 6.1 Following consideration of agenda item 8, it was provisionally agreed that the next meeting of the Joint Committee of the LHC would take place at 10am on Friday 30th September 2022, with confirmation to follow the meeting.

PART II - MEMBERS ONLY AND NOT FOR PUBLICATION

7. FINANCIAL REPORT BY THE DIRECTOR OF OPERATIONS

- 7.1 Consideration was given to the report from the Director of Operations, with information highlighted as per the contents of the meeting papers.

RESOLVED:

- 1. That the information contained in the report be noted as an estimate of the group out turn position, and will be formally reported to the September Joint committee following an external audit;**
- 2. That the framework spend by clients, as shown at appendix 7.1 of the report, be noted;**
- 3. That Members approve the requested change to delegated powers relating to Budget approval as set out in paragraph 3.3 of the report; and**
- 4. That the agenda for the September 2022 meeting include a report detailing LHC finance in respect of national and market pressures.**

This item is included in Part II as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding the information outweighs the public interest in disclosing it (exempt information under paragraph 3 of part 1 of Schedule 12A to the Local Government [Access to Information] Act 1985 as amended

8. PROPOSALS FOR NEW GOVERNANCE ARRANGEMENTS FOR LHC

- 8.1 Consideration was given to the report detailing proposals for new governance arrangements for LHC, with information highlighted as per the contents of the meeting papers.

RESOLVED:

- 1. Note the conclusions given in the body of this report;**
- 2. Note that each of the ten constituent authorities of the LHC Joint Committee have individually resolved to disband the LHC Joint Committee when a new structure is formed on 1st April 2023;**
- 3. Note that seven of the ten constituent authorities have individually resolved to consider participation in the new LHC corporate structure when it is approved by Members in September 2022, with a decision to participate to be resolved by each council after September 2022;**
- 4. Confirm implementation of a new LHC Board of Directors as a holding structure from April 2022, as set out in section 4 of this report;**
- 5. Approve the appointment from 1st April 2022 of the Chair Elect to the LHC Board of Directors;**
- 6. Approve the delegated authority by Members to Cllrs Bevan and Corthorne to approve the remaining seven appointments to the new LHC Board of Directors in April 2022;**
- 7. Agree to the extended timeline for evaluation and implementation of a new corporate structure for LHC, with a decision on the exact nature of the new corporate entity to be approved by Members at the September 2022 meeting and implementation of the new structure from 1st April 2023;**
- 8. Approve the updated budget for this project; and**
- 9. Agree to postpone the final meeting of the LHC Joint Committee from December 2022 to March 2023 in accordance with the new timeline.**

This item is included in Part II as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in withholding the information outweighs the public interest in disclosing it (exempt information under paragraph 3 of part 1 of Schedule 12A to the Local Government [Access to Information] Act 1985 as amended

The meeting which began at 10:00am, closed at 11:15am.

THESE DECISIONS WILL COME INTO EFFECT AND BE IMPLEMENTED BY THE RESPONSIBLE OFFICERS UNLESS CALLED-IN.

THE DEADLINE FOR ANY CALL-IN BY THE EXECUTIVE SCRUTINY COMMITTEE, TO BE NOTIFIED TO THE HEAD OF DEMOCRATIC SERVICES, IS 5PM ON WEDNESDAY 06 APRIL 2022

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INTERIM MANAGING DIRECTOR'S REPORT

1. Recommendations

That the information contained in the Interim Managing Director's (MD) report below be **noted**.

2. Overview

The report covers the time period 1st April 2022 – 30th September 2022 of which I have been in post as Interim MD since July 18th.

Health Happiness and Staff Morale

Staff morale has dipped during the previous 6 months, impacted by the uncertainty over the transfer from London Borough of Hillingdon, the recruitment freeze and hold on all forms of training, both put in place by the previous MD. In an attempt to remedy the situation, I have met personally with all regional teams and internal departments to both reassure and open the discussion regarding the transfer from LBH and outline the plans for the future of LHC.

I am happy to report that recent feedback from the Board Level Representatives (LHC BoD BLERs) has been positive and senior managers are reporting an uplift in morale. Whilst this is positive, I am acutely aware that we need to continue to show the staff they are valued to ensure we do not lose any more colleagues due to uncertainty around the future of LHC.

To measure the current morale of staff, the BLERs are undertaking an anonymous staff survey to 'test the temperature'. The results of which will be analysed, and appropriate action taken by all senior managers to ensure we react positively and attempt to regain the positivity of the previous year.

As part of our Phase 3 post Covid return to work, we have liaised with all office-based staff throughout the country to agree a return to work policy that reflects our commitment to flexible working. This has been well received and has also added to the upturn in morale.

See current organisational chart. (Appendix 3.2)

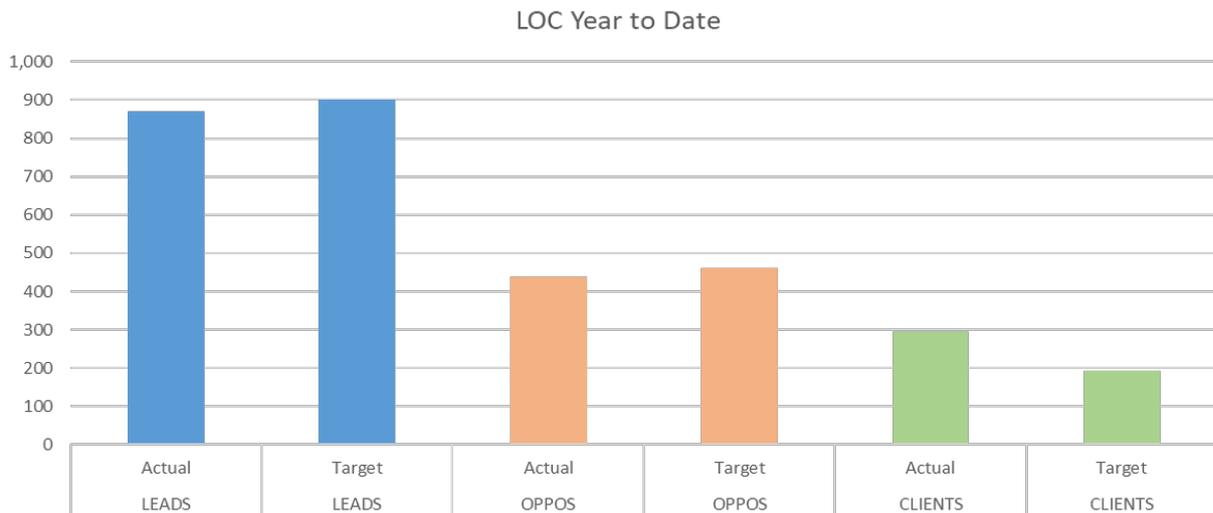
3. Business Performance

The business has recovered well from the impact of Covid with all regions showing either over performance or close to budget performance for the first 6 months to 30th September.

Most recent Management Accounts for the period to end August show positive positions across all metrics, with income actual 23% above budget at £2,889,000, an increase of £536K, total expenditure actual 90% of budget at £2,298,000 a saving of £245K and projected rebates down 38% giving a saving of £204K. This gives a positive position as of 31st August of £985K above budget.

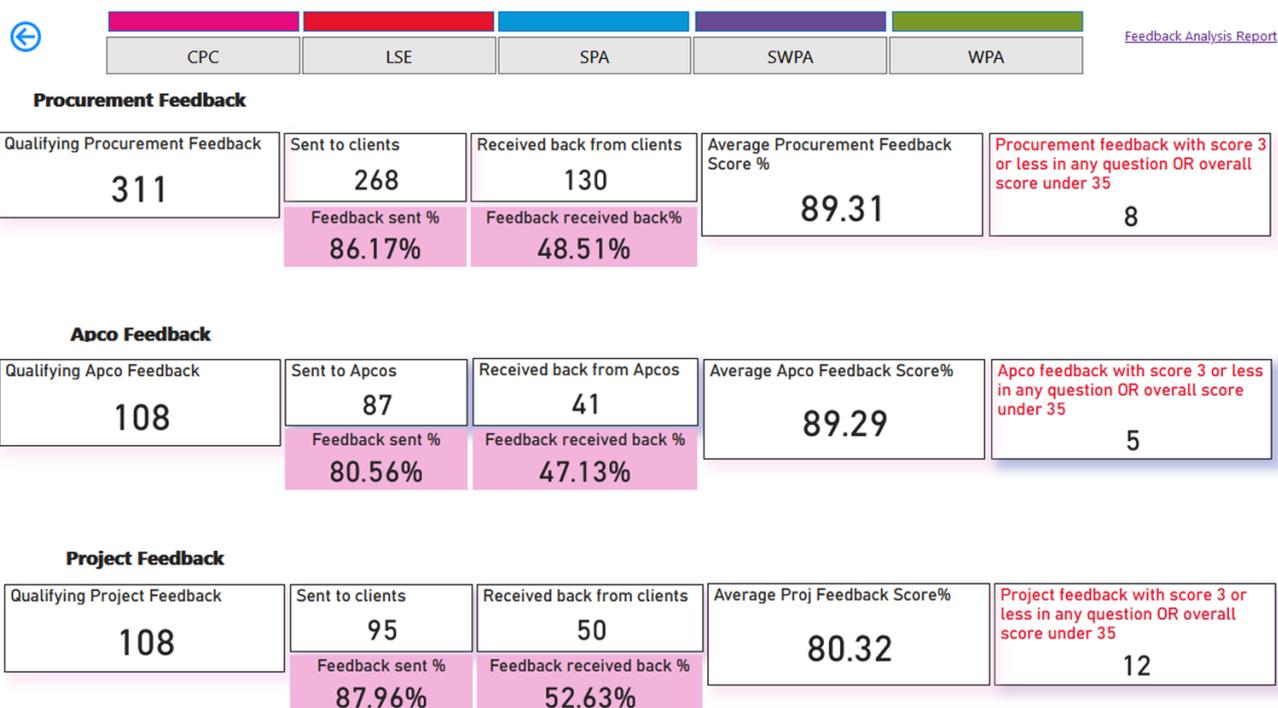
	Actuals Jul 22 YTD	Budget Jul YTD 22	Variance	Budget 2022/23
	£000's	£000's	£000's	£000's
Income	2,889	2,354	↑ 536	9,803
Expenditure				
Salary & Staff related costs	1,583	1,644	↑ 62	4,435
Premises	108	131	↑ 23	394
Transport	92	124	↑ 31	371
Suppliers & Services	515	644	↑ 129	1,622
Total Expenditure	2,298	2,544	↑ 245	6,821
Surplus / (Deficit) before rebates	591	(190)	↑ 781	2,982
Rebates	330	533	↑ 204	1,600
Surplus / (Deficit)	262	(723)	↑ 985	1,382

In addition to measuring income and expenditure, each region also continues to monitor its performance against the L, O, C, metrics (Leads, Opportunities, Clients).



LOCIT_Type	TypeLOCIT	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
LEADS	Actual	149	165	192	152	175	37	0	0	0	0	0	0	870
LEADS	Target	150	150	150	150	150	150	150	150	150	150	150	150	1,800
OPPOS	Actual	78	85	103	77	81	14	0	0	0	0	0	0	438
OPPOS	Target	77	77	77	77	77	77	77	77	77	77	77	77	924
CLIENTS	Actual	185	44	36	16	11	3	0	0	0	0	0	0	295
CLIENTS	Target	32	32	32	32	32	32	32	32	32	32	32	32	386

Client satisfaction ratings for LHC (to the end of August) remain high at with Procurement feedback achieving 89%, ApCo feedback at 89% and Project feedback 80%.



4. Transformational Change Project

Progress with the “Let’s Design” phase of the Transformation Change Programme has slowed due to the increased resource required for the Governance project. Despite the slowing of the programme, significant progress has been made by the ‘Communities of Practice’ (CoP) teams mapping supplier, appointed companies and client journeys.

The Target Operating Model (TOM) continues to be reviewed in line with future requirements and will play a key part in the strategy for the ‘NewCo’ once transition from LBH has concluded.

To assist with future planning, all Directors and Department Heads will take part in a series of Strategy days during September and October. The purpose of these workshops is to map out the future of LHC NewCo and design a business plan focussed on delivering innovation in all areas and improved stakeholder experience across all points of contact with LHC.

5. Staffing Update

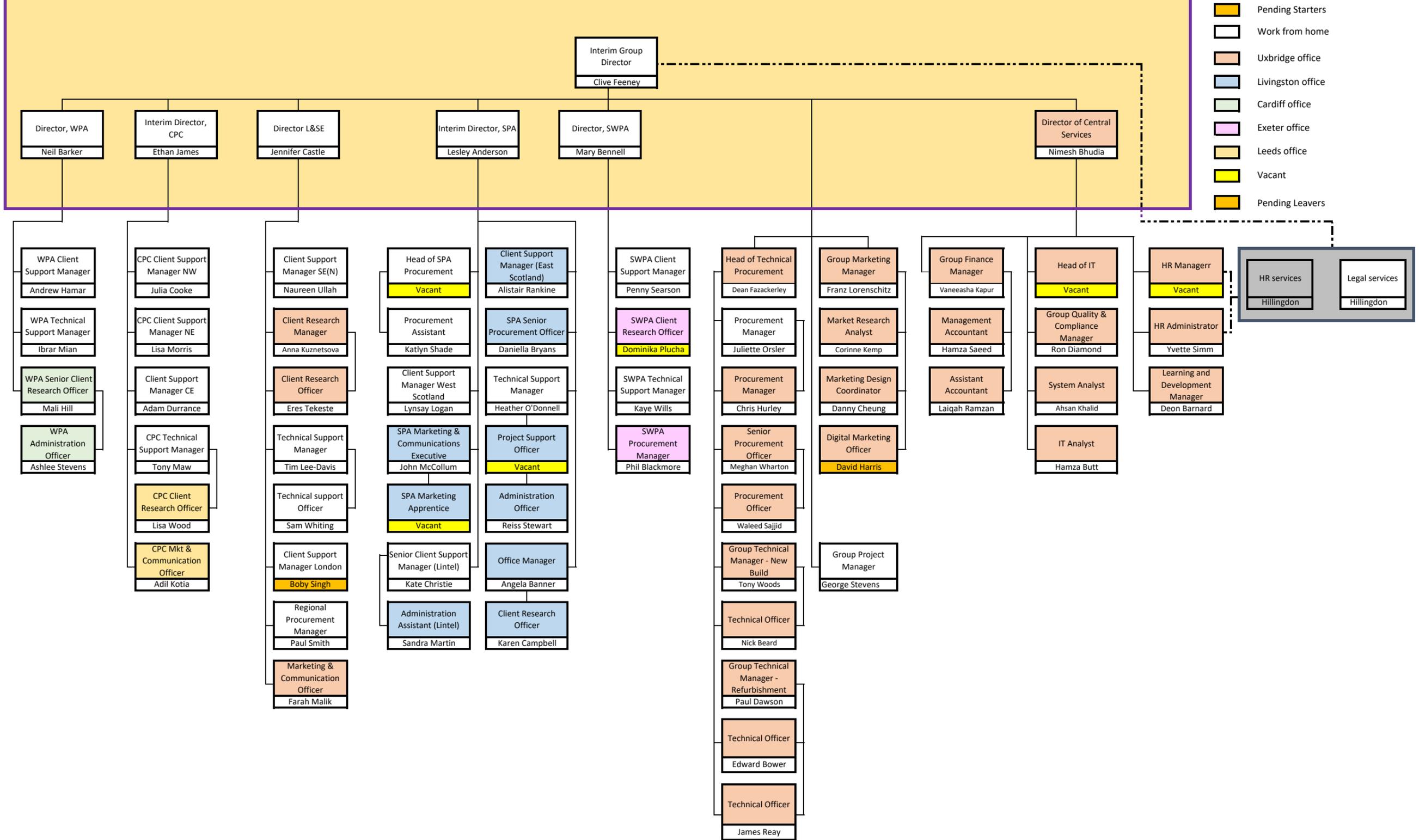
Four new appointments have been made since 1st April 2022, please see the updated organisation chart at appendix 3.2.

Unfortunately, we have lost (or are losing) 3 key members of staff, one due to lack of career progression and two to improved financial packages. Please refer to Organisation chart appendix 3.2.

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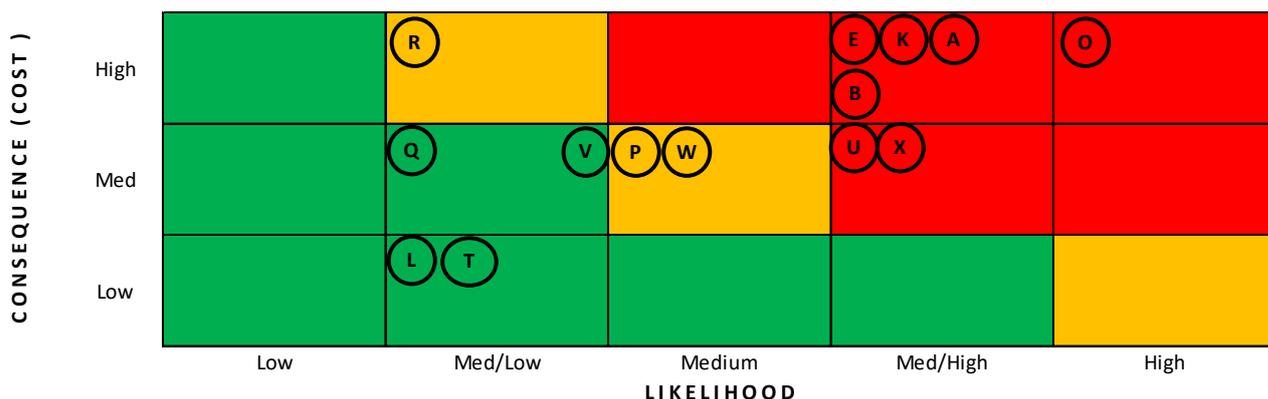
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LHC GROUP STRATEGY TEAM AND PARTICIPANTS IN THE MEETINGS OF THE LHC BOARD



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Risk elements (after implementation of mitigating actions)



- A Increasing competition for pre-tendered frameworks
- B Lack of interest of LHC Constituent Members - especially Hillingdon as lead authority and employer
- E Increasing trend to use local supply chains
- K Devolution argument extends to membership of London-based LHC (see also risks B & E)
- L Damage to reputation of declining levels of client satisfaction with LHC appointed companies
- O Housing Associations relieved of their 'public body' status
- P Lack of career progression opportunities for LHC staff
- Q Cyber attack on LHC systems
- R Loss of business in Scotland
- T Damage to reputation of lack of information resulting from deletion of inboxes of ex-employees
- U Damage to reputation of incomplete records relating to the Grenfell Inquiry
- V Impact on LHC finances of a prolonged lack of investment in public sector housing and construction, post covid-19.
- W Reduced staff and business performance due to prolonged continuation of lockdown restrictions
- X Not meeting timetable to transfer into a new CLG in time for 31st Mar 23

NB The above risks are corporate risks - deemed to have an impact on the whole organisation.
An operational risk register exists for all other risks

Changes since last reported in Dec 2021

Closed:

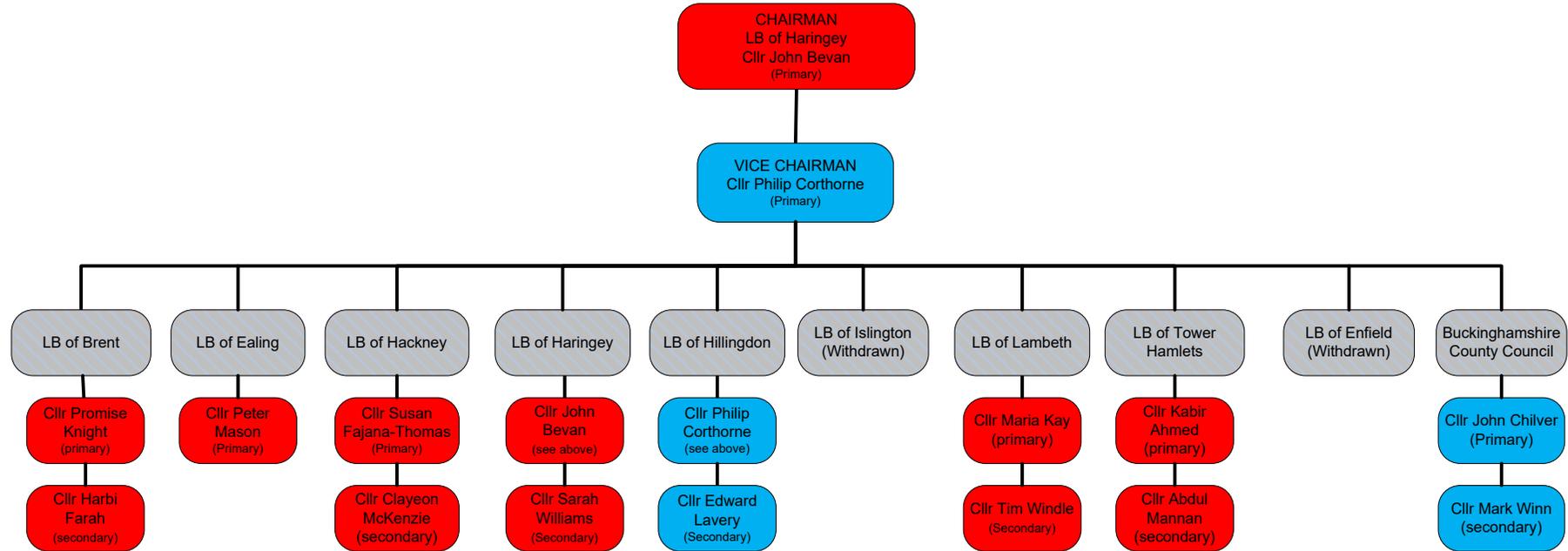
- S Loss of business due to impact of Grenfell on spending plans
- J British exit from EU will nullify requirement to follow EU procurement directive

New Risks:

- X Not meeting timetable to transfer into a new CLG in time for 31st Mar 23

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FULL MEMBERS ORGANISATION CHART
As at 5 August 22



Keys

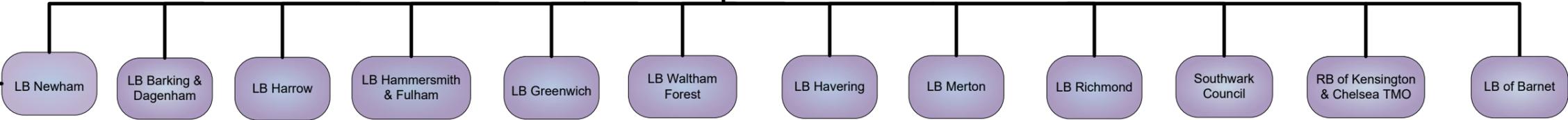
● Conservative = 4

● Labour = 9

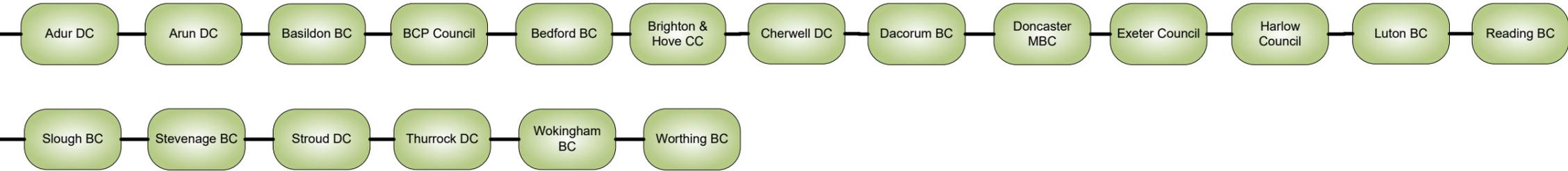
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LSE Associate Members
95 Appointed Organisations

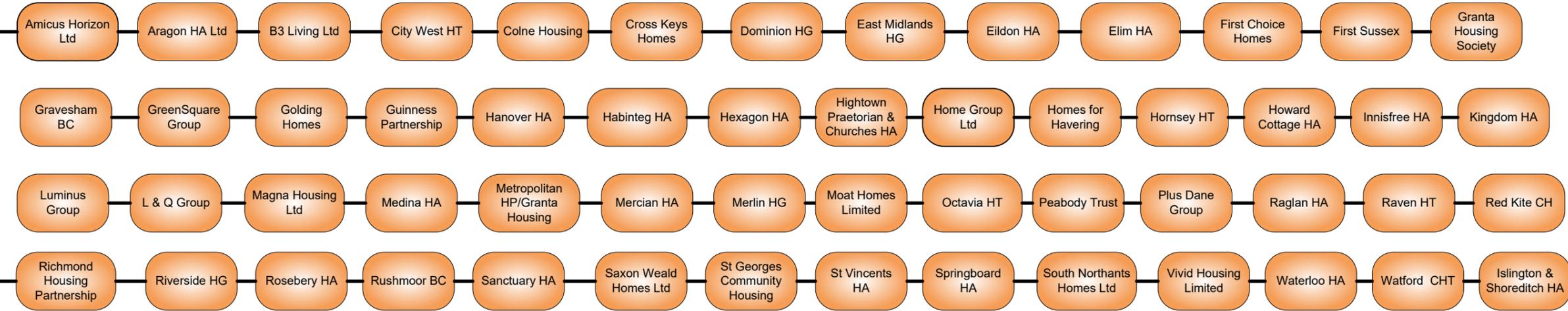
Local Authorities (London)
 12 Organisation



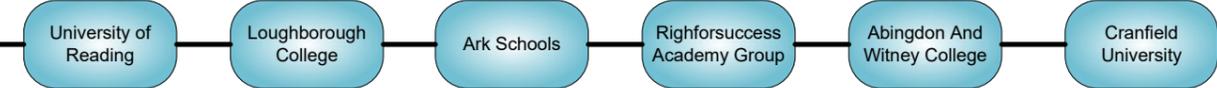
Other Local Authorities
 19 Organisation



Housing Association and all other Housing Groups
 55 Organisation



Schools, Colleges & Academy Trusts
 6 Organisation



Police / Ambulance / Fire Authority
 3 Organisation

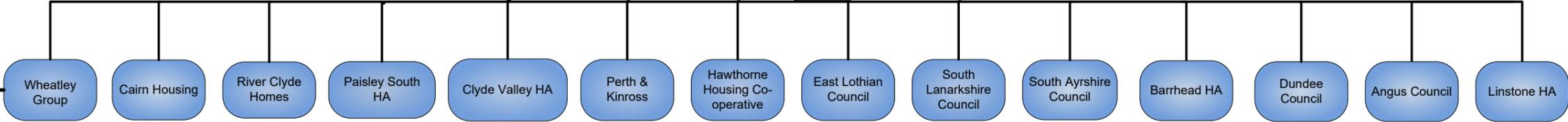


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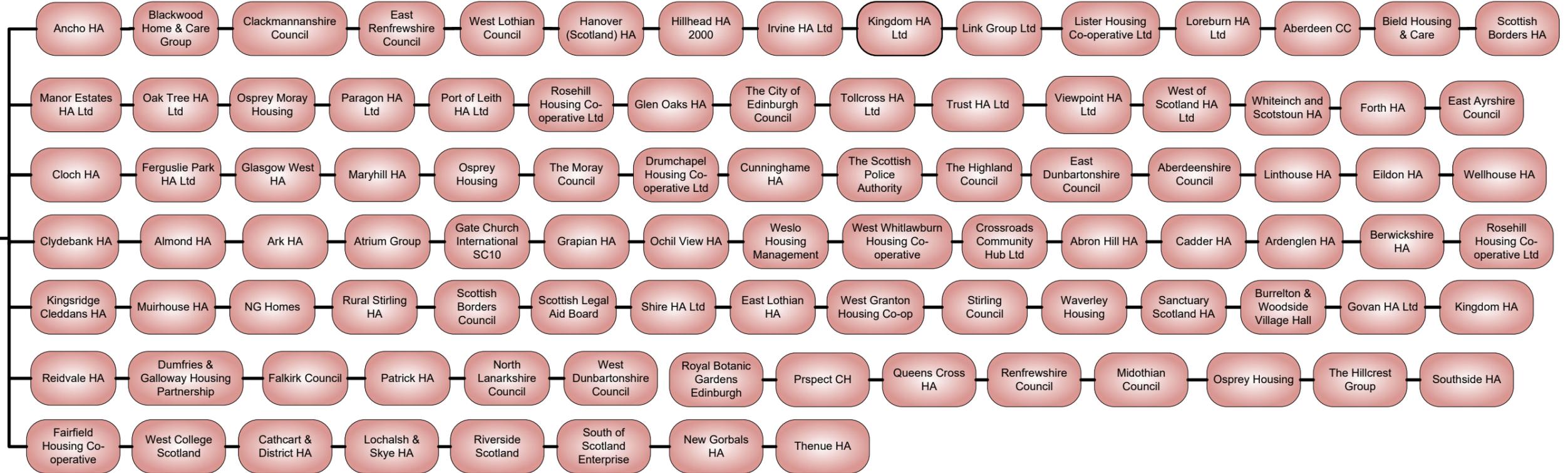
**SPA Founder Partner/Executive Partners
and SPA Partners**

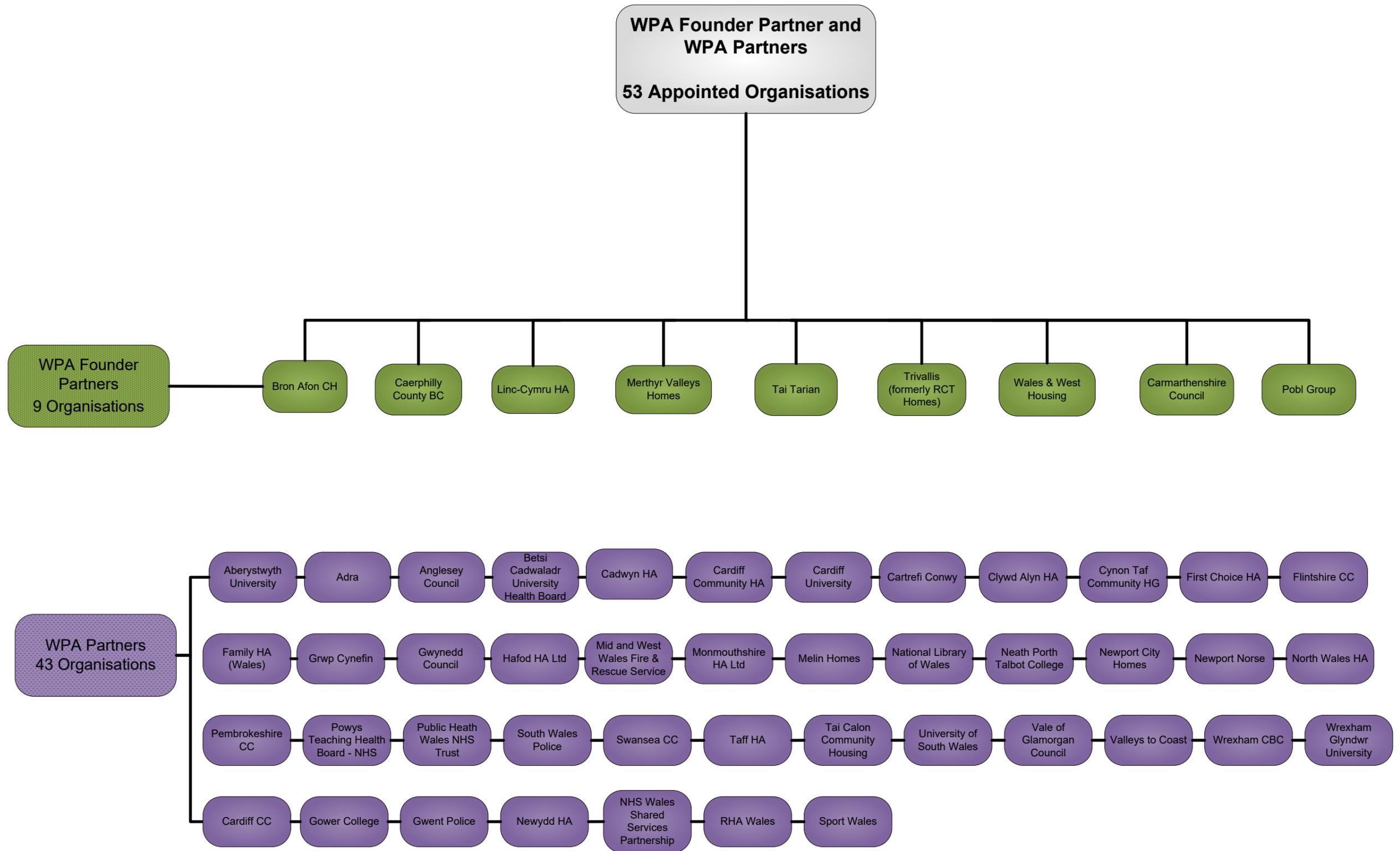
111 Appointed Organisations

**Founder Partners
And
Executive Partners**
14 Organisations



SPA Partners
97 Organisations

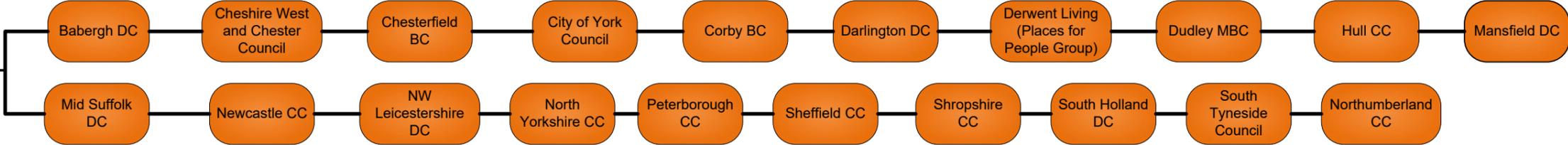




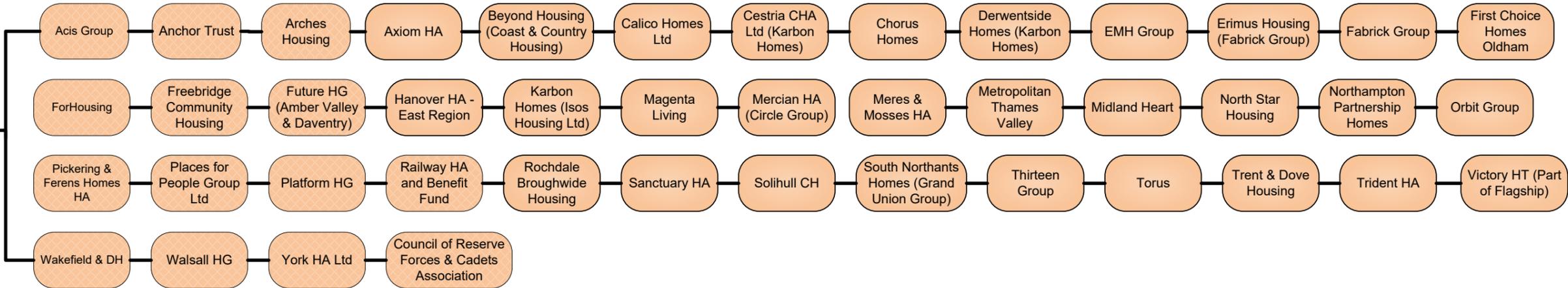
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CPC Partners
79 Appointed Organisations

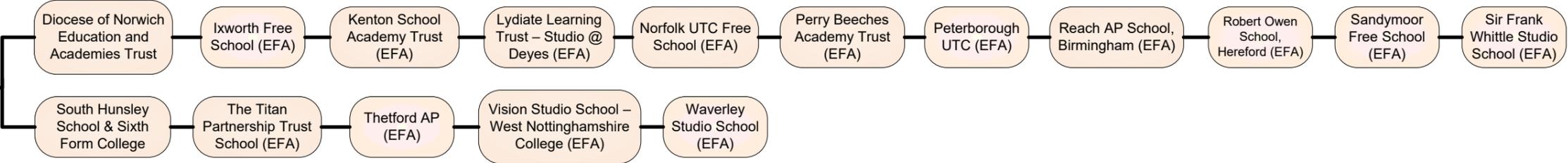
Other Local Authorities
20 Organisation



Housing Association and all other Housing Groups
43 Organisation



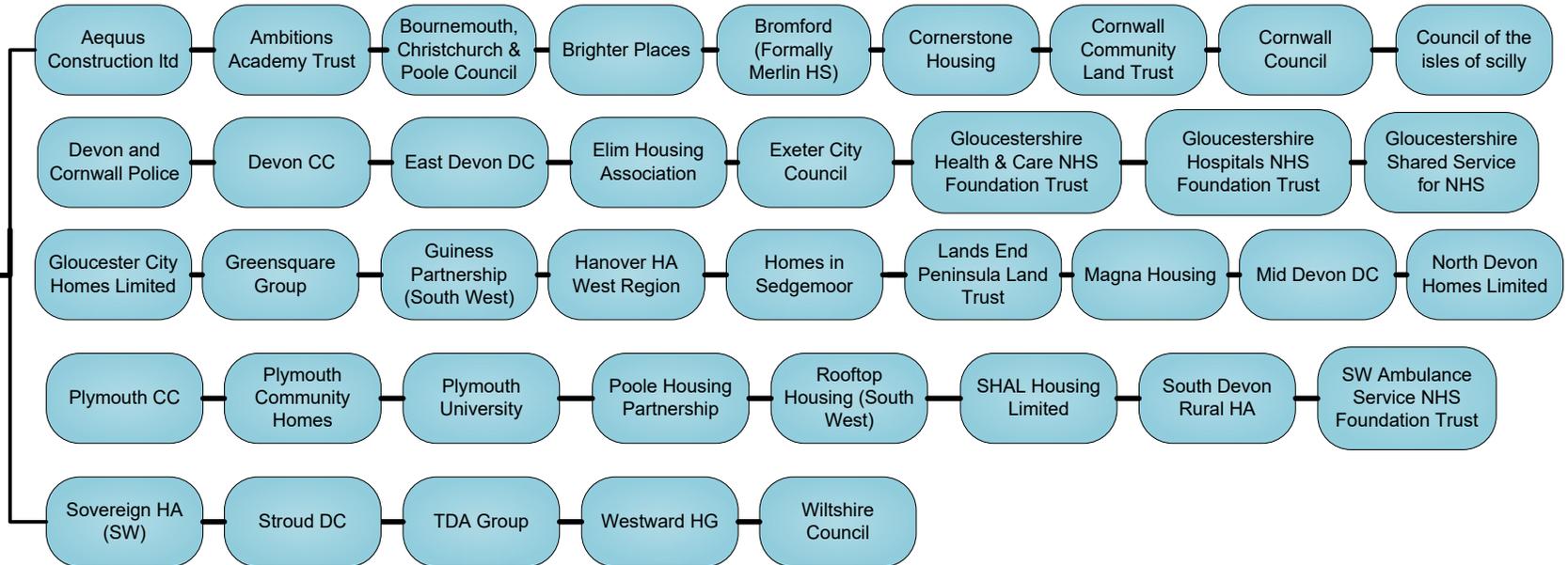
Shools, Colleges & Academy Trusts
16 Organisation



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SWPA Partners
40 Appointed Organisations

SWPA Partners
40 Organisations



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REGISTER OF GIFTS AND HOSPITALITY AND REGISTER OF INTEREST

From: 2021 - 2022

Register of Gifts and Hospitality

Received by	Event/Gift	From	Date
Naureen Ullah	Gala Dinner	BBS Construction	7 th October 2021
Kaye Wills	The Building Forum for Devon & Cornwall Annual Dinner	Obedair	19 th November 2021
Ibrar Mian	Wales Rugby International invite	Nautilus Roofing	20 th November 2021
Andrew Hamar	Wales Rugby International invite	Nautilus Roofing	20 th November 2021

Register of Interest

Received by	Item	From	Date
Mali Hill	Cat Flap Installed	Solar Windows	November 2021
Neil Barker	External Door for a family member	Nationwide Windows	December 2021

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REJECTED REGISTER OF GIFTS AND HOSPITALITY

From: 2021 - 2022

Rejected Register of Gifts and Hospitality

Received by	Event/Gift	From	Date
Clive Feeney	Golf Day	Haddon	Sept 21
Graham Collie	Golf Day	Haddon	Sept 21
Tim Lee-Davis	Christmas Hamer	E-Tec	Nov 21
Ethan James	Christmas Hamper	Breyer	Dec 21
Ethan James	£250 Gift Voucher	Harmony Fire	Sept 22

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Any Other Business

Notes

ITEM	COMMENT

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Trusted procurement for
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Date and time of next meeting

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LHC