

DIRECTOR'S REPORT

1. Recommendations

- That the information contained in the Director's report below be noted

2. Overview

- Economic and political uncertainties, together with the agonisingly slow pace of new build social housing programmes are constraining growth at LHC.
- We are having, again, to slightly downgrade our growth targets (see agenda item 11)
- This puts pressure on all other business performance areas and although we are not doing badly we are just slightly underperforming in a few areas.

3. Achieving excellence

| Organisation goals | Performance indicator in 2019-20 | Q 2 |
|---|---|-------|
| Delight all members | Client satisfaction rating of LHC > 90% | 88% |
| | Client satisfaction rating of AppCo > 90% | 80% |
| Exceed surplus | -Exceed target income (more than 100%) | 93% |
| | -Do not exceed target costs (less than 100%) | 91% ✓ |
| Treat each other with dignity and respect | Zero substantiated complaints | 2 |
| Develop staff to reach their full potential | Committed Learning & Development Plan for each and every member of staff (100%) | 62% |

3.1 Client satisfaction

- Client satisfaction rating for LHC slipped below 90% as we are stretching our resources in the regions. New and imminent appointments will help to get things back on track. Ratings for our appointed companies are holding firm at around 80%. An LHC project group to identify and implement performance KPIs is now formed (see agenda item 4).

3.2 Surplus

- Although we will miss our income targets for 2019-20, good cost control means that our projected surplus will actually increase from that planned.

3.3 Dignity and respect

- We are still working hard to obtain complete harmony across the LHC Group. We have an interim HR Manager on secondment from LB Hillingdon and are recruiting a permanent LHC HR Manager.

3.4 Employee development

- About two-thirds of all staff have undergone training this year. Others are planned. We will have 100% completion by the end of March 2019.

4. Income and expenditure

- See the financial update by the Director of Corporate Services for analysis of income and expenditure in agenda item 11.

5. Clients (see tables in Appendix 3.1)

- Most encouragingly, in difficult conditions, we are generating more interest in LHC from more clients.
- By the end of this year we expect to have generated over 1000 new leads for LHC frameworks from over 300 clients.

6. Frameworks (see table in Appendix 3.2)

- We've launched three important frameworks in the last six months:
 - Two for Fire Safety:
 - FS1- C, Fire Consultancy and Risk Assessors
 - FS1 – P, Passive Fire Protection
 - Our new Offsite Homes Framework NH2
- We have had extensive market engagement relating to frameworks to be launched in the next six months:
 - WH2, Whole House Refurbishment and Improvement Works
 - Framework and Dynamic Purchasing System (DPS)
 - N8, Energy Efficiency consultants and works
 - OPI1, Offsite Project Integrator to manage clients' offsite projects
 - A7 Aluminium Windows and Doors
- Most significantly we have been working in close collaboration with clients to develop tailored frameworks to meet their specific needs. These will also be available in the next six months.
 - H1NW – A new Housing Framework with 10 social landlords in North & Mid Wales
 - ADS – Architects and Design Services Framework with LB Southwark.

7. Information Technology

- The IT team, led by Nimesh, continue to develop our Business Intelligence tool to improve efficiency in all areas of the business.
- We have reshaped our internal communications, introducing Yammer as the main platform for staff communication. This is working particularly well with our cross-functional and cross-business teams.
- We are about to introduce a new system – Sysaid – which will help track performance against the LHC Achieving Excellence Business Management System (ISO 9001 and 27001 accredited).

8. Staff

- We continue to grow our team to ensure that we are sufficiently resourced to meet our organisational goals. See latest organisation chart in Appendix 3.3.
- Interestingly we have two ex-employees returning to LHC after an absence of two to three years:
 - Mij Rahman, as Director of Procurement
 - Ethan James, as Senior Client Support Manager in South East England
- Our regional teams are constantly evolving which requires a sharp focus on sustaining team cohesion and performance. To help with this we bring staff together three times a year.

- In September we held our first Staff Wellbeing Conference and have formed a project team of–volunteers to design and implement the LHC Workplace Wellbeing Charter. Our aim is to achieve Healthy Workplace ‘Excellence’ accreditation within three years in accordance with the guidance of Public Health England.
- Suki Singh, a secondment from LB Hillingdon is facilitating the above along with other improvements to HR process and practices.

9. Community Benefit Funds

- The table below shows the Funds allocated across four regions of LHC.

| Agency | Region | Beneficiaries | Total Fund 2019-20 |
|-------------------------------|-----------------------------|-------------------------|--------------------|
| Locality | London & South East England | LHC Constituent Members | £130,000 |
| Lintel Trust | Scotland | SPA Founder Partners | £150,000 |
| Community Foundation in Wales | Wales | WPA Founder Partners | £80,000 |
| South West Community Matters | South West England | SWPA Key Clients | £10,000 |

- A summary of progress is provided in agenda item 5.

10. Risk register (see Appendix 3.4)

- No changes to the risk register in the last six months.