

**LHC JOINT COMMITTEE - Friday 28 June 2019****Held at LHC Offices, 4th Floor, 2 Vine St, Uxbridge UB8 1QE****Representative****Borough****In Attendance**

Councillor John Bevan (Chairman)	Haringey
Councillor Philip Corthorne (Vice Chairman)	Hillingdon
Councillor David Martin	Bucks
Councillor Peter Mason	Ealing
Councillor Kevin Brady	Tower Hamlets
Councillor Asma Islam	Tower Hamlets
Councillor Jane Palmer	Hillingdon
Councillor Susan Fajana-Thomas	Hackney
Councillor Jackie Meldrum (Deputy)	Lambeth
Councillor Mick O'Sullivan	Islington
Councillor Gideon Bull	Haringey
Councillor Shama Tatler	Brent

**Officers and Advisors**

Neil Fraser – Honorary Clerk (Deputy)	Hillingdon
Steve Clarke - Democratic Services Apprentice	Hillingdon
Zak Muneer –Director of Corporate Services	LHC
John Skivington – LHC Group Director	LHC
Neil Barker – Director	WPA
Clive Feeney – Director	SPA

**Apologies**

Councillor Clayeon McKenzie	Hackney
Councillor Dino Lemonides	Enfield
Councillor John Chilver	Bucks
Councillor Eleanor Southwood	Brent
Councillor Paul Gadsby	Lambeth
Councillor Katherine Chibah	Enfield
Mary Bennell – Director, LHC South West	LHC

**1. APOLOGIES FOR ABSENCE**

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

**2. MINUTES OF THE PREVIOUS MEETING**

- 2.1 Councillor Susan Fajana-Thomas requested that her apologies be noted for the LHC Joint Committee held on Friday 7 December 2018.
- 2.2 The Minutes of the LHC Members' meeting held on 7 December 2018 were agreed as a true record.

3. It was confirmed that items 1-9 were marked as Part I and would be considered in public. Item 10 was marked as Part II and would therefore be considered in private.

#### **4. REPORT FROM THE GROUP DIRECTOR**

- 4.1 Consideration was given to a report by the LHC Group Director which provided Members with an overview of the organisation's performance.
- 4.2 The Joint Committee was informed that, as anticipated at the December 2018 meeting, LHC had not achieved its income and turnover targets for 2018-19. Reasons given included the slow pace of new house building, increased competition, and challenges faced from the Carillion Group collapse and Grenfell Tower fire. However, the Group Director noted that growth had been sustained for the seventh year in succession. Optimism for further growth was based on the business's ability to respond to client needs, including a shift to Modern Methods of Construction and the leveraging of technical expertise.
- 4.3 Client feedback showed a satisfaction rate of 91%. Ratings for appointed companies was also high at 85% but below the 90% target. To gain a better understanding of this, a project team had been set up to develop a clear set of Key Performance Indicators (KPI).
- 4.4 Costs continued to be managed well, which had resulted in a growth in net surplus.
- 4.5 In terms of dignity and respect amongst LHC staff, 3 complaints had been received in the past year; and it was confirmed that LHC was working with the London Borough of Hillingdon's HR department to reduce this to 0. A key goal in this regard was to encourage communication within the organisation.
- 4.6 84% of staff had received some form of training, though efforts were being made to reach the target of 100%.
- 4.7 The SPA operation in Scotland continued to contribute over half of LHC's income, though this share was likely to decrease over the next 5 years, as investment continued in other UK regions.
- 4.8 Sustained growth was expected through development of regional teams, including the forthcoming launch of the South West Procurement Alliance (SWPA), a partnership with the Northern Housing Consortium to create a new joint brand - Consortium Procurement Construction (CPC), and the strengthening of teams in London, the South East and Central regions. In Wales, activities continued to be based around the Wellbeing of Future generations agenda.
- 4.9 An event was recently held in Manchester focussed on promoting 'Modern Methods Of Construction', helping to build homes of a higher quality.
- 4.10 The Group Director outlined that 7 frameworks had launched in the past year, with 7 further frameworks out to tender or at the research stage.
- 4.11 Praise was given to the IT team who for their continuous development of cloud-based infrastructure.
- 4.12 Staff performance and happiness was good. With support from LB Hillingdon, the technical, procurement and marketing teams had been restructured, resulting in 6 redundancies and the creation of 6 new posts. 14 new staff were expected to be employed over the next 12 months, to aid regional operations.

- 4.13 Regarding Community Benefit Funds, agreements were in place with 4 benefit agencies to administer £370,000 for community use. Payments to LHC constituent members would be through Locality, and further information on all funds would be presented to the Joint-Committee at the meeting in November 2019.
- 4.14 It was highlighted that LHC continued to conduct industry engagement through workshops and events with industry bodies such as New London Architecture (NLA), the Construction Leadership Council (CLC) and Constructing Excellence (CE).
- 4.15 The Risk Register was considered, with one minor change since the previous meeting highlighted; the risk associated with the consequence of the government rent cap had been slightly downgraded.
- 4.16 A description of LHC's operations and membership was delivered to members as set out in the report.
- 4.17 Committee Member's asked sought clarity on why staff training levels were not at 100%. In response, it was explained that some staff were comfortable with their current position and thus were not willing to undertake further training. In addition, training on new frameworks and the induction programme for the new staff was not being recorded as formal training. The Group Director stated that actions were being undertaken to ensure all training was being accurately recorded.
- 4.18 The Joint Committee requested clarification of the role of the new KPI project team. In response, it was confirmed that there was no standard set of KPIs, as currently each individual project received bespoke KPIs based on client need. The project team would be developing a set of standardised KPIs to apply to all projects.
- 4.19 In response to a request made at the previous meeting, Cllr Corthorne raised concerns that, in order to act as an advocate for the LHC to recruit new members, he needed to be clearer about the benefits available to local authorities when becoming LHC Constituent Members.
- 4.20 Members highlighted the opportunities for local authorities and others to engage with LHC and avail themselves of its technical expertise. It was noted that from the initial 3 members in the SPA, there were now 92 members. Similarly, the WPA was gaining new member organisations regularly. An emphasis was placed on encouraging collaboration between Housing Associations and Local Authorities.
- 4.21 The Joint Committee was informed of a conference taking place in July 2019, which focussed on engaging local authorities., particularly the London Boroughs. It was recommended that the Director forward a message to procurement staff and relevant Councillors within local authorities inviting them to the conference.
- 4.22 The Joint-Committee asked how LHC's services were being positioned, in what was a crowded marketplace. It was highlighted that, in the current economic climate, price was a key consideration for many. The Group Director advised that while LHC's services were priced competitively, LHC positioned itself as a high quality procurement option, leveraging its experience and technical expertise, which could be seen in LHC's fire safety framework (which was particularly relevant following the Grenfell fire.)
- 4.23 Members of the Joint Committee suggested that an emphasis should be placed on the social value and sustainability of the company's work, together with whole life forecasts for return on investment. Officers highlighted that in Scotland, data was being compiled to set out the added value seen within projects, including over £400k in match funding.

Officers agreed that such matters could be built into future KPIs, and that further information could be brought to the next meeting of the Joint Committee. Suggestions were shared for the standardised KPIs, and included KPIs relating to reliability, quality, and enhancement to communities.

**RESOLVED: That the information contained in the Group Director's report be noted.**

## **5. AUDIT REPORT**

- 5.1 Consideration was given to the audit report. The Joint Committee was informed of a slight change to the published section 3.3 of the report, in that an adjustment of £40,000 was to be made due to a supplier processing error. Because of this, reserves were £40,000 lower than originally stated.

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

## **6. UPDATE ON THE LHC STAFF HEALTH & HAPPINESS SURVEY**

- 6.1 Consideration was given to a report on staff engagement and satisfaction.
- 6.2 It was confirmed that at LHC, a Health and Happiness staff survey was undertaken every December. The most recent survey was based on the 'Gallup 12' questionnaire and related to job satisfaction. Staff were invited to complete the survey anonymously online.
- 6.3 The expectation was to score at least 4 out of 5, which had been met in 4 of the last 8 years. A slight increase in negative responses had been noted; this was primarily attributed to a higher number of staff. It was noted that according to a 2015 Gallup report, LHC's survey results had them within the top quartile of Gallup ratings.
- 6.4 Negative responses were typically focussed on concerns over inconsistency, poor communication, and limited product training. LHC sought to address these negative responses through a staff away day in May 2019, assisted by 'Levelheaded' who facilitated the day. In addition, the LHC intranet had been upgraded, the website was reconfigured, and staff training was being reviewed to identify improvements.
- 6.5 LB Hillingdon had helped to draft a new Service Level Agreement designed to help staff address issues with wellbeing and bullying/harassment. LHC officers were meeting with the team at Hillingdon regularly.
- 6.6 Committee members discussed the survey results, and stressed that a trend of increasing dissatisfaction could be a source of concern. Officers agreed that further work could be undertaken with LB Hillingdon to address these concerns.
- 6.7 Members highlighted the importance of ensuring that surveys were targeted and specific, and not onerous to complete. In addition, it was requested that any future reports include adequate benchmarking and comparatives to other organisations.

**RESOLVED: That the update on the LHC Staff Health & Happiness Survey be noted.**

## **7. BRIEF OVERVIEW OF PROJECT BANK ACCOUNTS**

- 7.1 Consideration was given to the report, which detailed the Scottish Government's now mandated requirement for relevant public bodies to include Project Bank Accounts

(PBAs) in tender documents for public works contracts, where the estimated value was more, or equal to:

£2,000,000.00 for building projects

£5,000,000.00 for civil engineering projects.

- 7.2 It was recognised that this would soon become the norm within Scotland. To accommodate this, LHC was including wording within tender documents that stated that a PBA could be required, based on the project values at Call Off stage. It was contracting authority's responsibility to state in their tender document that PBAs would be a condition of the tender, where appropriate.
- 7.3 It was stressed that the implementation of SBAs on SPA would be minimal, as SPA was not contracting directly with clients or contractors.

**RESOLVED: That the report be noted.**

## **8. REVIEW OF REGISTER OF GIFTS AND HOSPITALITY AND REGISTER OF INTERESTS**

- 8.1 The register of gifts and hospitality, and the register of interests, was noted.

## **9. DATE AND TIME OF NEXT MEETING**

- 9.1 It was confirmed that the next meeting of the Joint Committee of the LHC would take place at 10am on Friday 29 November 2019.

## **PART II - MEMBERS ONLY**

### **10. FINANCE REPORT BY THE DIRECTOR OF CORPORATE SERVICES**

- 10.1 Consideration was given to the Director of Corporate Service's Finance report, and it was:

**RESOLVED:**

**That the Members noted the conclusions given in the body of the report and approved;**

- 1. The unaudited Financial Statement of Accounts for the year ended 31 March 2019;**
- 2. The LHC Estimates for 2019-20 and 2020-21;**
- 3. The distribution of surplus income to Constituent Members and Associate Member authorities of the LHC**
- 4. The renewal of the lease for LHC offices with the Landlords of Uxbridge offices in accordance with clause 8b of the report;,,**
- 5. Performance related pay to members of LHC staff on the basis of arrangements confirmed by the Members' Committee at their meeting on 2 December 2005;nd,**
- 6. The payment of a performance-based emolument to the Director and Chief Officers in accordance with clause 10c of the report.**

***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 12:15pm.

**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 11 JULY 2019