

Group Director's Report

1. Recommendations

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

2. Overview

- Our early assessment of the impact of covid on LHC business performance and finances is holding up.
- We remain optimistic about our recovery plans and propose that we continue with our planned investment programmes over the next 18 months. (see agenda item 10).
- Staff morale remains generally quite high but with a few instances of stress and poor performance.

3. Business performance

3.1 Client satisfaction

- Although we have fewer feedback responses during covid, Client satisfaction rating for LHC remains high at 91%. Ratings for our appointed companies are holding firm at around 80%.

3.2 Business levels

- Although our income is down as expected due to covid, our business activity levels aren't doing too badly (see also tables in Appendix 3.1).

	Six months Apr to Sep 2020	Annual Target (set before covid-19)
New project leads generated	642	1472
New projects registered	252	835
Number of clients with projects	245	432

4. Income and expenditure

- See the financial update for analysis of income and expenditure in agenda item 10.

6. Products (see table in Appendix 3.3)

- We've completed four frameworks in the last six months, and one DPS :
 - Energy efficiency consultants (N8C)
 - Aluminium windows and doors (A7)
 - Architect Design Services [London only] (ADS1)
 - Energy efficiency works (N8)
 - New residential construction DPS [South Wales only].

- We have had extensive market engagement relating to frameworks to be completed in the next six months:
 - WD2,C8 Communal and Dwelling Entrance Doorsets
 - RS4, Roofing Systems
 - MB2, Modular Buildings
 - PB3, Public Buildings

7. Information Technology

- The new Yammer communication platform is working well with our cross-functional and cross-business teams, particularly helping to foster positive interactions during lockdown.
- As part of our transformational change project we are currently working with PWC on a technology and business review to help to define our IT infrastructure to sustain an efficient and effective business over the next ten years.

8. Staff

- Even during lockdown we have continued to recruit new talented staff to ensure that we are sufficiently resourced to meet our organisational goals over the next three years. See latest organisation chart in Appendix 3.4.
- See chart below for staff data.

	Q1	Q2	Q3	Q4
Headcount	51	55		
Regional	32	34		
Uxbridge	19	21		
Starters	4	5		
Pending starters	2	3		
Recruits in progress	4	2		
Sickness Days	82.5	124.5		
Average sick days	1.6	2.6		
Number of closed sickness	8	5		
Number of open sickness	2	1		
Training number of staff	21	36		
Training Days	53	69		
BMS completed	15	32		

- A report on staff Equality, Diversity and Inclusion is provided in item 4.

- We continue to work closely with LB Hillingdon on HR governance and strategy issues and are currently working with them to upgrade the LHC performance management framework.
- Our project team of–volunteers continues to recommend and implement improvements in accordance with 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. We hope to achieve the first stage of this by March 2021.
- We have employed the services of an Executive Coach recommended by LB Hillingdon to guide our senior managers to support our workforce as we adapt to the current turbulence and settle on a new normal work environment.

9. Community Benefit Funds

- There has been a bit of delay in progressing community impact projects but a lot more interest from clients in seeking funding for such projects.
- A full breakdown of projects will be provided at the June 2021 meeting.
- At the time of this writing this report (30 October 2020), we are finalising the transfer of the Lintel Trust charity organisation into LHC and hope, at the December 2020 meeting, to report that full approval for the transfer has been given by LB Hillingdon.

10. Risk register (see Appendix 3.4)

- We’ve added one new risk to the risk register:

W Reduced staff and business performance due to prolonged continuation of lockdown restrictions

- This is a high/medium risk reduced to a medium risk through mediation actions of:
 1. Ensure that we continue to engage directly and regularly with staff to retain their morale.
 2. Provide coaching support to senior managers