

**LHC JOINT COMMITTEE - Friday 25 June 2021****Held at LHC Offices, 4th Floor, 2 Vine St, Uxbridge UB8 1QE and by Virtual Meeting****Attendance****Members In Attendance**

Councillor John Bevan	Haringey
Councillor Philip Corthorne	Hillingdon
Councillor Adrian Garden	Lambeth
Councillor Mick O'Sullivan	Islington
Councillor Susan Fajana-Thomas	Hackney

**Participated Via Teams\***

Councillor Eleanor Southwood	Brent
Councillor Gideon Bull	Haringey
Councillor Diarmaid Ward	Islington
Councillor Hass Yusuf	Enfield

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

**Apologies**

Councillor Eddie Lavery	Hillingdon
Councillor Darren Rodwell (Observer)	Barking & Dagenham
Councillor Gina Needs	Enfield
Councillor Clayeon Mckenzie	Hackney
Councillor Cameron Geddes	Barking & Dagenham
Councillor Maria Kay	Lambeth

**Officers In Attendance**

John Skivington – LHC Group Director

**Representing**

LHC

Clive Feeney – Director	SPA
Neil Barker – Director	WPA
Mary Bennell – Director	SWPA
Gary Cawley – Director	CPC
Mij Rahman – Director of Procurement	LHC
Pam Chander – HR Manager	LHC
Neil Fraser – Honorary Clerk (Deputy)	LB Hillingdon
Alastair Lyon	Crowe UK LLP

## 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 Members' meeting held on 04 December 2020 be agreed as a true record.**

## 3. REPORT FROM THE GROUP DIRECTOR

- 3.1 Consideration was given to a report by the LHC Group Director, which provided Members with an overview of the organisation's performance. Highlighted points included:
- 3.2 Following the previous meeting's report detailing the impact of the Covid-19 pandemic on LHC business, the organisation had since performed above expectations, and was well positioned to recover as lockdowns eased. It was forecast that by March 31<sup>st</sup> 2022, all areas of the business would be back on a growth trajectory, and that by the following year, (March 31<sup>st</sup> 2023), all reserves would have recovered to pre-Covid levels. Income and turnover performance, together with details of client growth, was detailed as per the report.
- 3.3 Risks to the business included net pension liability, which had increased due revised actuarial assumptions on inflation and future salary increases , together with an increased workforce. The liability remained covered by reserves holdings.

- 3.4 Staff morale continued to be high, though absenteeism had been seen to have increased from 1.5 average days per person to 1.7. This was considered a good result given the challenges of working through the pandemic. The organisation had achieved accreditation for the Workplace Wellbeing Charter.
- 3.5 Details of the LHC Members Community Benefit Fund were set out as per the report. Locality, the Fund agency, had invited Members to identify projects to benefit from the allocation of funds based on Members attendance at the June and December 2020 meetings.
- 3.6 The Transformation Change programme was making good progress, with the aim of improving stakeholder experience from 'excellent' to 'exceptional'. To achieve this, business and operational models were being refreshed, including the implementation of new technologies.
- 3.7 The risk register was outlined, which included two changes, including an increased risk resulting from the retirement of the LHC Group Director and a decreased risk to LHC finances as a result of prolonged lack of investment in public sector housing and construction, post Covid-19.
- 3.8 The Joint Committee was advised that, after 17 years at LHC, the Group Director had signalled to the Chairman and the Directors at Hillingdon of his intention to retire from the business. The plans to support this change of leadership, as part of a review into LHC's governance arrangements, were set out as per the report.
- 3.9 In response to questions from Members, it was confirmed that the pension fund was managed by London Borough of Hillingdon, with funds ringfenced for LHC.

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

#### **4. OPERATIONS AND REGIONAL DIRECTOR TEAM UPDATES**

- 4.1 The Joint Committee was provided with updates from across LHC's Central Operations Department as set out in the report, covering People, Projects, Products and Partners. Highlighted points included:
- 4.2 People: 21 new members of staff had been successfully onboarded. An interim Finance Manager had been recruited to cover the Group Finance Manger's maternity leave. Health and Happiness surveys had shown the best result in a decade. The Wellbeing Charter had rated LHC's health and safety polices/management as 'Excellent'. Accreditation status had been received on the first attempt. Mandatory training for staff included health and safety, mental health, and confident communications for women.
- 4.3 The 20/21 approved structure was fully in place as of January 2021. To

consolidate management and oversight to a single accountable leader, the onboarding of a Head of Technical Procurement had commenced. New organisation wide monthly training sessions had been introduced, covering technical/procurement subjects. Training included a priority focus on 'Raising the Bar' and a planned roll out of required accredited training (CIPS & BSI) for LHC staff to provide assurance on fire safety competencies.

- 4.4 LHC was focusing on growing marketing talent, with junior staff undertaking work to achieve a Chartered Institute of Marketing Diploma as well as digital & design expertise to provide in house support. It was expected that greater marketing collaboration could be achieved with regional teams through effective working groups, sharing benefits across different brands and needs. Internal marketing service level agreements had been developed, which promoted effective and efficient service from the centre to all internal clients.
- 4.5 Projects: A comprehensive Performance Management Guide had been launched, which included updated policies to support managers/staff throughout the employee lifecycle. Psychometric testing of new recruits through Thomas International was being piloted at SPA, assessing suitability of candidates to the role and team, and was expected to be deployed for existing talent development. The business continued to achieve ISO9001 & 27001 certification. Statutory Account auditing had been completed, resulting in successful 'clean' audit outcomes.
- 4.6 The group continued to contribute to the Environmental Audit Committee and Public Procurement Green Paper consultations. Framework Alliance Contracts had been improved and issued, while EDI data of bidders' representation had been collected within current procurements, with analysis to follow. Improvements to the website were underway, and visits were seen to be increasing year on year. Competitor analysis was underway to assist with improved market intelligence to inform procurements and other activity, together with a review of procurement platforms, in order to support transformational change activities.
- 4.6 Partners: In an effort to promote diversity, the business had partnered with Building People, a built environment platform consisting of 35+ organisations that are committed to supporting diverse communities.
- 4.7 Products: ITT documentation had been revised for clarity and an improved bidder experience increasing focus on regional capability, with the next phase to focus on improving tech/pricing schedules. The business had seen a 50-100% increase in tender submissions received for all procurements. Fire Doors, Modular Buildings and Roofing frameworks had progressed successfully during Covid restrictions.
- 4.8 LHC's regional offices provided brief presentations detailing the work being carried out in each region, before responding to queries from Members:

- 4.9 Regarding potential difficulties in maintain control centrally while retaining the individual identities of regional offices, Members were advised that direction, branding and technical proficiency and pricing were all standardised centrally. However, regional offices had a mandate to meet bespoke local needs. Clients were engaged early as part of the pre-tender process, to allow the business to identify requirements and shape frameworks to meet those obligations.
- 4.10 In respect of cladding for high rise buildings following the Grenfell fire, Members were advised that the business continued to work closely with Newham and Haringey Councils to meet fire safety needs. General research on how to further build fire safety into frameworks remained ongoing, which included research on guidelines materials, etc.
- 4.11 Regarding efforts to promote diversity within the business, it was confirmed that LHC was focussing on embedding diversity throughout the organisation, and with clients and the supply chain.
- 4.12 Following a request for further information relating to tenements within Scotland, it was confirmed that the regional office was working with a government research group on how best to undertake the repair or refurbishment of tenements. It was recognised that tenements presented a unique challenge, further exacerbated by delays due to the pandemic, and work was ongoing. Data from this work could be shared for use with the London office, where appropriate.
- 4.13 With regard to potential risks to the business should Scotland become independent, Members were advised that any changes would be safely absorbed by the business. The proposed governance review would set out further detail.
- 4.14 The work in the South West to deliver a Low Carbon MMC Dynamic Purchasing System was confirmed to be an LHC project that could be applied across regions, once completed.
- 4.15 Members requested that further information on how the organisation was promoting diversity, and how the WPA was working to create a network of local clients/supplies be forwarded following the meeting.

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

## **5. REPORT FROM THE HR MANAGER**

- 5.1 Consideration was given to a report by the HR Manager, which contained details of LHC staff.

- 5.2 Members were advised that, as of end March 2021, LHC employed 58 permanent staff and 3 contractors. Since April 2021, 21 new staff had been recruited (18 permanent), while 9 staff had left the organisation. The majority of LHC staff were confirmed to have less than 5 years' service, with 28% having less than 1 years' service.
- 5.3 As outlined previously, staff absences equated to 1.7 days per employee per year. 49% of absences were related to stress, 20% digestive/stomach and the rest were due to cough/colds and 'other'.
- 5.4 LHC had recently achieved accreditation for the workplace wellbeing charter, while staff surveys into health and happiness had resulted in the best results for a decade. The overwhelming majority of staff had expressed positive engagement with the company.
- 5.5 Health and safety measures had been completed across all sites in order to comply with Covid safety guidelines and to support staff as they returned to working in the office.
- 5.6 A Performance Management Guide had been launched in April 2021, including appropriate and streamlined competencies, documentation and policies. Annual PADAs had been completed by all managers for all teams.
- 5.7 Mandatory training courses had been completed by all staff, with topics including health and safety, equality, diversity, inclusion, and mental health. Diversity data would follow at the next meeting.
- 5.8 An additional 11 staff were now part of the Local Government Pension Scheme.

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

## **6. GOVERNANCE REVIEW**

- 6.1 Consideration was given to the proposed governance review as outlined within the report, required due to risks relating to Hillingdon's role as lead authority, changes to Member representation and chairmanship, and the impending retirement of the LHC Group Director.
- 6.2 Members supported the proposed review and suggested that the review should include a rebalancing of Board membership to better reflect the regional offices. It was confirmed that the review would include a review of the membership structure.

**RESOLVED: That the proposal in the report be approved.**

**7. REGISTER OF GIFTS AND HOSPITALITY AND INTEREST**

- 7.1 Consideration was given to the register of gifts and hospitality, and the register of interests. It was confirmed that, as meetings were not taking place due to the pandemic, no gifts had been received nor interests registered.

**RESOLVED: That the register of gifts and hospitality, and the register of interests, be noted.**

**8. DATE AND TIME OF NEXT MEETING**

- 8.1 It was confirmed that the next meeting of the Joint Committee of the LHC would take place at 10am on Friday 3<sup>rd</sup> December 2021.

**PART II - MEMBERS ONLY AND NOT FOR PUBLICATION****9. REPORT BY THE DIRECTOR OF OPERATIONS**

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

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

- **The audited Financial Statement of Accounts for the year ended 31 March 2021 as set out in Appendix 9.1 of the report;**
- **The LHC Estimates for 2021-22 and 2022-23 as set out in Appendix 9.2 of the report;**
- **The distribution of surplus income to Constituent Members and Associate Member authorities of the LHC as set out in Appendix 9.4 of the report;**
- **The flat rate bonus payment to all staff as proposed at Members' Committee Meeting December 2020, set out in Appendix 9.6. of the report, instead of the surplus related 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; and**
- **The payment of a performance-based emolument to the Director and Chief Officers follow a flat rate payment as included in Appendix 9.6 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 12:55pm.

**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 08 JULY 2021