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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.

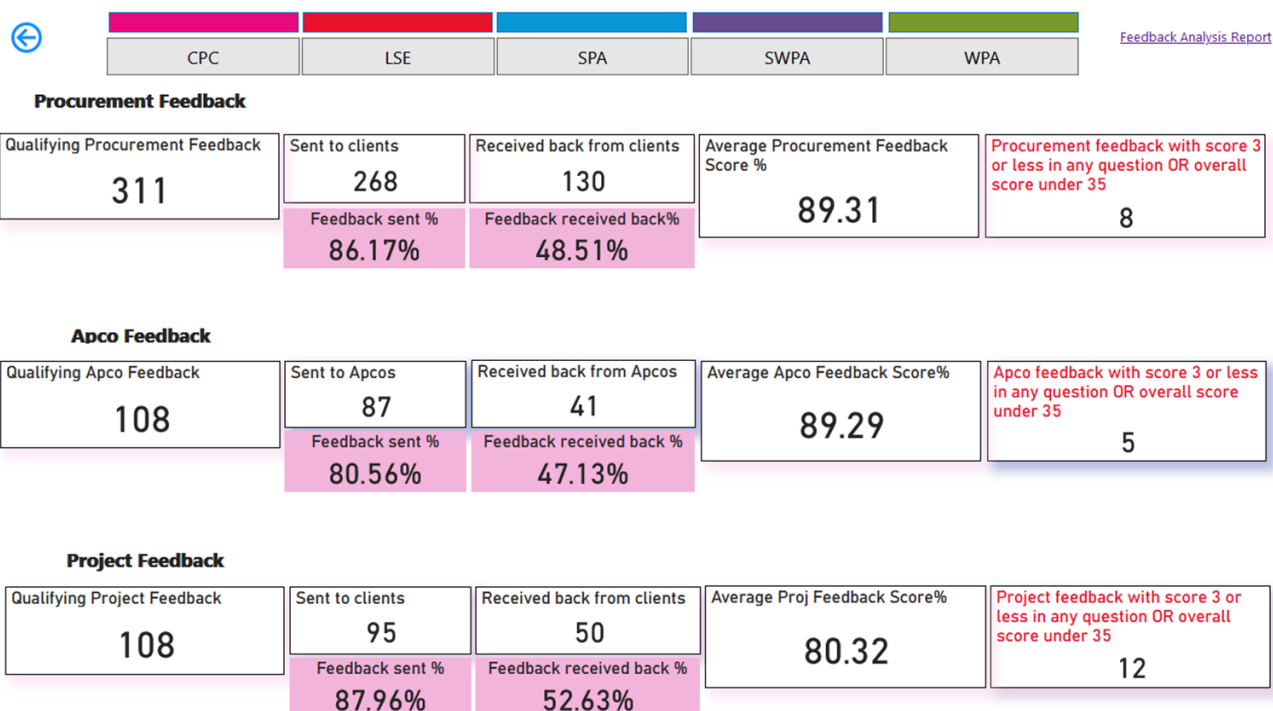
As part of our Phase 3 post Covid return to work, we have liaised with all office-based staff throughout the country to agree a return to work policy that reflects our commitment to flexible working. This has been well received and has also added to the upturn in morale.

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.

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.