

Strategic Partnering in Colchester



Colchester Homes Decent Homes Programme

In partnership with **Inspace**

Contract type – NEC option X12 Partnering Contract



Colchester Borough Homes (CBH) was formed in 2002. With responsibility for over 6000 properties, CBH embarked on a new and imaginative partnering agreement with social housing specialists, Inspace Partnerships.

The partnership looked to deliver both major works projects and Decent Homes programmes, whilst also incorporating all responsive repairs.

Together they looked to achieve a total property management solution, whilst providing a long term, cost effective and quality service for their residents.

Key Achievements:

- Resident satisfaction for both Customer satisfaction with Product and Service, now consistent at 98%
- Time taken to complete non-urgent repairs reduced from 15-20 days down to 7 days
- Emergency and non-emergency repairs mix has been re-addressed from 50% of all repairs being classed as emergency, now at 15%
- Employee satisfaction levels at CBH and Inspace greatly improved compared to previous non-partnered contracts
- Programmed completion rate exceeded year on year
- The programme has achieved record cost savings for each consecutive year
- Expectations levels for both Client and Residents have been raised on repairs and major works

Partnership Profile

After consultation with residents, it was agreed that an Arms Length Management Organisation (ALMO) would be the most advantageous method of securing the improvements, maintenance and development of the Social Housing in Colchester.

At an early stage the Colchester Borough Homes board realised assistance would be required to bring the newly formed Colchester Homes in line with the 2-star status required to draw funding from DCLG.

After being selected as preferred bidder, Inspace became an integral part in the development of both the partnership and Colchester Borough Homes as a newly formed ALMO. This created a clear understanding of what was required to successfully deliver the project by the partnership.

The unique aspect of the partnership is how Inspace project manage the programme on behalf of Colchester Borough Homes, managing existing CBH staff in conjunction with Inspace employees. In the delivery of all works, no separation is made between Inspace and Colchester Borough Homes in how they are presented to residents. They are simply branded as Colchester Property Services.

Asset Management

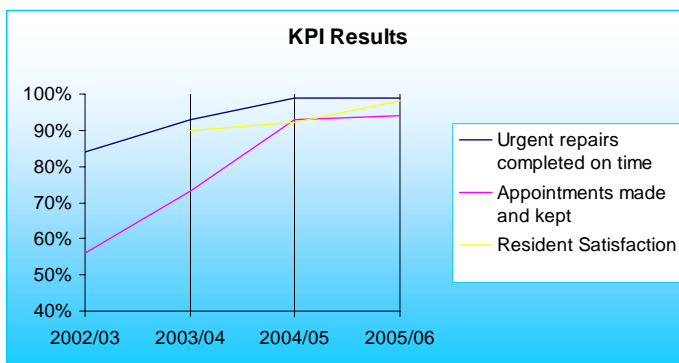
To coincide with the creation of Colchester Borough Homes, a stock condition survey totalling 8% of the total 6000 properties was undertaken by Colchester Council. This provided a foundation for the future delivery of programmed improvements.

However, after their appointment as Main Contractor within the partnership, Inspace recommended not to deliver the scheduled program of works based upon a stock condition survey of this sample size. This conclusion was due to the vast number of variants in property type, within the CBH property portfolio.

Following this, a decision was made to conduct a full decent homes survey visiting every individual property in year one of the programme.

Whilst surveying each of the 6000 properties for condition and structural issues, the opportunity was taken to conduct the residents choice and kitchen surveys at the same time, in essence creating a 'one hit' property survey.

This produced sizable cost and time efficiencies for the partnership in addition to a vast increase in the property access rate, whilst at the same time minimising the disruption for residents.



Human Resources

At an early planning stage an assessment of possible skills shortages was undertaken. This combined with a pro-active recruitment plan before the commencement of the works resulted in very few positions being under resourced.

One of the unique aspects of the partnership is how Inspace are delivering the program of works by incorporating existing Colchester Borough Homes employees, within the Inspace team. This removes any TUPE obligations for the partners, as although existing staff are under Inspace management; they are still employed by Colchester Borough Homes and have not been transferred.

Managing the Supply Chain

All parts of the supply chain including contractors and suppliers are managed by Inspace. This is not to say they don't utilise the effective areas of the existing supply chain that Colchester Borough Council (CBC) have in place. By integrating key experienced procurement employees from CBC into the newly formed Colchester Homes / Inspace partnership they achieved great knowledge of the local supply network.

When selecting and negotiating the various facets of the supply chain, companies and individuals are selected not purely by a price driven strategy, but Inspace look towards the values of Egan and select on the basis of value, service and quality. This is just as well considering Inspace are looking to maintain these properties for a minimum of 10 years, so a quality product and service is essential.

Just in time (JIT) logistics is being used extensively throughout the programme, in particular is the utilisation of Travis Perkins outlets as redistribution points for key materials. In addition to site operatives collecting day-to-day supplies, pre-packaged kitchens are also collected and taken directly to the corresponding address. Before this procedure was in place, over 40 complete kitchens were held at any one time at a centralised Inspace depot.

Planning

Colchester Borough Homes had originally expected works to start works as soon as construction partner had been appointed, with existing 8% SCS forming basis for programme of works. With this no longer the case, the planning process and programming had to be completed in a within a stick time frame, following the findings of the complete stock condition survey.

This revised approach also had other ramifications, a series of smaller maintenance and repair programs were already in operation. These had to be suspended in order for the entire housing stock to be assessed and the new programme put in place. This required effective consultation and approval from residents, as many had been placed on waiting lists which would now be cancelled.

Properties were now being managed on a 'worst first basis'

This approach was supported by the resident's consumer group.

Collaborating Major Works

Being one of the few joint Decent Homes and Responsive Repairs partnering contracts, this required a new management approach to be adopted. Collaborating the two contracts enables Inspace to achieve greater economies of scale and create a sense of ownership of the properties. This in turn gives Colchester Borough Homes a more cost effective contractor providing excellent customer service.

Properties are broken down into 6 regions called 'customer ownership areas'. Each region has a designated Inspace Customer Ownership supervisor. A supervisor manages their own team of repair operatives and sub contractors. This enables the residents to build a familiarity and rapport with supervisor and the operatives to create a continuous team working relationship.

The customer ownership teams are also integrated in delivering the Decent Homes package and associated works to the property. After the programme moves onto the next region, the team stays in place delivering all maintenance and repairs within there existing region.

The same approach has also been taken to appointing 'clerk of works' to the contract. As works had previously been commission separately, there was a separate clerk for each contract. Now one clerk of works covers the multitude of disciplines within a customer ownership area.



Responsive Repairs

The revised method of handling repairs consists of call centre operatives forwarding instructions directly to site operatives via their electronic hand held device using the ViXEN software system. This leaves operatives to manage their own work schedule, which has resulted in an improved turnover on responsive repairs.

The call centre now acts as one stop shop for all tenant enquiries, being able to answer questions regarding repairs, decent homes works and adaptations. This is only possible due to the fact Inspace hold a complete management contract for the properties.

Incentives

In keeping with the principles of partnering, great performance and continuous improvement from Inspace and the supply chain is rewarded based on the following criteria:

- Profit for Inspace is generated via a fixed profit margin or variable profit, in relation to Key Performance Indicators (KPI's)
- The KPI's used for benchmarking performance are mutually agreed by all partners and tenant representatives at the beginning of each financial year
- Performance must always be within the top quartile
- Customer (resident) satisfaction is the only statutory KPI, other KPI's are open to change each year
- Efficiency through continuous improvement and best practice is encouraged by any savings being redistributed 30% to Inspace and 70% back to Colchester Homes, to reinvest in the works program
- Defects are linked to KPI throughout the supply chain, which in turn is linked to a variable profit for members of the supply chain.
- KPI's used to measure the supply chain partners are, number of defects, appointments made and kept, customer satisfaction and programme compliance.

Tenants and Leaseholders

Recording accurate feedback from residents is considered vital to ensure the partnership is working well and delivering its objectives.

Dedicated regional/customer ownership area Resident Liaison Officers (RLO's) record feedback from residents using customer satisfaction cards. To ensure an unbiased response, residents are asked to complete in their own time and return the postage paid card back to the customer service centre. If, after a period of time the card has not been returned, it is the RLO's responsibility to contact the resident and assist if there are any problems.

Inspace have achieved a 100% return rate to date.

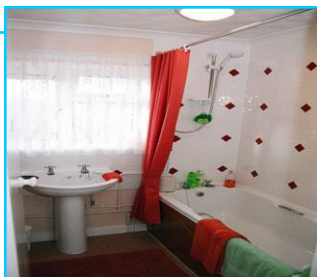
Customer satisfaction is at 98%, which is attributed to the reliability of operatives, effective resident liaison, quality of product and quality of service.

Best Practice

- Inspace have taken a short term leasehold over premises supplied by Colchester council. Inspace pay reduced market rent in return for the refurbishment of all buildings on site, for the duration of the contract.
- Workshop on site has been refurbished, so now Inspace carpenters make all doors and garage doors instead of buying them in as before. 1 carpenter a day works on these. This represents a £600 per unit saving as a result of no longer externally purchasing the doors.
- This enables tradespersons to develop and maintain skills, which are not always utilised during package works and repairs.
- A workshop has been created to facilitate skills training for residents in basic DIY and property maintenance.
- Purpose of offering skills to tenants is to encourage them to take the opportunity to improve their homes in addition to the work being carried out under the package works.
- The Partnership operates an innovation and best practice group, which is chaired by the chairman of Colchester Homes and attended by a senior level of the Inspace management team, site managers, RLO's, Consultants and tenant representatives.

Lessons Learned

- Partnering has created a better working relationship between client and contractors
- The reduction of Hierarchical management has encouraged partners to go the extra mile for the partnership to work
- After working with Colchester Borough Homes on this partnership, Inspace would not recommend reverting back to a traditional contract on future projects
- Partnership has enabled a greater amount of decision making to be carried out at project level, resulting in a more efficient service
- People working within a partnership are much more empowered, which is a major contributor to efficiencies
- Key drivers should not conflict in an effective partnering agreement
- Inability to effectively benchmark against other organisations as they have different standards and scope set by client



Multi-skills and Training

The multi-skilling of operatives is seen as vital to the success of the contract. For example, a plasterer being skilled in basic plumbing enables them to remove and replace a radiator and removes the need for a plumbing contractor to make two return visits to a property. This enabling works to be completed in less time and with fewer disturbances to the resident.

A programme for the multi-skilling of operatives is operating over a 3 year period, aiming to achieve a totally multi-skilled workforce.

Last year property services personnel received on average 8 full days training ranging from health & Safety training, new skills training and I.T.

Communication

The total integration between Inspace and Colchester Homes has resulted in a very open and effective communication culture.

This is encouraged at every level with David Pace, Inspace general manager for the Colchester contract, who also sits as part of the Colchester Homes chief executive board. This removes the usual Contractor – Consultant – Client protocol, now making communication between parties direct.

Core frame group meetings which consist of Councillors, Colchester Borough Homes, Tenant representatives and Inspace employees are held monthly. This feeds into a strategic partnering group which consists of all senior and executive members, which is held every 2 months.

