

## Partnering with Contractors



### Hounslow Homes Decent Homes Programme

Client – Hounslow Homes

Main Contractors – United House, Balfour Beatty and Lovell Partnerships



Hounslow Homes was formed in 2002 as one of the first arms length management organisations (ALMOs) in the country. Hounslow Homes is tasked with managing the council's 16,500 homes and has delivered £120 million of refurbishment and improvement works to bring its housing stock up to the government's Decent Homes Standard by 2006.

In 2005 Hounslow Homes was awarded three-stars, the highest rating by the Audit Commission for excellent housing services, with excellent prospects for improvement.

To date, 10,500 properties have been improved with new kitchens, bathrooms, roofing modernisations and new windows. Hounslow Homes is on target to complete all decency work by Summer 2006, four years ahead of the government's deadline.

#### Key Achievements:

- 3 Star rating by Audit Commission for Housing Excellence
- 10,500 properties brought up to decent homes standard
- £20 million reduction in unit costs achieved by partnering
- Consistently achieving 90% resident satisfaction for service
- Continuous improvement in cost achieved year on year
- Industry leading Health & Safety record

### Partnering

The primary objective for Hounslow Homes was to achieve best value in the provision of works and services to deliver the investment programme. This has been achieved by an open and collaborative approach to the procurement of works and services, and the way in which Hounslow Homes have managed and monitored, on a partnered basis with all parties committed to developing continuous improvement.

***"We were awarded the highest three-star rating by the Audit Commission for excellent housing services in 2005 and without doubt the partnering contractors have contributed to that success"***

Tim Keogh, Investment Programme Manager  
Hounslow Homes

When looking to form a successful Partnering agreement, it is important for the client to identify what they wish to achieve from partnering and to assess the likely success factor of these objectives.

Hounslow Homes' stated the following aims and objectives outlining what they expected from a partnership:

- Consistent, comprehensive and effective delivery of the investment programme;
- Reduced design, supply and construction time;
- Improved quality and achievement of right first time works and services;
- Greater resident satisfaction;
- Reduced capital cost and whole-life cost; and
- Ensuring that the works and services are carried out within budget and demonstrate value for money.

## Asset Management

Hounslow Homes developed their asset management plan in conjunction with The London Borough of Hounslow and tenants and residents groups making use of existing Stock Condition information and valuable local knowledge.

In September 2002, FPDSavills were commissioned to carry out a new stock condition survey.

FPDSavills were presented with an analysis of the housing stock, prepared by Hounslow Council's Technical Services division, which allocated the majority of properties into 300 identical or "clone" types. The remaining (approximately 2000) properties were deemed to be ungroupable as they were isolated street properties or in blocks of less than 10 units.

This analysis enabled the sample of properties being surveyed to be weighted, so that a lower proportion of large number identical units and a higher proportion of the more varied properties formed the sample mix.

Due to the robust manner in which Hounslow had identified the clone types, FPDSavills advised that conducting any additional surveys (over and above a total of 10% of the tenanted stock, and including all sheltered schemes) would have no significant added value to Hounslow Homes.

Instead, FPDSavills provided an additional output, in advance of receiving the full stock condition database, which identified by property, which element of decency would be met or failed in Years 1-2, 3-5 and 6-10. This proved to be a significant benefit in developing the decency related elements of the capital programme for 2003/04 and beyond.

**Hounslow Homes' approach to identifying clones, and weighting the sample of properties to be surveyed, was commented on favourably in the Audit Commission's Inspection report.**

## Supply Chain Integration

Hounslow Homes strengthened relationships with suppliers that had been successfully used under Hounslow Local Authority and so involved the supply chain at a very early stage.

Members of the supply chain were briefed by Hounslow Homes before the commencement of the Decent Homes Programme then attended strategic core group meetings and were involved in standard setting work shops and customer care workshops.

By agreement the partnering contractors welcomed the existing suppliers into the partnership for the Decent Homes Programme. The partnering contractors then took responsibility for all materials procurement, warranties and design liability.

## Communications

For a partnering agreement to achieve its objectives and for the partners to maintain a trusting open relationship, it is vital to establish effective communication methods from the very beginning that will engage all groups involved in the programme.

Strategic Core Group meetings were initially held monthly and then every two months, after the group had 'gelled' into familiar culture, comfortable with both the programme and each other.

These are attended by partners, client, tenant representatives, consultants and partnering advisers.

Site Meetings are held monthly throughout the programme and involve Partners, consultants and in house project managers and housing and caretaking staff.

## Monitoring Performance

Hounslow Homes have a dedicated performance monitoring team for all aspects of the delivery of their core capital programme and Decent Homes Programme.

Partnering Contractors are required to provide monthly electronic updates on progress and headline KPIs, directly to the monitoring team. This information is then used to update Housing Management & Housing Maintenance databases and Stock Condition and Asset Management databases.

## Tenants and Leaseholders

Let's not forget who will be most affected by the Decent Homes Programme - the residents.

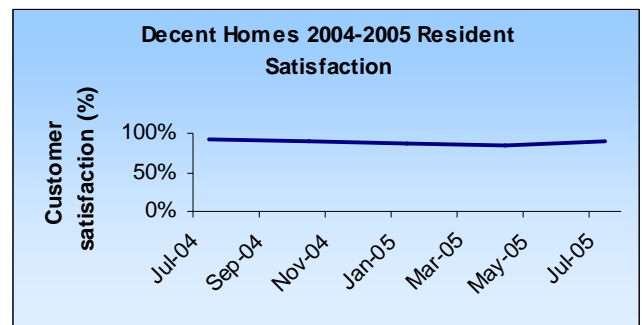
Hounslow Homes involved both tenants and leaseholders by using the following methods:

- Creating a video/DVD of the proposed works showing the residents the process they will go through, showing examples of contractors working in occupied properties. The video clearly explains the process, the standards, methods of communication and what can be expected from both contractors and the tenants themselves.
- At the start of each phase of work or on a particular estate a tenants meeting is held and a display of all the options available for initial choices to be made by residents and advice on timescales and level of disruption.
- The tenants representative body HFTRA (Hounslow Federation of Tenants & Residents Associations ) are part of Capital review group and sit on Partnering Core Group meetings and attend partnering workshops.
- Hounslow Homes Best Value team undertake an independent Residents Satisfaction survey of capital works, both pre and post works.
- Hounslow Homes Resident Liaison Officers meet regularly with tenant groups on specific capital schemes and issues.
- Resident's priorities are established using various surveys undertaken by the Best Value team including the 2003 Survey of Residents where it was established that in addition to Decent homes programmes residents priorities centred around increased security to deal with anti social behaviour.

## Tenants Federation

The Tenants Federation have been involved from the very start of the programme. They were part of the contractor selection panel and carried out visits to other local authorities/HA's that prospective partnering contractors had previously worked on, meeting tenants and getting their opinion on the performance of the contractors.

The Federation were heavily involved in standard setting, programme development, establishing procedures, creation of video/DVD and attending the Strategic Core Group meetings. They also undertook mystery shopping and feedback to individual contractors on performance issues.



## Objective Results

### **DEFECTS**

Under the Strategic Partnering Agreement the objective for Hounslow was to achieve zero defects. Therefore having a target of 100% of properties handed over at completion to have no defects.

This target has not been achieved, however they have managed to maintain an average level of 80% of properties having zero defects and we are continually looking to improve these percentages.

### **TRAINING**

An indicator to measure the number of locally employed people was introduced as was the indicator to measure numbers of locally employed people trained specifically for the programme by each of the strategic partners.

Each strategic partner has 4 trainee/apprentices (16 total) and a total of 85 local residents employed by the partners at any one time.

### **HEALTH AND SAFETY**

The objective was to achieve a target of no minor or major reportable accidents or reportable incidents.

This target has been achieved with a record of zero reportable accidents. This is considered excellent in relation to industry standards and Hounslow are continually striving to maintain and where possible improve with Health & Safety training.

### **COSTS**

Objectives were identified to confine outturn costs of works from each of the partners to within an agreed maximum price.

It is apparent to see that costs efficiency has been maintained and throughout the phases has been continuously improved with 7% savings from year 03/04; 10% savings from year 04/05, thus contributing to HH achieving a cost efficiency of at least 17% since the start of the programme (excluding adjustment for inflation).

## What next?

At the end of 2005/06 Hounslow Homes will have met its Decent Homes Standard (DHS) targets and their capital programme for future years.

To ensure that Decent Homes Standard is maintained beyond the 2010 deadline, Hounslow Homes has also made provision for future work on 300 properties a year within an ongoing cycle of improvements, to ensure that decency targets are sustained:

- Each year for the next ten years 300 homes will require internal modernisation to keep them at the decent standard and the Hounslow Homes programme is designed to deliver this.
- 111 will require new windows
- 190 new roofs
- Hounslow Homes have a ten-year heating and rewiring programme that upgrades all systems on a rolling basis at the end of their useful lives.
- Some 630 properties are due for new electrical systems
- 570 are programmed to have new heating systems in 2006/2007.



With the completion of their decent homes work, Hounslow Homes want to consolidate the work that has already been done on the rehabilitation estates. The regeneration of communal areas and estates will safeguard and make sustainable the decent homes investment.

Therefore a new programme has been developed called Decent Estates that will address elements of communal areas that are important to residents quality of life such as:

- The quality and appearance of buildings on estates
- Underused and undesirable land on estates
- Parking facilities and estate roads
- Condition of lifts, entrances, stairways and lobbies
- How household waste is managed
- Play and sporting facilities

## Final thought.....

The current relationship Hounslow Homes have with partners is extremely good.

They have established very good working relationships with the partners both at a strategic and operational level and whilst their capital programme will greatly reduce in 2006/07 Hounslow are continually looking to use their partnership expertise on a variety of other schemes.

It is recognised by all parties that the partnering process has been instrumental in the successful delivery of the large volume work undertaken over the last 4 years.

