

## Value for money through partnering in repairs and maintenance

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### What this session will cover

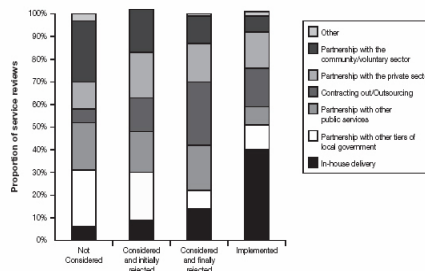
- The Housing Efficiency project management & maintenance (HEIP M&M) explained
- Why modern procurement practices
- Effective procurement
- Key findings
- Lessons learnt
- Further work

### The HEIP M&M project explained

- Identification of value for money within the management & maintenance practices of Local Authorities & Housing Associations.
- The key objectives were to explore:
  - The cost benefit of partnering in responsive/planned repairs
  - Procurement practices
  - Involvement of customers
  - Approaches to procuring material
  - Use of benchmarking data
  - Develop a range of efficiency packs made available across the housing sector

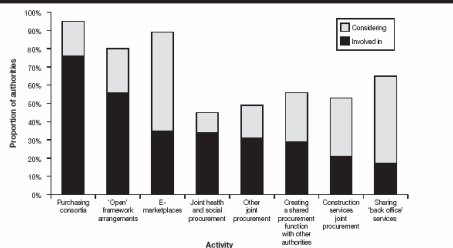
### Why modern procurement practices

Options Appraisal



### Why modern procurement practices

Is your authority involved in or considering:



### Why Modern procurement practices

- Key means to improving VFM if done well.
- Annual efficiency statements submitted in April 2005 LA's identified 49 % of the £71m from procurement & partnering.
- Constructing Excellence - housing capital works partnering savings
- Significant growth not replicated in responsive & planned repairs- missed opportunity
- Many definitions of partnerships & peoples understanding- impact on outcomes

## Partnering formats

- 'Rosette' Partnering
- 'Lawyer' Partnering
- 'Carrot' Partnering
- 'Any old project' Partnering
- 'Your on your own' Partnering
- 'You will save money' Partnering
- 'Innovation' Partnering
- 'Big Bang' Partnering
- 'It has to be Big' Partnering
- 'Default' Partnering'

EPS presentation

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## Procurement Barriers- to look for

- Legal complexity
- Risk Aversion
- Restricted supply side
- Lack of client side capacity
- Narrow approach
- Organisational culture
- Procurement knowledge network- notable practice
- Change to EU procurement Jan 06

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## Procurement Strategy - Byatt

- General procurement principles & methods
- Updated information on procurement activities.
- Strategic aims & their relevance to procurement activities.
- An analysis of key goods & services & their costs.
- Information on how goods & services are purchased.
- Details of current contracts with renewal/replacement dates.
- Recent & planned best value reviews?
- Anticipated future procurement exercises.
- Performance of key suppliers.
- Structure & performance of the procurement function.
- Skills & training needs.
- Issues of probity & good governance.

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## Efficiencies through Effective procurement

- Understanding the market
- Sharing market knowledge
- What is available, how they engage with it
- Sharing skills
- Define the product
- Understand the cost, demand & quality
- Risk analysis on provision of an improved service
- Look at your last few contracts
- Cost quality award

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## Relationship thinking

- Partnering is not right for everyone?
- Organisations not always able to quantify the benefits or gains
- Level of commitment to the process of collaborative working.
- Significant time, energy & resources is required to:
  - Challenge existing working practices,
  - Get all levels & parties to embrace new working methods
  - Develop trusting non adversarial relationships.

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## Relationship thinking - Customers

- Positive examples on involvement in development & implementation process
- Satisfaction - key measure of service improvement.
- Involvement in identifying what any efficiency gains should be spent on.

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## Organisational practice

- Linking contracts
- Use of modern technology
- Materials purchase but use of consortia limited
- Understanding cost & link to quality
- Performance management
- Links to sustainable communities
- Emerging continuous challenge
- The package - contract length, ability to extend, price & quality.
- Risk analysis of an improved service
- Evaluating outcomes from partnering

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## Lessons learnt

- Not an easy option
- Risk analysis
- Attitude of those involved,
- Flexibility,
- Clear vision,
- Trust, openness, cooperation,
- Good reporting tools, good benchmarking,
- Regular meetings & good communication with all stakeholders
- Ability to reengineer to drive continuous improvement

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## Further Advice

- National studies consultation – procurement key issue
- Beacon in procurement
- To find out more : <http://www.audit-commission.gov.uk/housingefficiency>
- Or contact Alison Brown: 07876 217698

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