

THE
SLH GROUP

To JV or not to JV that was the question!

23 January 2013

Making South Liverpool **the** place to be.

Context – 2010

- Lead Registered Provider in Speke, Garston, Woolton (3700 homes, plus support services – T/O £13m)
- R&M service:
 - Established contractor
 - Annual investment £2-3m responsive and planned maintenance
 - Good operational performance, low cost good performance - Housemark
 - Audit Commission SNI Jan 2010 – excellent prospects for improvement
 - In-house fencing team



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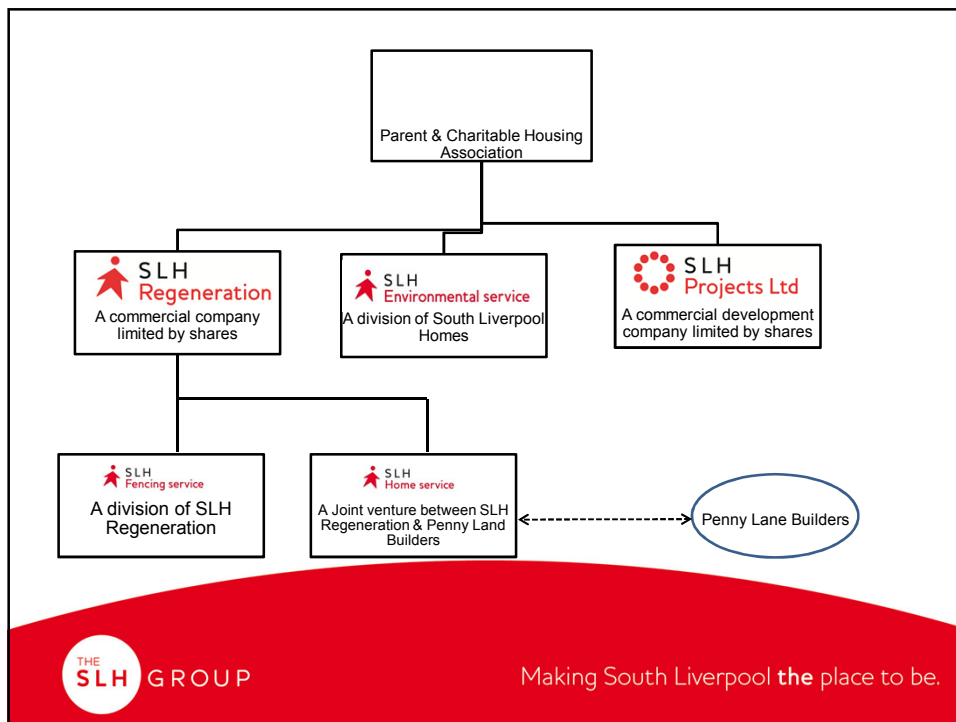
Option appraisal

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The Courtship' JV (LLP)



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Life after the honeymoon

- Operational transition smooth
- Responsive maintenance performance
- Customer satisfaction
- Void performance
- Variations levels
- Ave day to day repair costs
- VFM
- Profit projection
- External business



Life after the honeymoon

- Back of office – not so smooth i.e. finance, HR support
- Culture / role clarity
- Delays in planned programme
- Cash is king!
- Maximising YE sales / profitability @ real risk



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Taking it to the next level

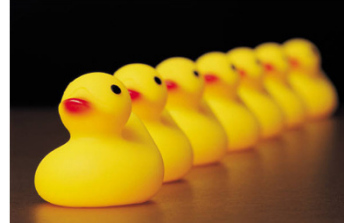
- Co-location – mgt team
- Material Procurement
- Restructure management resource
- Management development plan
- Joint business planning – common purpose
- Agree growth strategy



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Get all the ducks in a row - key considerations

- More than just a procurement
- Understand the bigger picture – organisational / corporate objective(s)/must haves
- Willing and able partner
- Professional advice essential – legal / Tax-VAT / procurement / employment
- Manage risks
- Strong commitment



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Lessons Learnt

- Timescale – be realistic (still got the day job!)
- Don't underestimate cultural challenges
- Greater investment in Partnership Operational Team
- Management Capacity – don't cut corners
- Alignment or otherwise of policy / custom & practice
- Potential of conflicting growth strategy
- The client giveth and the client taketh away



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Any regrets?.....



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Questions please



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