


## Workshop 4a:

Successfully developing a wholly owned subsidiary

Speaker: Luke Mitchell, United Welsh HA  
Mike Gammack, Mears Direct  
Chaired by: Karl Linder  
Room: Blenheim Room

 National Housing Maintenance Forum  www.nhmf.co.uk



## The Journey to Celtic Horizons

## Project Drivers

To improve service delivery to our customers in a more efficient manner within current organisational resources.

 Services that are out of this world

## Make the most of our financial strength

Our procurement is smart. We maintain or improve service in some areas while releasing resources for other things.

 Look after the pennies...

## Working with Bath University

- Over 28,000 repair related visits per year are carried out
- Highest expenditure for contractors are wages and fuel
- Supply chain can be improved
- Appointments are valued by the customer
- Reduce double handling of system data by improving software compatibility
- Improvements can be made to working in partnership with our contractors

## Working with Bath University

- No incentive for tenants not to report repairs.
- Methodology for incentivising contractors were not robust.
- There appeared to be a high level of management cost per operative.
- Variations are costly & over 20% of all repairs are reported as emergencies.
- Management and controls for caretaking, cleaning and grounds maintenance were not robust or expert.
- Data rich but need to focus operational resource to use this data efficiently.

## Service Improvements to be Developed



- Maximising opportunities to carry out repairs and/or obtain stock data when access is gained for gas servicing
- Reduce number of contractors
- Drive down cost by reducing number of visits through developing a menu of incentives for tenants to reduce reactive pressure on repairs service ( maximise certainty)
- Have timely robust customer satisfaction data
- Develop visibility on our estates and locale
- Incentivise better contractor performance.

## Service Improvements to be Developed



- Improve van stock levels and supply chain techniques
- Co-location
- Any new systems would have to include future-proofing, i.e. able to adapt to new technologies
- Reduce number of emergencies
- Improve approach to estate management.
- Reduce customer journey time



## Procurement Project Progression



- Hearts & Minds Workshops tenants and staff Nov. 2011 – Feb 2012
- Echelon developed action plan with 80+ service improvements
- OJEU notice in January 2012
- Initial Evaluation Processes (PQQ & ISDS)
- Site Visits in August 2012
- **Competitive Dialogue – September 2012**
- Best & Final Offer (BAFO)
- Board Approval in November 2012 – Mears
- Mobilising 16 weeks December to March 2013



## Mobilisation Process December to March 2013



- 15 weeks - 10 works streams
- IT & Commercial Issues
- PPP / PPV
- Joint Training
- Change Management Process
- TUPE
- TRT Plan & Tenant Engagement



## New Horizons



- 27<sup>th</sup> March 2013
- Employees TUPE from 5 Companies
- 93 Total employees across numerous trades and roles



## TPC Contract(s)




- In addition to United Welsh entering into a Term Partnering Agreement TPC2005 with Mears to deliver on its detailed Term Briefs, Celtic Horizons and Mears also entered into another Term Partnering Agreement TPC2005 whereby Celtic Horizons provide labour to deliver the Term Programme and Mears act as Client Representative.
- Using two TPC2005s ensured that the terms of the contracts were complementary and each party's responsibilities were clearly documented.

## Incentivised Performance


50% of the Service Fee linked to KPIs in terms of Tenant Satisfaction with repairs & voids turnaround. Collected & Monitored by 3rd party organisation, Voluntas.

Annual Review process also reviews KPI targets.



## Learning

- New Model – market sophistication developing.
- Reliant on Accurate data (Repairs History).
- Service Provider taking more commercial stance on repairs responsibility (i.e. saying 'no').
- Service Provider IT capability of capturing cost and repairs data.
- Changes in processes within Client.
- Service Provider underestimates Risk.
- Cultural shift in 'control' of repairs ordering.



## New Opportunities

- 19 new jobs since March
- Tenant focused work placements begin
- Tenant focused apprenticeships



## Innovations

- Local Supply Chain
- Digital Pens – Electrical testing certificates
- Complete Property Service – a total proactive solution
- 30 Minute Call backs - Instant customer feedback and satisfaction



## Continuous Improvement - 9 months


Voluntas Customer Satisfaction results

10. On a scale of 0-10, where 0 is Unacceptable and 10 is Excellent, how would you rate the quality of this particular repair? 97.1%

7. Was your home left clean and tidy? 100.0%


6. Was the Operative polite and helpful? 98.0%

Community Judges



## YTD KPI's

- Void time in repairs 6.65 days ( 30% increase in voids primarily due to welfare reform)
- Routine Repairs average time 7.39 days
- Appointment kept Contractor IT system 91.74%
- Appointment kept (Voluntas ) 96.50%

Summary - Did we meet our initial objectives of the Subsidiary 

1. Reduce customer journey time - **Yes**
2. Maximising opportunities to carry out repairs and/or obtain stock data when access is gained for gas servicing - **Yes ( work in progress)**
3. Reduce number of contractors - **Yes**
4. Drive down cost by reducing number of visits through developing a menu of incentives for tenants to reduce reactive pressure on repairs service (maximise certainty) **Yes ( work in progress)**
5. Have timely robust customer satisfaction data **Yes ( work in progress)**
6. Develop visibility on our estates and locale **Yes**
7. Improve van stock levels and supply chain technique **Yes**
8. Co-location **Yes**
9. Any new systems would have to include future-proofing, i.e. able to adapt to new technologies
10. Reduce number of emergencies **Yes over 20% to under 10%**
11. Improve approach to estate management. **Yes - work in progress**
12. Incentivise better contractor performance - **Yes - work in progress**
13. working with social enterprises and creating work - **Yes**