

Best Client



The client organisation that was best at meeting residents' needs in the provision of a maintenance service.

Harvest Housing Group is a group of housing associations operating in the North West and West Midlands. Responsive to our customers needs and focused upon our vision.

Turning homes and neighbourhoods
into places where people
want to live and choose to stay



Introduction

Harvest owns and manages 18,000 affordable homes and we work with customers and partners to provide a range of housing, community and regeneration services, across the North West and West Midlands.



We know from feedback how important it is that customers receive a quality repairs and maintenance service. In 2005 we began a strategic review of the services being offered to 10,000 customers across Frontis and Manchester & District (two of the Groups subsidiary members) with the aim of developing a new and improved service offering.

At the time the two subsidiaries had many contractors delivering the service under traditional 'day works' arrangements, the offer was basic, inconsistent across areas, had limited customer input, limited control on costs and budgets, and service improvement was not embedded in a way that delivered high quality outcomes for customers.

The aim of the review was to ensure that new arrangements would provide a quality service and new benefits in order to meet the needs and expectations of our customers, whilst also delivering cost certainty for the Group. We recognised that customer involvement in the design, procurement, implementation and monitoring of the new service was integral to achieving success and so Harvest:

- Sent out surveys to 6,000 customers asking for views and preferences regarding the service
- Held focus groups to obtain feedback on the service to find out what customers wanted
- Held repairs workshops explaining what had been done and asking for more involvement

- Appointed customer representatives to the Repairs Procurement Group to work with staff overseeing the procurement process, making strategic decisions and creating tender documents for partner selection
- Established a Customer Repairs Panel who met regularly throughout the review to share ideas and validate feedback received from the wider consultation processes. Their involvement was instrumental in designing a new service and appointing new partners to deliver it.

Customer and Business objectives were developed and agreed as follows:

Customer Objectives

- To receive a service that delivers high levels of customer satisfaction
- To implement a system offering appointments at the first point of contact
- To improve and extend access to the service, including appointments between 8am-8pm Monday to Friday and 9am-1pm on Saturday mornings
- To continue with a 24 hours (out of hours) provision, 365 days a year
- To have a high number of repairs diagnosed right first time and completed at the first visit
- To provide a service that is tailored to meet the needs of vulnerable customers

- To involve customers in the design and monitoring of the service

Business Objectives

- To achieve national top quartile performance in the sector
- To embed service improvement as a key feature of the service
- To achieve a minimum of two stars and excellent prospects from our regulator in our next inspection

- To manage risk and reward by comparing the actual cost of the work undertaken to the target price, and thus share any savings or cost overrun on the target price
- To link the performance of the partner to the payment mechanism, thus driving the right behaviours and deliver a VFM service
- To jointly employ staff and operatives providing the service with our new partners
- To implement a partnering arrangement that is recognised as exemplar in the sector



Selecting our partners

The Group established a Repairs Procurement Panel, which included several customers to oversee the procurement process. The panel issued a formal OJEU notice and followed the competitive dialogue process in order to seek new partners.

The panel assessed each pre-qualifying questionnaire (PQQ) submitted and generated a long list to invite to the next stage. Customers and staff held an open day with the long list, so customers could meet them, and so the partners had a clear understanding of the requirements for the new service. A shortlist was then invited to submit a formal tender.

Our customers worked with staff to assess the tenders submitted, and independently from staff, carried out reference site visits to other organisations that the short-listed contractors worked for and talked to their customers about the quality of the service they received. **Jenny Neville (Business Development Director for PH Jones, who work in partnership with 50 other registered providers) said:**

“This was the first time customer groups had visited us during a formal tender process, independently from the staff running the procurement process.”

At the end of the procurement process, the panel agreed on the selection of two partners who were able to offer a solution that met all of their needs. By November 2007, after 2-years of consultation and planning, and following Board approval we awarded the partnership to Cruden Property Services (CPS) for repairs and voids, and PH Jones (PHJ) for gas servicing and breakdown repairs; and a successful four-way partnership was born.

“CPS and PH Jones became an extension of the Harvest family.”

Lee Woods – Director of Property Services, Harvest Housing Group

The partnership is worth approximately £6.6m per annum over a 7-year period. Since November 2007, the Group, its customers, CPS and PH Jones have worked tirelessly to deliver an excellent repairs, voids and gas service that not only meets, but exceeds our customers expectations.

Why is what we do different to others and how does this enhance our customer's experience?

“We are passionate about our customers' experience of our services and therefore we successfully recruited and trained more than 100 jointly employed staff (office based and operatives) to deliver the new service.”

Customers tell us that the quality of the repairs service they receive is the most important factor in determining how they rate their satisfaction with us. Timeliness, right first time, and quality is key, but so is the behaviour and attitude of the staff delivering the service. Customer want a seamless service with a one organisation approach.

As we do more than 30,000 repairs a year, we recognise that this is a lot of customer contact, and therefore why wouldn't we want more input into how the service is delivered by our partners. The operatives delivering the service have more face-to-face contact with our customers than any other staff working for us.



Delivering our customer experience

We believe that the behaviour and attitude of staff is shaped by the way they are managed and led and therefore clarity of how they fit in with the achievements of the organisations broader objectives is critical. Also their understanding of the standards required and flexibility available supports excellent performance.

“ We believe that we are strong in the areas of leadership and performance management and that our employer brand reinforces this, so we decided to build joint employment into the terms of the partnering contracts. ”

This has seen us forming a joint and several employment group with CPS and PHJ to share the responsibility and liability for staff employed delivering the service.

Other benefits of our approach include:

- Improved customer focus and satisfaction
- A one organisation approach
- Partners driving for the same outcome
- Cross organisational working and feedback
- Potential VAT saving

To embed the joint employment initiative and maximise the benefits for our customers we have undertaken joint induction and training sessions, have staff co-located in our neighbourhood offices, and we regularly undertake toolbox talks with our partners. Senior management of the Group regularly meet with the operative workforce to brief them and receive feedback on the service being delivered to our customers. The jointly

employed staff have also been through Harvest's award winning customer service training programme.

“ Customers are integral in monitoring the performance of the service and do this in a very hands on way. We have found that this has led to high quality outcomes for customers ”

We established groups to oversee progress and performance. These groups consist of our staff, jointly employed staff, our partners and customer representatives from many of our neighbourhoods. The groups are known as the strategic core group and the operations groups. The core group focuses on strategic issues and the development of the partnership, while the operations groups are locally based and have a clear focus on scrutinising performance. In addition there is a customer panel that meets regularly to ensure that the partnership continues to be innovative.



“ Our partners are encouraged to deliver high levels of customer satisfaction and this is measured via a Balance Scorecard ”

Customers play a key role in monitoring performance. After all, they helped us design, develop and put into practice the service, and therefore it is only right that they should have a role in monitoring performance. This is done on a monthly basis via a Balanced Scorecard.

The Balance Scorecard is made up of four key dimensions and 24 KPI's, with a total of 100 points available as follows:

- Customer satisfaction – 40 points
- Costs and target price – 24 points
- Innovation and learning – 24 points
- Internal business processes – 12 points

The payments our partners receive are adjusted upwards or downwards on a monthly basis based on comparing their costs to the target price, and based on the level of performance they achieve. Customer satisfaction is the most important dimension so this is recognised by having a higher weighting on the overall scorecard. Three years on and the partnership is delivering excellence and national top quartile performance in a number of key customer satisfaction areas:

- Repairs and voids completed on time – 95%+
- Number of appointments made and kept – 95%+
- Repairs and voids quality inspections – 98%+
- Void turnaround times - 6 days in maintenance
- Number of repairs completed on first visit – 85%+
- Customer satisfaction with the completed repair – 98%+
- Gas compliance - 99.9% to 100%

“ Customer liaison officers are key to assisting our most vulnerable customers ”

CPS and PHJ employ Customer Liaison Officers (CLOs) to offer assistance to some of our more vulnerable customers. Those with disabilities, lone parents or people whose first language isn't English can lean on our CLOs to help with any communications between our customers and the operatives or any scheduled visits needed to the property. The CLOs also assist with no access issues relating to gas compliance, and they are trained to the highest standard and outstanding customer service is at the heart of this role.

We look after our leaseholder customers too!

It isn't only our social housing customers who benefit from the services provided. PH Jones extend their service to our leaseholders – offering them an all-inclusive 3* gas servicing and breakdown service at the same rate as the contract, which is 50% of the standard market rate.



So, what are the other benefits to our customers?

Lee Woods (Director of Property Services) said:

“Our customers have been integral in helping us shape and provide a service offering, which we believe is second to none. Those involved understand exactly how much hard work, dedication and effort has gone into achieving what we have, and they are advocates of the partnership being delivered with CPS and PH Jones.

Other benefits our customers enjoy include:

- Customer satisfaction ratings which are consistently high
- An integrated appointments system delivering appointments between 8am-8pm Monday to Friday, and 9am-1pm on Saturdays. This is supported with a 24 hours 'out of hours' provision 365 days a year

- Appointments are made at the first point of contact and reminders sent via text messages, emails, letters, phone calls, etc. – whatever methods best suits the needs of our customers
- We have an integrated contact center where customers can be transferred to CPS and PH Jones as part of the same call enquiry
- A strong emphasis on repairs being completed at the first visit, with first time fix rates consistently above 85%. This is achieved as many of our operatives are multi-skilled, with appropriate van stocks, and can therefore complete a high number of repairs at the first visit
- A dedicated 'man in van' service for our sheltered schemes which has been acknowledged as best practice by the Audit Commission
- The partnership was short-listed in the UK Housing Awards Final in 2008 for 'best customer driven services'
- Both partners contribute significantly to community and neighbourhood initiatives and our customers really value this



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What are the benefits to the client?

Lee Woods said:

“ Nothing gives me more pleasure than to achieve what many see as the holy grail in a responsive maintenance environment, and that is, high levels of customer satisfaction, service excellence, and perhaps the most difficult challenge – that of achieving VFM and cost certainty – and we are doing all three. ”

The benefits to our Group can be summarised as follows:

- We provide a consistent service to all customers irrespective of where they live
- We achieve top quartile performance on many of our KPI's – as validated by an independent Housing Quality Network (HQN) review in May 2010
- We have an annual service improvement plan based on customer requirements and priorities, which is delivered each year
- We have a positive practice log and evidence library of good practice going back to the start of the partnership
- We achieved '2 stars and excellent prospects for improvement' when inspected by the Audit Commission in February 2009
- The Audit Commission described our arrangements as 'an exemplar of partnering'
- We believe we deliver VFM with a close review of cost, performance and customer satisfaction on a monthly basis
- We operate a risk and reward sharing arrangement
- We employ 100 staff jointly with both partners and have a direct impact on the customer experience
- We regularly speak at conferences and events about our 'lessons learned in partnering' and therefore gain positive PR for the Group
- We recognise that delivering high quality repairs services to customers is very important in supporting the organisation's objective to grow – landlords don't get selected in new business bids if they have poor performance in this critical service area
- The length of the partnership (7 years) leads to sustainability and increases the opportunity for cost efficiency, innovation, service improvement, and allows our partners to be an extension of the Group



What are the benefits to the partners?

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The benefits to our partners can be summarised as follows:

- The scale, scope and length of the partnership is extremely important as it provides sustainability on many levels – customer familiarity, turnover, profit, reputation, employment opportunities, apprenticeships, etc.
- The long-term relationship provides the opportunity to realise 'genuine investment in people, services and systems'.
- Operating with a risk and reward arrangement results in a fair level of core profit for the partners
- Linking the balance scorecard to the payment mechanism drives customer satisfaction
- The partnership is about people and relationships and focusses on resolution, and a drive for service excellence – our partners really value this
- Having a successful partnership to showcase is crucial when pitching for new business
- The joint employment arrangement allows for greater resources being available for staff training and development
- The success of the partnership builds employer brand and sector reputation
- Harvest has supported the development of contractor partners in sharing best business practice.



What are the benefits to the neighbourhoods?

Both partners have played an active role in supporting neighbourhood and community initiatives. They actively promote local employment initiatives and adopt structured schemes to further this commitment. They have a recruitment method statement, which outlines their approach on local employment and training. Amongst other things, the statement sets out details of their recruitment strategy, local employment and training initiatives and their apprenticeship schemes. They provide 'added value' and community support in many ways, with a few examples listed below:

- Through dedicated sheltered and supported operatives
- Providing apprenticeship and employment opportunities to our customers
- Supporting the development of our social enterprises
- Sponsors of the Group's staff conference
- Supporting tea and dance events at a number of schemes
- Provided benches for several schemes
- Donating Christmas trees to our sheltered schemes
- Tins of food collected and distributed to various schemes
- Britain in bloom - contributed flowers and plants

- Provide games and food for community events
- Undertake free PAT testing at community centers
- Sponsor fun and environmental days

What were the financial costs and cashable benefits?

Achieving cost certainty in a responsive maintenance environment is a difficult challenge. The partnership has an allocated budget of approximately £6.6m per annum, but the challenge is to do more for the same cost, or the same for a lower cost.

The pricing mechanism for the partnership contains a target price and a guaranteed maximum price and this ensures cost certainty for the Group and it's customers, as any risk on over-run on the guaranteed maximum price passes to the partner. The challenge for our partners is to ensure their cost for delivering the service is lower than the target price of the work carried out.

In 2009-10 the partnership delivered £6.8m worth of target price work for an actual cost of £6.6m, thus delivering £200,000 extra value for our customers. In 2010-11, we have achieved £3.4m of target price work for an actual cost of £3.2m, delivering £200,000 extra value in the first six months to September 2010.

The partnership operates with a payment mechanism that links to performance and therefore the partner can earn additional profit for performance excellence, or a payment deduction where performance is unsatisfactory.

The annual budget is subject to an agreed target price uplifted by RPIX but contains a minus 0.5% year on year reduction to contribute to cost and efficiency savings. This is built in throughout the 7 years of the partnership.

We have a pending application with HMRC for a VAT exemption on the jointly employed staff. If successful this application could result in savings of £1.4m to cover the 3 years of the partnership to date, and approximately £350,000 per annum going forward. This money can then be used to invested back into our communities and neighbourhoods and benefit our customers further.

There is also a range of working practices that have resulted in value for money outcomes. These include:

- Pennington Choices have conducted 2 VFM reviews and site our partnership as an exemplar for open book partnering.
- Extended hours service has reduced the cost of 'out of hours' emergency repairs

- Text messaging – has significantly reduced the level of 'no access' calls and unproductive time
- Rechargeable repairs – these are dealt with at the first point of contact with customers and payments for works are taken 'upfront'
- Key safes on all void properties – has assisted in reducing void time with CPS and PH Jones from 20 days in 2008 to 6 days in 2010
- Variations – CPS and PH Jones operatives can vary work up to the value of £200 without Harvest's approval – this assists first time fix rates and enhances the customer service
- Dedicated operatives for our sheltered schemes means non-urgent works can be batched and delivered on the specified days agreed with customers
- Large numbers of the workforce are multiskilled – this assists first time fix rates and enhances the customer service
- We have a clear process for batching high value non-urgent repairs for inclusion in minor planned programmes of work



How relevant is this as an exemplar that might be followed by others?

The Group has two other subsidiary companies (Derwent & Solway Housing Association and Moorlands Housing) based in Cumbria and Staffordshire Moorlands. In April 2009 following consultation with customers and the Board we rolled out all the features of this service with our repairs and gas partners (PPM and AFM) in Cumbria.

We are currently rolling out these arrangements in Staffordshire Moorlands, where we have an in-house DLO providing the repairs and voids service. We are also commencing a formal OJEU process in January 2011 for a partner to deliver the gas servicing and breakdown service on the same offering as PH Jones provide for Frontis and M&D. Again customers have been integrally involved in reaching this decision, which will ultimately ensure that all 18,000 customers across the Group receive the same service offering, irrespective of where they live.

This has also resulted in close and collaborative working between our partners across the Group and we regularly hold service improvement away days with partners and

customers where ideas for improvement are shared, and where any changes are considered by all and implemented in a consistent fashion. HQN hosted and supported our last event to ensure we fully debated service excellence examples from across the sector.

The Group has also been involved in presenting at HQN seminars sharing our experience with others, most notably in terms of 'lessons learned in partnering', 'delivering customer involvement' and in 'applying risk and reward' through our performance and payment mechanism.

We envisage that our joint employment initiative will be applied more widely in the sector if we are successful with our application for a VAT exemption.

We believe there is a lot of potential for developing improvements that can be rolled out across the maintenance industry using some or all aspects of the measures we have implemented. **For more details please contact Lee Woods on 0161 248 2338.**

Customer, Alison Piddington comments:

“

I was pleased to be involved in the procurement process and found it to be an exciting journey and a real move away from how contracts had been traditionally procured.

I believe involving customers in each stage of the process significantly enhanced the project and gave customers a real say in both the design of the repairs and gas service and selection of the new partners.

3 years on and the partnership is delivering everything that was promised and much more. Our partners not only deliver a high quality service, but their work in supporting community initiatives shows their commitment to enhancing customers lives.

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To whom it may concern,

I am writing in regards to a recent repair I had to a radiator on 02/03/10, when making the appointment I was able to advise of a day that was convenient for myself and I didn't have to wait long from reporting the repair online to being given an appointment date.

I also received a phone call 30 minutes before the appointment to advise that the engineer was on his way.

The engineer that attended to the repair arrived within the times that had been discussed and was able to fix the leak on the radiator there and then.

Yours Sincerely

K.Marbell

