

Association of Consultant Architects Annual Award 2013

Innovation in Partnering using TPC 2005

Cartrefi Cymunedol Gwynedd submission

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Introduction

Cartrefi Cymunedol Gwynedd (CCG) was set up in April 2010 with the transfer of 6,300 homes from Gwynedd Council following a 'yes' vote from tenants. The need to deliver Welsh Housing Quality Standard (WHQS) improvements was the main driver of change in Gwynedd, like many other areas in Wales which have seen stock transfer from local authority to an independent housing association.



The move has ensured a £136 million investment in homes over a period of 5 years, and £446 million over 30 years. Transfer to CCG has not only meant better homes for tenants but has also given the economy of Gwynedd a much-needed boost.

CCG has nearly 300 staff based at seven offices and two depots across the county of Gwynedd. The organisation is managed by an Executive Management Team (EMT) of Directors lead by the CEO who reports to a Board of 12 members – four of whom are tenants.

Vision and aims

There is little doubt WHQS investment on such a scale brings with it huge opportunities. CCG has been committed to making sure these opportunities are available to local businesses and that local people can make the most of jobs and apprenticeships created as a result of the initial £136 million investment, securing a lasting legacy. A procurement model was therefore needed to achieve the following objectives:

- Deliver affordability and value for money as detailed in CCG's business plan
- Meet customer needs, attain high customer satisfaction levels and deliver on promises to tenants
- Create opportunities for local businesses with the WHQS programme
- Provide substantial economic benefits to the local economy through new jobs, training opportunities and up-skilling

- Creating a long term legacy

The CCG procurement model

CCG needed a way of achieving the vision and aims. Therefore, in consultation with tenants, EMT and Board, it was decided that a Partnering Framework should be adopted to deliver the WHQS programme. It was agreed that the Association of Consultant Architects TPC 2005 form of contract was the most appropriate and collaborative contract in which to deliver this complex programme.



The traditional model used by many housing associations to deliver similar investment programmes is to

use one or two major contractors to deliver the whole scheme. In Gwynedd this would not necessarily have benefited local enterprise, so, from the outset we decided not to take this particular procurement route but to use a model which is unique to CCG.

The CCG model uses a combination of a larger experienced contractors, specialist contractors to undertake work such as windows and doors – on a supply and fit basis, as well as smaller local trade contractors (SMEs) to undertake a targeted proportion of works with “labour only” contracts. This has created considerable opportunity for local business.

The labour only contracts mean CCG supplies the materials to the trade contractors through its own supply chain arrangements. The common materials supply chain was set up to supply the whole WHQS contractor base. This ensures that CCG pays a standard price for all materials and equalises the cost between all contractors. Smaller contractors are not at a disadvantage when they buy materials in comparison to our larger service providers.

The model has offered security of delivery through the engagement of experienced contractors whilst providing a platform of opportunity for the local businesses. There

was potential for up to 50% of the CCG programme to be delivered by trade contracts over the five years. The work was divided into the following packages:

- One package covering internal and external work for a large (main) contractor
- Smaller internal work packages split geographically aimed at the local trade contractors
- External work packages split geographically and by trade hence appealing to the local trade contractors
- Geographical heating packages aimed at the specialist market
- Windows and doors aimed at the specialist market

The pre-qualification criteria to tender for the smaller contracts were simplified to encourage local companies to put in a bid and 'meet the buyer' workshops were held to assist with their submissions, and develop their procedures. Tenants and Board



member representatives were invited to join the interview panel considering short listed constructors and to join officers on site visits to assist in the selection process. This has given the customer a voice in the process from the beginning.

Also, for the first time (and subject to on-going satisfactory performance) successful companies were awarded four year contracts rather than 12 months. This has given local contractors more stability, allowing them to plan more effectively, and employ more staff, trainees and apprentices.

Caernarfon based company; Evans, Wilson and Evans are one of the trade contractors working on CCG's improvement programme.



“To date we have found the CCG framework to be the most innovative contract we have worked on, because of the procurement method and the genuine interaction between client and contractors, local companies have been able to develop and expand, providing full time employment and training to local operatives. This in turn is expanding the skill base in the area and instead of the expertise being imported; local people have had training and full time jobs. This has enabled contractors to compete both locally and in other areas on an equal footing with other larger contractors.”

Theresa Evans, Director, Evans Wilson and Evans Ltd.

A performance monitoring framework based on 10 Key Performance Indicators (KPIs) was put in place to measure performance and safety which lets CCG switch work between contractors if a contractor under-performs.

The value of the trade labour only contract elements of the programme did not reach the OJEU thresholds and were procured through the Buy4Wales portal supplemented with newspaper advertising. This again made the process more accessible to smaller local businesses.

Llanrwst based contractor, G M Jones Ltd carries out internal improvements as part of the WHQS programme.



The CCG model has allowed the retention and recruitment of directly employed people within the locality, providing training and opportunity in our communities. The CCG model as a long term framework arrangement has provided apprentices with the opportunity to complete their training in full and secure long term employment as skilled operatives.

Jenny Hudson, Commercial Director, GM Jones Ltd.

Penrhyndeudraeth based electrical company, Falconers Electrical carry out rewiring work in CCG homes as part of the improvement programme.

“The CCG model has been extremely beneficial to the local community and the revenue of this area. We currently employ over 30 members of staff who work directly on this scheme, five of these are trainees and apprentices. Whilst recruiting for this scheme we could employ six individuals who were previously unemployed, three of whom were long term unemployed. We have increased spend with local suppliers; the majority of the suppliers we use are based in Gwynedd. We have also been able to get involved in community schemes, such as the rewire of the Mountain Rescue Centre”.



Keith Williams, Managing Director, Falconers Electrical

Construction Facilitation Unit (CFU)

To facilitate the procurement model which now involves five trade contractors and two supply chain service providers, CCG has set up its own Construction Facilitator Unit (CFU) employing local Welsh speaking Contract Managers, Quantity Surveyors, Project Managers, Training Co-ordinators, Occupational Therapists, Clerk of Works, Tenant Liaison Officers, Administration and supply chain staff. The support they provide includes construction management and co-ordination, cost management, supply chain management, programme management, performance management and management of the employment and training programme.

Apprenticeships, training and local employment

As one of the largest employers in the region and an organisation with a strong sense of social responsibility it was important to CCG that quality jobs were developed so that we could manage similar programmes of work in the future and close the gap that was initially filled by specialist companies and consultants. Equally important was that apprenticeships and training opportunities were provided locally. By putting this innovative procurement model into practice CCG has created quality jobs, attracted individuals with a high level of skills.

Given the size and duration of the project, many opportunities have been developed in fixed trade apprenticeships, short term training opportunities and engaging with social enterprises. The WHQS i2i 'Can Do' Toolkit has been incorporated into tenders and contracts. TR&T (targeted recruitment and training) clauses have been



included in all WHQS contracts and as part of this CCG requires all contractors to follow Welsh Government i2i guidelines of 52 apprentice/trainee weeks a year per £1million spend. CCG's own Board has also set a 15% target of the total WHQS workforce to be 'new entrants into training'.

Lovell Partnership is the large (main) contractor for the WHQS programme. As part of their agreement they are obliged to employ and offer training opportunities locally. We have close links with local further education provider Coleg Llandrillo Menai and encourage contractors to use their services when recruiting apprentices.



To date over 60 apprenticeships have been created through WHQS with 42 of these working towards level 2 or 3 NVQ at Coleg Grŵp Llandrillo Menai (Further Education College).

In 2012 CCG received a CIH Cymru Welsh Housing Award for the TR&T aspects of our WHQS programme.

On the 31st March 2013, 426 employees were engaged on the WHQS programme and of these employees:

- a. 379 (89%) live in North Wales

- b. 278 (65%) live in Gwynedd
- c. 287 (67%) are Welsh speakers
- d. 71 (20%) are either trainees or newly qualified workers

Tenant Involvement

A WHQS Tenant Forum was established soon after CCG was set up with 10 tenant members. The forum has been involved in all aspects of the improvements programme including the selection of contractors and attending site visits at the very start of the procurement process.

The Forum has been instrumental in agreeing service standards and approving policies but their main focus now is the monitoring of contractors performance on all aspects of the programme using the 10 KPIs. Now in its fourth year the improvement programme has already seen:

- 2,851 kitchens installed
- 2,841 bathrooms fitted
- 2,851 heating systems installed
- 1,215 homes have been rewired



Community Benefit

Contractors are expected to provide community benefit through their WHQS work. They are not contractually obliged to do so, however, since the programme started in 2011 substantial additional benefits have been gained through various sponsorship schemes, participation at tenant events and community work. Examples of community benefits secured to date include:

- New kitchen and heating at Maesgeirchen, Bangor Social Club – Lovell
- Prizes, staff hours and transport at CCG Tenant Fun Days – all contractors
- £2000 sponsorship of art community project at Ysgol Glancegin – Lovell
- Kitchen units at Ysgol Gynradd y Gelli – Travis Perkins

- Community recycling with Antur Waunfawr social enterprise – Evans, Wilson and Evans; Lovell
- Refurbishment of Aberglaslyn Mountain Rescue Base – GM Jones; Falconer; Travis Perkins
- Donations to Caernarfon Food Bank – Evans, Wilson and Evans

Agreement was also reached with the Trade Contractors to contribute 0.25% of their programme value towards creating three Construction related scholarships for CCG tenants to be awarded by a specialist panel.



Children at Ysgol Glancegin, Bangor worked with local artist Catrin Williams on 3D artwork thanks to a donation by contractors Lovell.



Aberglaslyn Mountain Rescue Base was refurbished thanks to CCG contractors GM Jones, Falconer Electricals and suppliers, Travis Perkins.