

An innovative partnership approach to delivering and maintaining Telecare services.

A case study of the partnership between social housing provider Homes in Sedgemoor and telecare and security systems provider Cirrus Communication Systems.

**Innovation in Partnership using PPC2000 & TPC2005
Category: Practitioner**



Introduction

Shared risk, open pricing and innovation are the three key elements to Homes in Sedgemoor and Cirrus' partnership contract. Through a five-year maintenance and replacement plan, the two organisations are improving door security and offering older residents a reliable, flexible and sustainable warden call service that is more suited to their needs.

Following the Comprehensive Spending Review (CSR) in October the Government announced its plans to cut spending in order to reduce the economic deficit over the next four to five years. This review, although presenting some considerable challenges, also represented an opportunity to look at how Telecare services could be delivered more effectively through flexible and innovative commercial models.

A TPC contract had not previously been used by either organisation and nor, to their knowledge, had it been used within the sector previously but appeared to offer efficiency benefits for both organisations.



Southborne House and West Bow House - sites of recent door entry system installations.



Key challenges facing Homes in Sedgemoor

Homes in Sedgemoor wanted to explore the benefits of a long-term partnership to deliver sustainable high-quality services around door security and its warden call service. It wanted to save costs without compromising on flexibility or ending up with outdated systems at the end of five years.

The reduction in funding meant an inevitable move towards removing onsite residential wardens and resulted in tenants who were already nervous about change. Homes in Sedgemoor needed to prove the new system was reliable and demonstrate that there were processes in place to ensure a fast response to any emergency calls and repairs.

On the door entry side, some tenants had been experiencing low-level anti-social behaviour in low-rise blocks. The new technology had to reduce this and be vandal-proof. Relationships were also key in helping residents embrace the new technology and get true value from the outlay. Homes in Sedgemoor wanted a partner that would invest time explaining its work to residents and introducing them to the new technology.

In July 2009 Homes in Sedgemoor and Cirrus entered into a five-year partnership covering the maintenance and replacement of the warden call systems, along with access control and automatic door replacement and maintenance across 90 housing schemes. A core group was established, including residents.

The transition

To ensure the partnership got off to the right start, Cirrus invested time in a series of meetings in the lead-up to the contract start. Workshops with members of the ALMO (Arms Length Management Organisation) and residents were used to scope the work and also determine key elements of the partnership such as pricing structures and complaints procedures.

The core group reviewed these procedures and determined the level of performance expected. With targets for first time fix rate of 90 per cent, and for 96 per cent of repair calls to be responded to within four hours, expectations from both sides were seen as deliberately high but achievable.

A thorough database of existing systems across all sites was completed to help set clear budgets, ensure correct stock would be available for repairs and understand which systems might need replacing early in the partnership.

To ensure value for money a target of 90 per cent budget control was also set for the partnership; an 'open book' means all costs are open to scrutiny. This has the effect of lowering costs. Any savings achieved are passed on to the client for reinvestment in the contract. For example, a new door entry installation agreement resulted in Cirrus negotiating and passing on savings to Homes in Sedgemoor. These savings allowed Homes in Sedgemoor to increase the level of work given to Cirrus.

Benefits of the Partnering Contract approach

The Partnering approach has helped to ensure

- An integrated multi-party team
- Processes are agreed for continuous improvement
- A strong focus on improving sustainability
- A timetable for key partnering activities
- Agreed KPI's and objectives
- Open book pricing
- Shared risk



**18% saving
on maintenance
and servicing
costs**

Financial rewards

Homes in Sedgemoor saved 18% on the maintenance and servicing costs in the first year of the partnership. The contract has continued to supply value for money, such as with the installation this year of new Door Entry systems at 5 schemes with only a capital budget of £15,000 compared to around £18,000 that would have been required previously. The standard of equipment installed is also of a higher specification than that used in the past which is also reflected in fewer call outs and service visits by Cirrus Engineers making a saving of 12.43% in 2010/2011 compared to the previous year.

Having mutually agreed minimum margins and an agreement to share risk of any unforeseen costs 50/50 have benefited Cirrus increasing predictability of profits. In addition, resident involvement and feedback gained from this work provided evidence to support wider business needs of both organisations. For example, enabling Homes in Sedgemoor to bid for Decent Homes funding.

Reduced management time

In the year 08/09 at the start of the contract 38% of the contract manager's time was spent on Door Entry and Warden Call works. For the year following the introduction of the partnership (09/10) reduced to 15% - less than half. In addition a Supported Housing Manager who had previously been involved was able to give up their involvement completely.

**60% saving
on contract
manager's time**

The new door entry systems installed across the properties have reduced repair call-outs and the workload for Homes in Sedgemoor. The ALMO no longer needs to send someone to each property twice a year to change the clocks, as it's all done automatically. Increased reliability means Cirrus attends fewer emergency repairs, and the open book nature of the partnership means the client directly benefits. They can also reduce any anti-social behaviour by using their privacy button.

"Homes in Sedgemoor's partnership with Cirrus has allowed us to make significant improvements to the life of both our general needs and supported housing tenants with the introduction of modern warden call systems and modern token operated, door entry systems. The open book process allowed us to drill down to find where our costs were and take remedial action." Mike Neve, Surveyor, Homes In Sedgemoor.

**Lower bills
and improved
security for
residents**

Innovation brings benefits for residents

The open approach has enabled honest sharing of requirements and advice between the partners and lead to introduction of Homes in Sedgemoor's first Private Branch Exchange (PBX) system. This innovation has benefited residents through free internal calls, reducing bills and encouraging a sense of community. This is also the first time magnetic lock and fob systems have been used in developments which has increased security for residents.

Wider adoption of TPC

Following the introduction of this contract framework the team at Homes in Sedgemoor have adopted the TPC for Heating Installations and a Responsive Repairs contract. It is also being used for the new Mechanical Services contract currently under procurement. The TPC is becoming the partnering contract of choice within Homes in Sedgemoor because of its flexibility and ease of use.



The future

The ongoing development of the core group is expected to deliver further savings across the services provided by the ALMO and ensure the security of further Decent Homes Funding.

The two partners are exploring what other work can be completed and will continue to provide a proactive approach to site product enhancement. In addition, the partnering agreement will continually explore product and service innovation and introduce new technologies that benefit both Homes in Sedgemoor and their customers.

Within Cirrus the agreement is seen as a benchmark for new contracts and one that it hopes to replicate with other clients.

Mike says *"Cirrus has been instrumental in providing advice, guidance and statistics to help the partnership find these savings. Cirrus have truly entered into the spirit of the partnering ethos, adapting their systems and processes to suit and taking on new challenges. The key to this has been the time spent in establishing each of the partners needs and understanding each other's systems and processes along with a consistent staff structure. Cirrus has been a shining example of partnering in the true sense of the word."*

"By developing a core group of the same key decision makers, Homes in Sedgemoor have benefited from efficiency savings such as significantly reduced managerial time to resolve issues, implement decisions and set policies." Sam Davies, Key Account Manager, Cirrus.



Door ready for installation of door entry panel



GDX door entry panel - as installed for Homes in Sedgemoor

