



# HackneyHomes

In partnership with  **Hackney** Council

ACA Awards Submission: Innovation in  
Partnering

## Background

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**Entry:** Hackney Homes Procurement 2010

**Contractors:** Mansell, Mulalley & Lakehouse

**Partnering advisor/solicitors:** Trowers & Hamlins

**Consultants:** MACE

**Other partners:** LB Hackney, Supply Chain Management Group and Building Lives CIC

**Form of Contract:** Project Partnering Contracts based on the ACA Standard Form of Contract for Project Partnering (PPC2000)

## Project information

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Procurement 2010, is worth up to £90 million a year between the contractors to conduct planned and reactive maintenance works. The scope of the works will be Decent Homes internal and external works, major planned renewals, improvements and repair internal and external, planned electrical works, planned mechanical works, door entry installations and replacements, home and estate security works, installation or planned replacement of CCTV cameras, replacement of estate roads and footpaths, lift installation, renewal and major component replacement, planned replacement or planned major works to cold water tanks, installation and renewal of communal TV aerial systems, installation or planned replacement of individual heating and communal heating systems, planned preventative maintenance to external building elements (including cyclical painting) and other related works.

Hackney is one of the most deprived boroughs in the country with an employment rate, which averaged just over 57per cent from 1999-00 to 2006-07, the third lowest in London. The Mayor's highest priority is to improve services and increase opportunities for all, raising the chances of the most disadvantaged people. Procurement 2010 offers an opportunity to maximise employment and training opportunities and the development of a local supply chain

## Using PPC:-

### Competitive dialogue

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The competitive dialogue process and early contractor involvement was used to flesh out good practice and establish a basic strategy to embed sustainability, customer services and supply chain integration within the contract. An early decision was made to share resources as an alliance and to work together to achieve outputs. The contractors applied for National Skills Academy status during mobilisation.

### Mobilisation

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The client and contractors used PPC tools to share knowledge and develop a strategic and operational risk register for the project. Early contractor involvement helped to select the most appropriate materials and supply chain partners. Residents were also involved in the selection of supply chain partners and the establishment of service standards. This joint approach has generated positive local press coverage and stakeholder involvement.

### Core group

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The client used PPC tools such as strategic core groups and sub-groups to ensure partnering remained central to the direction and delivery of the project. This helped to ensure a consistent approach was taken to customer services, health & safety, sustainability and quality. This joint approach has generated positive local press coverage and stakeholder involvement.

### Headline Outcomes from using PPC

- KPI 1a Resident Satisfaction Rating on Product and Overall Service: 92%
- KPI 2a Predictability Cost – Project Section: 3.3% above agreed price
- KPI 2c Predictability Time - Unit: 3.7% above agreed time
- KPI 6 Waste Recycling Rate: 99%
- 72 local apprenticeships and 68 local jobs
- Training provided to supply chain on Leadership

& Management at no cost

- Creation of two local social enterprises: Local Labour Hire CIC and Building Lives CIC
- Use of local subcontractors including Athena an all female electrical company
- Through the Benchmarking exercise carried out by 'Mace', a Final Account,
- average Cost saving on materials and operations of 8.2% on external works was achieved

## Case Studies

### Supply Chain Management Group

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The PPC 2000 form of contract offers opportunities at an operational level for the Client to re-engineer the Supply Chain at Tier 2, with benefits for all parties. Supply Chain Management Group was used at Hackney Homes under the PPC model to generate savings for the client and to add value to the framework.

SCMG is- 11 Constructors and over 90 Supply Chain members who have agreed to carry out works under the Tier 2 process using common Supply Chain Management Group Baskets of Rates and procedures within 4 London Boroughs. Benefits at Hackney

Supply Chain members were very willing to be innovative and forward thinking in meeting the longer term aspirations of Hackney Homes. Tier 2 Collaboration allowed Hackney to maximise the longer term benefits of investment in their area by the introduction of non-cashable benefits,, such as :

- Extended and robust guarantees on materials supplied eg boiler warranties
- After-care arrangements to maintain the life of products eg on roofing installations
- Access to data on-line, which will assist in future maintenance eg asset management data on gas anniversaries
- Local training and employment opportunities eg 72 new apprenticeships created for Hackney

Resident

- Simplified basket of rates approach
- Simplified costing matrices to agree AMPs
- Web-based IT solutions provided by Supply Chain members
- Common contract management processes, resulting in less disputes and speedier settlement of Final Accounts
- Training for Client staff, Constructor and Supply-Chain staff in operating the process
- Benchmarking other group members and peers
- Regular Audit of the application of the process by Partners to ensure compliance and maintain credibility and probity

### Building Lives CIC

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Building Lives CIC is a social enterprise which has been started in a disused community centre in Hackney. It has provided 125 people with training and placed 50 apprentices in the partnership. Trowers & Hamblins used PPC to embed the model into the partnership.

### Local Labour Hire

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The partnership has helped to establish a new specialist local labour supplier, committed to help communities gain access to local employment opportunities. The registered community interest company is based in Hackney and re-invests profits back into the community.

<http://www.locallabourhire.co.uk>.

## Appendix

On the following page we show the employment and skills plan which evidences the wider community benefits delivered.

Please also see the top right corner of Hackney Today, link below:

<http://www.hackney.gov.uk/Assets/Documents/HT313.pdf>

**Draft Project Detail Hackney Procurement (2)**

as at 06/09/2013

**Project Start Date:** 01/05/2011

**Duration:** 60 Months

**Value:** £380.00m

**Estimated Industry Contribution:** £2,048,197

**Pledged Public Contribution:**

	Project Target	Pledged Public Contributions	Estimated Industry Contributions	Y1		Y2		Y3		Y4		Y5	
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
<b>New ESP Outcomes</b>													
<b>Further Education Engagement</b>													
1.7.12	Existing Apprentices	50	£0	20	12	10	6	10	1	5	0	5	0
1.10.6	Site Visits - Further Education	8	£0	1	4	4	28	1	0	1	0	1	0
<b>Higher Education Engagement</b>													
1.2.6	IHE Paid Work Placements - Undergraduates	5	£0	1	1	1	1	1	0	1	0	1	0
1.7.6	Day release - Professional Trainees	12	£0	3	7	3	2	3	1	3	0	0	0
1.7.7	Scholarship Programme Support	1	£0	0	0	1	0	0	0	0	0	0	0
3.9.1	Higher Education Research Opportunity	1	£0	0	0	1	0	0	0	0	0	0	0
<b>Key Performance Indicators</b>													
1.2.1	14 - 16 Years Work Experience Placements	34	£0	10	16	9	9	5	2	5	0	5	0
1.2.3	16+ Years Work Experience Placements	108	£0	30	21	18	18	30	8	20	0	10	0
1.2.10	Construction Curriculum Support Activities	11	£0	2	3	3	5	2	0	2	0	2	0
1.3.10	Case Studies Completed	12	£0	0	0	3	6	3	3	3	0	3	0
1.7.5	Graduates	11	£0	2	4	3	1	2	0	2	0	2	0
1.7.10	Apprentice starts	135	£0	40	23	25	56	40	7	30	0	0	0
1.7.11	Apprentice Completions	87	£0	0	1	10	11	28	0	28	0	21	0
1.8.1	Jobs Advertised through Local Employment Vehicles	130	£0	25	53	30	30	25	27	25	0	25	0
2.4.2.10	S/NVQ starts for Subcontractors	80	£0	40	10	25	16	10	0	5	0	0	0
2.4.2.11	S/NVQ Completions for Subcontractors	70	£0	0	8	10	21	20	5	20	0	20	0
3.1.2	Training Plans for Subcontractors	30	£0	10	6	10	10	10	2	0	0	0	0
3.2.2	Supervisor Training for Subcontractors	20	£0	5	3	5	14	5	10	5	0	0	0
3.2.3	Leadership and Management Training for Subcontractors	8	£0	2	2	2	4	2	12	2	0	0	0
3.2.12	Advanced Health and Safety Training for Subcontractors	12	£0	2	11	4	8	2	2	2	0	2	0
<b>Promoting the Sector</b>													
1.4.1	Ambassadors Training - Professional	16	£0	3	4	4	6	3	0	3	0	3	0

Project Target	Pledged Public Contributions	Estimated Industry Contributions	Y1		Y2		Y3		Y4		Y5	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
<b>New ESP Outcomes</b>												
<b>Promoting the Sector</b>												
1.4.2	16	£0	£4,736	3	4	4	4	3	0	3	0	0
1.5.6	30	£0	£0	6	8	6	12	6	2	6	0	6
1.8.2	60	£0	£66,600	15	10	15	5	15	0	15	0	0
1.8.3	120	£0	£71,160	30	40	30	48	30	0	30	0	0
1.9.3	110	£0	£0	30	18	30	52	20	0	20	0	10
<b>Schools Engagement</b>												
1.10.3	20	£0	£5,000	4	137	4	350	4	160	4	0	4
1.10.4	21	£0	£5,250	4	121	5	0	4	0	4	0	4
1.10.7	8	£0	£2,800	1	1	4	18	1	0	1	0	1
<b>Support for Businesses</b>												
1.9.1	8	£0	£12,000	2	10	2	7	2	0	2	0	0
1.9.2	10	£0	£0	10	10	0	0	0	0	0	0	0
2.5.1	25	£0	£0	5	0	5	0	5	0	5	0	5
2.5.3	3	£0	£0	0	0	1	0	1	0	1	0	0
3.1.3	1	£0	£500	0	0	0	0	1	0	0	0	0
<b>Support for Existing Workers</b>												
2.2.1	100	£0	£10,000	20	15	20	29	20	5	20	0	20
2.4.1.10	60	£0	£0	30	16	10	1	10	0	5	0	5
2.4.1.11	45	£0	£31,725	15	0	10	7	10	1	10	0	0
2.4.1.9	90	£0	£8,190	30	14	10	19	20	2	20	0	10
2.4.2.9	100	£0	£9,100	30	26	20	34	20	4	20	0	10
<b>Cards for Subcontractors</b>												
3.2.16	115	£0	£0	30	51	25	72	20	30	20	0	20
3.2.17	50	£0	£0	10	13	10	63	10	2	10	0	10
3.3.2	50	£0	£0	10	10	10	15	10	0	10	0	10
3.3.3	20	£0	£7,920	5	18	5	0	5	0	5	0	0
3.3.12	5	£0	£9,985	1	9	1	15	1	0	1	0	1
3.3.16	150	£0	£0	30	53	30	60	30	11	30	0	30
3.3.17	50	£0	£0	10	14	10	22	10	3	10	0	10
3.4.1	10	£0	£1,340	2	2	2	1	2	0	2	0	2

New ESP Outcomes

Support for Existing Workers

	Project Target	Pledged Public Contributions	Estimated Industry Contributions	Y1		Y2		Y3		Y4		Y5	
				Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
3.7.1	50	£0	£19,800	10	11	10	10	10	1	10	0	10	0
<b>Underpinning Targets</b>													
1.10.1	55	£0	£13,750	20	67	15	47	10	26	10	0	0	0
2.3.2	500	£0	£74,000	200	98	100	110	100	30	50	0	50	0