

Effective Resident Involvement in the Procurement & Delivery of Major Improvement Works at Merton Priory Homes



Submission by Ann Moyies (Tenant Board Member – Merton Priory Homes)

With support from

Monica Holloway (Major Works Manager – Merton Priory Homes)

Context

This submission highlights how the PPC2000 contract can be used as a means by which residents can become fully and meaningfully involved in the procurement, mobilisation and delivery of a significant improvement programme.

The London Borough of Merton transferred its housing stock to a new Registered Provider (RP), Merton Priory Homes on March 2010 following a tenants' ballot in May 2009. Merton Priory Homes has become a new member of Circle Anglia's Group structure (now Circle).

Before transfer, an analysis of the results of the stock condition survey indicated that £200 million was needed to be spent on investment works in the 10 years post transfer to ensure that its properties are in good condition, meet the Decent Homes Standard and are fit for purpose. The ability to deliver these improvements was a fundamental factor in tenants and leaseholders voting for the transfer. As an active tenant representative, Ann was well aware of the poor condition of the stock and had been active in trying to find solutions to the significant funding gap. Stock transfer was the only viable option and Ann had canvassed for a yes vote although understanding that it was not popular with all residents many of whom were unsure of how things would be should a transfer take place.

Procurement Strategy

A Procurement Working Group was set up composed of officers, consultants and residents including two shadow board members. All members, both residents and officers were adamant that they wanted a contract approach that allowed for collaborative working between all parties and would allow for resident involvement at all stages.

The London Borough of Merton had already had a number of attempts at partnering arrangements and these had not produced a fully collaborative delivery arrangement. Therefore the residents involved were fearful of the proposal to adopt a partnering form of contract because of the previous experience that had been less than positive. However, after discussion and review, the Procurement Working Group made a recommendation to the MPH Shadow Board to adopt the PPC2000 as the form of contract. It was agreed that full adoption of the management processes enshrined in PPC/TPC contracts by means of management through Core and Strategic Core Groups allows for meaningful involvement of residents as participants on these forums. It was, however, accepted, that in making this decision support would be needed for officers and residents alike.

Another part of the agreed procurement strategy was to include a broad scope of works under the contract so that specialist works and additional works could be included if required. The aim being to provide maximum flexibility in delivering the programmes of improvement required and to

provide the incentives for the constructors to provide 'added value' and 'ongoing investment' in Merton.

Training and Development

The tenants and leaseholders were the key stakeholder in every stage of the procurement process.

The following arrangements were made to help them in the process:

- Training, support & coaching
- Organising meetings at times and venues that allowed full participation
- Provision of a glossary of terms setting out the meaning of technical language used in procurement
- Presenting information and reports in appropriate formats
- Regular update reports to resident groups
- Utilising a dedicated residents facility for evaluation of tenders with officers and consultants available to provide advice, support and guidance
- 1 to 1 coaching and advice

In total approximately 50 hours of training and support were carried out.

Ann emphasises that the training looked at all aspects of the process and how the contract worked. All explanations were detailed and there were great efforts made to ensure that everyone understood the details. She specifically said:

'The Procurement Working Group totally supported the residents through the whole process well and never once made us look daft or stupid.'

'Most importantly for me they listened to and took our views on board.'

Selection of Constructor Partners

The Procurement Working Group met on a monthly basis with assistance from the procurement consultants in organising meetings and keeping records. The tenants and leaseholders assisted in the design and signed off the Pre Qualification Questionnaire and Invitation to Tender.

A bidder's conference was held with Ann as tenant Chair of the Board giving a presentation to the bidders on the importance of the contract to residents.

Residents were part of the team evaluating all aspects of the Quality Proposals. All decisions were made by consensus in line with procurement best practice and the decision making process integral to PPC2000.

Residents were Members of the Tender Interview panel and took part in site visits.

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At the end of the procurement process three contractor partners were appointed, Wates Living Space, VINCI Construction and Apollo Group to deliver £60m of works over the first 5 years to achieve decency.

When the final report was presented to the newly formed MPH Board, the residents involved were 100% satisfied with the recommendations made and felt that unlike other procurement processes their input had been meaningful. Ann was the Chair of the Board at this point in time and therefore ultimately responsible for the decisions made.

According to Ann Moyies throughout the process they were 'supported with out being dictated to ' and at the end of the selection process they felt that their involvement had been meaningful.

Mobilisation

The involvement of tenants and leaseholders did not stop once the contracts were awarded. Instead the opportunity was taken to identify new residents to be involved in the mobilisation and delivery of these important contracts.

In the Autumn of 2010 MPH wrote to all tenants and leaseholders setting out how they could be involved. Nearly 300 residents responded and were invited to attend an open day where they were given an overview of ways they could be involved. Their preferences were discussed and records made of what areas they wanted to be involved in. As a result, many of these now play an integral role in the delivery of these contracts.



Residents were involved in all the working groups set up as part of mobilisation. These groups were:-

KPI working group

- The KPI working group reviewed the targets and agreed the standards and definitions for the contract.
- Year on year improvement is expected by residents.

▪ Risk Management group

- The risk management working group considered the risks and created the risk register which underpins the PPC2000 form of contract.

▪ Product selection working group

- A specific standard of works, the Merton Standard, had been agreed with residents at the time of Transfer and the standards were now used to develop the product specifications during the mobilisation period.

- An open day was held where all residents were invited to view the proposed products and fill in an evaluation sheet. Over 250 residents participated in this event.
 - We involved residents who don't usually engage typically those with children, with disability and those who work full time.
 - A group of seven residents and staff formed product selection group. They translated the constructors' proposals into a list of products for the component replacements and reviewed the results of the open day.
 - The standardisation of components will help save up to £15 million over the full 10 year programme.
- **Resident engagement working group**
 - The group reviewed and signed off on all the resident notification processes bringing together the best bits of our three constructors processes
- **Quality assurance working group**
 - Tenants volunteered to take part in the pilot properties process for the impending major works.
 - This enabled the processes and procedures that had been developed could be worked through to ensure that there were no issues.
 - One of the tenants agreed to take part in a video of the experience that could be used as information for other residents.

Developing a Partnering Charter

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A full day's workshop with residents took place to develop and sign off the partnering charter which now underpins the relationships.

The Charter sets out the behaviours needed to operate PPC2000 effectively and to drive resident focused outcomes. Ann believes this has been important in helping to create the output based culture within the partnership.



Partnering Charter

Planned & Improvement Works Contracts 2010 to 2015

Mission Statement:

In working together, we will enhance life chances by delivering better homes and neighbourhoods of which we will all be proud.

We will meet our promises to deliver the Merton Standard, engage our residents, support our community and provide value for money.

Mutual Objectives and Values:

- To work together as a team in an open and honest environment.
- To create and maintain appropriate and suitable communication at all times.
- To actively engage all our residents and consider their views at every suitable opportunity to inform the way this service is delivered.
- To treat residents and their homes with respect and remember that our place of work is their home.
- To continuously monitor and seek to improve our performance and the quality of service by working together.
- To maximise residents' pride and satisfaction in where they live developed through trust in our partnership.
- To actively promote and deliver safe working practices in every aspect of our operation.
- To effectively manage resident, client and partner expectations to deliver a 'Right First Time' service.
- To work together to ensure that the relationship is mutually beneficial for all parties and sustainable.
- To seek to avoid disagreements and resolve them in accordance with the partnering ethos should they arise.
- To maximise local employment, training and investment in the community.
- To demonstrate a positive environmental approach in all we do.
- To promote the successes of the partnership.

***Our Partnering Charter
developed with residents for
our PPC2000 contract during
project mobilisation***

Delivery

Residents play an active part in the monthly Core Group and quarterly Strategic Core Group meetings.

They receive the same papers and reports as the partners and client team and challenge performance in a robust manner. Our approach is very much 'warts and all' and the residents have helped the partnership to resolve many issues that have been encountered.

At a recent Core Group the issue of cold weather working was brought up and all parties contributed to the development of a list of actions to ensure that residents received the best possible customer experience. Without the mechanism of the Core Group, and the input from residents, the resident experience and concerns would not have been as readily translated into changes in processes and procedures.

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The residents involved have extensive networks amongst their fellow tenants and leaseholders and therefore can provide a useful insight into what is happening on the ground before it develops.

Representatives of our TMO are also involved and have a seat on the Core Group. This has helped enormously at an estate based level and in managing expectations.

As Ann says they are fully engaged and are not just *'sat there unable to fully participate or understand what is going on'*

We expect high standards of information and professionalism at the Core Group and Strategic Core Group.

Ann is quick to point out when issues that aren't relevant are being brought up. These matters, and case work, are dealt with outside these forums ensuring the agenda remains strategic.

Moving forward – Service Improvement

Service improvement processes are an integral part of the PPC2000 contracts. We are in the process of forming a Residents Property Services Action Group to build on the success we have had to date.

Initiatives will include mystery shopping, customer journey mapping to further improve and refine the resident experience of improvement works and a review of the targets and service standards.

As Ann says the residents have their ears very close to the ground and are often aware of emerging issues regarding different processes and materials before either the contractor or the client are aware of any problems.

Residents have also been involved through their networks in proposing and supporting local training and employment activities which are integral to the contract arrangements put in place. We have a comprehensive training and employment plan for the next year involving resident agreed priorities for our 3 constructors and also from our 2 term constructors (engaged under TPC2005). Already have 11 apprenticeships/local employment opportunities secured through the partnership.

Leaseholders opt into to major works

Leaseholders are to be given the opportunity to have their kitchens and bathrooms replaced by the major works contractors. The mechanism and price frameworks as set up in the PPC2000 have led the ability to set up a process for leaseholder opt in.

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The composite rates, as agreed with the constructors, have been translated into estimated costs that can be presented to leaseholders to give them guidance as to the costs and specifications for these works.

An open day was recently held for leaseholders and over 150 attended to find out more. These expressions are now being translated into actual commitments.

Summary

All parties feel that the use of the PPC2000 contract both in its spirit and its governance processes have actively encouraged and supported the involvement of residents. The document itself has clearly defined processes and is written in language that residents can understand. The mechanisms (Early Warning, Risk Register and Partnering Timetable) are things that our residents can appreciate and the collaborative nature enables resident participation.

It is felt by all that the process of delivering the contracts is very much directed by and delivered in accordance with the requirements of the residents rather than the works being delivered to them.

The experience that residents have gained from being involved in the design and delivery of this contract has been of great benefit to MPH and other contracts we operate. We now have a much greater understanding of what we can expect and play a bigger part in the current Circle Group procurement activities. This will mean that we get more of what we want in the future.

Our leaseholders, who have traditionally been sceptical, have greater involvement of our processes and with our constructors. We also made regular presentations at the leaseholder forum. This will make the recovery of leasehold charges significantly easier as they have a greater understanding of the contract.

Through this contract the residents have found a voice that is listened to and respected as an equal party to the contract which is as it should be. And on top of that, we have improved over a 1,000 homes internally and have significant external works underway. All this, in less than a year since we got on site!

Thank you PPC2000!

Ann Moyies – MPH Tenant Board Member (with support from Monica Holloway – MPH Major Works Manager)

**Background Detail (Not part of submission)
Introducing Ann Moyies and Monica Holloway**

Ann has been directly involved in the agreement of the procurement strategy, the actual procurement process, the mobilisation and the subsequent delivery of the Major Works contracts. The improvement of the homes lived in by former LBM, and now Merton Priory Homes (MPH), residents is her passion.

She is closely involved in all aspects of the contract and says *'you try and keep me away!'*



***Ann Moyies (right) Tenant Board
Member of Merton Priory Homes with
Managing Director, Pauline Ford***

ment contracts for London Borough of Merton and now committed to improving people's lives through delivering the much needed improvement works to MPH homes.

They are both fully involved in the collaborative processes as set up by this partnering contract and wanted to submit this to demonstrate the depth of resident involvement possible.