



## Innovation under PPC 2000

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*Phoenix Community Housing working in partnership with Mulalley for a better community*

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## Introduction

Phoenix Community Housing is a progressive, modern and forward looking, not-for-profit and resident-led Housing Association based in Lewisham.

We were the first London Housing Association to embrace the **Community Gateway** approach, empowering our residents to take a pivotal role in the decision-making process of their homes and communities and an approach that aligns closely with PPC2000's ethos of 'working together'.

Our Asset Management team is 'Lean', with only 30 people managing over 6500 homes. Such 'Leanness' demands good team-work and co-operation to be able to deliver what we promise to our residents.

Phoenix Community Housing has been successfully working in partnership with Mulalley for more than six years. The first four years saw a successful kitchen and bathroom programme completed under PPC 2000, with very high levels of resident satisfaction and this led to the current 4 year programme (now in year 2) dealing with the external improvements to the properties and estates.

The nature of this type of work is not just about keeping costs to a minimum or maximising the profit, it's been about building relationships with the residents, delivering what is wanted and needed and nurturing a sustainable relationship between client and contractor for the mutual benefit of the partnership but most importantly the residents in whose homes and communities where work is carried out.

In January 2012, we had a mountain to climb.

With 6500 homes in need of major external repairs and a peak year in funding, we found that we had very little time to get these works underway. This 4 year programme is the most intense and ambitious that our fledgling Housing Association would have undertaken since being formed in December 2007.

## Objectives

Undaunted by the tight timescale, we turned again to PPC 2000 and we began by clearly setting our objectives:

**For Service** – to provide a service for our external works programme that is shaped by our Residents, who are involved at every stage of programme development and delivery of our promises, ensuring that they help to drive our performance and improve delivery

**For People** – to create a positive environment and deliver effective communications for everyone involved, ensuring high quality programme delivery based on an understanding that it is our people who will deliver the programme

**For Finance** – to deliver and demonstrate value for money, spending available funding in an open, transparent and efficient manner, whilst ensuring effective budget management and cost

**For Governance** – to provide an effective management structure to allow the programme to be delivered, ensuring probity, sound decision making and evidenced control over our project

Working closely with contractor Mulalley, and residents, we managed, in just 6 weeks, to create effective delivery systems and cost efficient programmes with total 'buy-in' from the Phoenix's residents and started on-time on April 2012.





## How did we succeed?

Key to success was the early partnering with Mulalley. It enabled us to use their expertise in resident liaison, in construction, in design and the general management of risk and all before works started.

Our **Project Brief** set out from the very start what our approach to management of this type of work would be and has been the foundation of our success to date. The sections of the Brief are outlined below and certain sections are expanded within this document.

### Strategy

Scope

Standards

### The Core Groups

#### KPI

Cost Management

### Cost Management Tool

### Shared Data Storage

Procedures

### Risk Register

Health & Safety

Surveys & Design Validation

Pricing

Leaseholder Consultation

Programme of Works

Site Set Ups

Building Control & Planning

Hours of Work

Identification

Customer Care

Residents Needs

Labour, Supply Chain & S/C

Specification

Adaptations

Asbestos

Target Times

Variations

Defects

Valuation & Payments

Client Handover

### Workshops

Training

### Initiatives

Complaints

Resident Involvement

Data Requirements

Sustainability

Communication

Community Initiatives

Partnership Legacy

## Importance of our Core Group

The Operational and Strategic Core Groups are led by Phoenix and attended by the contractor and residents

The **Operational Core Group** meets monthly and is central to ensuring that there is a free and open exchange of information between the contractor, residents and Phoenix.

The meeting's purpose is to:

- Review and stimulate progress of the contract
- Act as a forum for consensus decision making
- Review KPI's against targets
- Consider health, safety and safeguarding issues
- Review all financial aspects relating to the works
- Provide a means of dispute resolution
- Review of all change instructions/proposals
- Risks are properly considered
- Ensure there is resident engagement

The **Strategic Core Group** meets quarterly to review the overall programme delivery, develops innovation and ensure that objectives set out in the Partnering Contract are being achieved.



## Partnering Time Table

In year 1 the Partners developed a project wide partnering timetable based on an original mobilisation timetable developed by the Operational Core Group. This project wide timetable set out key activities for the Partnership.

- Risk Register Reviews
- Specification Review
- Cost Management Review
- Contract Reporting Format Review
- KPIs Review
- Policies and Procedures Review

The initial Partnering Timetable has been essential in ensuring that once programme delivery started that the team took time out to review and improve.

A similar Partnering Timetable has been established for the Year 2 work, kicking off with **Lessons Learnt Workshops** so that we could capture and build on the experience gained during the first year of the programme.

## Value Engineering

Through every stage of the works, value engineering exercises have been carried out in line with the Core Groups parameters.

The partners to the project review any sensible alternative proposals that would meet the financial and aesthetic challenges of the contract. A synergy developed between all involved and has been one of the factors that have contributed to the success of the project so far. Early supply chain engagement has allowed the team to use their specialist knowledge to turn a design concept, into a physical reality.

### VE Example 1

Very early on Mulalley noticed that there was a significant opportunity to save money with the use of Zinc Rapid Flash in place of lead on dormers. Putting it through the due process under PPC 2000, the saving realised £59k in the first year and is projected to realise over £200k of saving enabling approximately 35 more properties to be brought into the programme over the 4 year programme.

### VE Example 2

Reviewing the roof details, Phoenix and Mulalley quickly came to the conclusion that nearly half-a-day and £175 per roof could be saved by simply standardising the type of roof tile. With nearly 1000 properties completed so far this has realised a saving of nearly £175k year and is projected to realise over £700k enabling approximately 140 more properties to be brought into the programme over the 4 year programme.

### VE Example 3

In this same review the design for guttering between terraced properties was overcome with the introduction of secret gutters resulting in some small but desirable savings in time money and in appearance.



## VE Example 4

Traditional ridge and hip tiles were substituted with Marley Dry-Ridge. Using these were quicker and safer to install and far more durable than the traditional option. Saving in time has been estimated at 4 hours per roof.

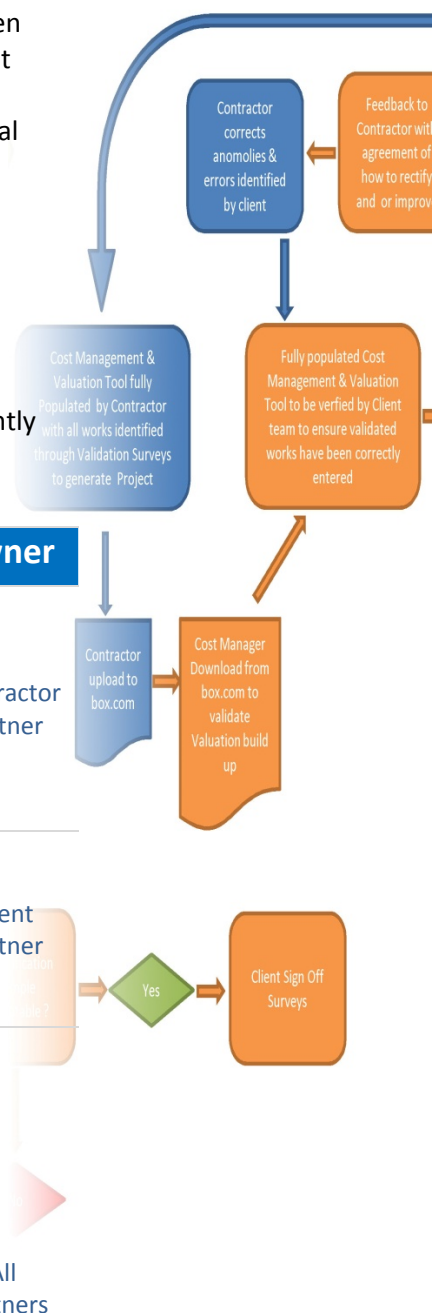
As can be seen from these examples, Phoenix and Mulalley have taken a real and committed partnered approach to value engineering under PPC2000 and has been shown to provide a significant saving to the client over the contract term. Current estimates put this saving at nearly £1,000,000 on an original value of £35m. This has already enabled Phoenix to reinvest this money and bring in an additional 200 street properties to the programme with each of them now benefitting from new roofs, landscaping works, brickwork repairs, repointing, soffits and fascia renewal.

## Controls

### Risk Management

Development of the Contract Risk Register has been key to our ability to deal jointly with the 'expected' problems that are inevitable with this type of work. We had time to properly consider and resolve the issues jointly, as partners should.

Risk	Mitigation	Owner
An excess of adverse weather may cause disruption to the external elements of the programme	Roofs to be protected as soon as stripped; minimise length of time of open works; plan wet trades avoiding likely excess cold days; plan decorations programme with other work for decorators to fall back on; record keeping of temperature & rainfall.	Contractor Partner
The likelihood of unforeseen works may cause an adverse effect on the programme delivery and affordability	Detailed validation surveys have provided increased works certainty. Monthly financial reviews are being undertaken. Re-validation of the properties will help minimise the adverse effect on affordability and delivery.	Client Partner
There is a potential for poor relationship management between the Partnering teams. If not managed professionally and effectively this will have an impact on the programme delivery and affordability – "Let's work together"	Regular internal temperature checking with open and honest responses. All tell each other the truth and not what we think others want to hear. Maturity of approach to issues. Use of informal communications where appropriate. No blame culture. Information sharing at all times. Consistency of decision making. Structured project management approach adopted, such as joint weekly site walkabouts and inspections of blocks within 48 hours of scaffolding certified as safe.	All Partners



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The Partners are committed to proactively manage and review their risks throughout the duration of the contract, and will ensure they are regularly reviewed through the strategic and operational core groups.

Each risk is assessed for its likelihood of occurrence and potential impact if it did occur. Each risk has mitigation against it, with a clear ownership of it assigned to an agreed partner.

### Costs

The Partnership developed a common Cost Management & Valuation Tool format to record the financial aspects of each programme of works. Both works and costs will be monitored using the shared CMVT as a one stop reporting system (single point data entry). The Partners provide on-going updates to the shared CMVT to record progress and financial information to inform payments, budget control and cash flow forecasts.

### Innovation and initiatives

One significant innovation to come from this partnership has been the introduction of the **Partnership Initiatives Matrix** or PIM and relates to community engagement and investment over the 3 areas of **Resident & Local Employment, Education & Training** and **Community Investment**.

On many jobs, contractors can promise the earth and then renege on those promises. The 'PIM' however records those promises. Each initiative is 'weighted' by the partners and is scored each month as part of the Core Group Reviews and achievement measured.

An example of a PIM is included.

### Sharing data via the 'Cloud'

The Partners save all contract related documentation including Contract Documents, Policies and Procedures, Specifications, Methodologies, Valuations, Contract documents, Handover sign off sheets, scoping surveys, KPI reporting, leaseholder information, consultation reports and the like, on a password protected shared cloud server.

This provides a single source for accurate, up to date information, available to all the delivery team at any time. Ownership of the cost information is allocated during the monthly valuation cycle to retain version control and probity.

### Measuring performance

The Partners mutually agreed to develop a contract performance reporting format for the Partnership. These reports provide information that includes:-

Programme Delivery	Health & Safety
Customer Satisfaction	Partnership Initiative (Legacy)
Quality of Workmanship	Cash-flow forecasting
Time Predictability	Local Labour
Cost Management	Project update
Complaints	

### Has the partnership benefited?

As a satisfied customer, the Phoenix partners are now investigating an ECO or Green Deal project to put Internal and External wall insulation measures into some of the more hard to treat properties that are on our books.

