

ACA Annual Award Case Study: Hackney Homes Alliance, Practitioner award

Summary

The Hackney Homes Alliance has successfully used PPC 2000 to enable members to work across organisational boundaries to achieve ambitious sustainability outputs and embed best practice. This has been achieved through early contractor involvement, collaboration between partners and the use of PPC2000 mechanisms such as a partnering timetable and a core group system. Residents have been at the heart of this process, which has enabled the alliance to deliver a locally-focused approach to sustainability.

Sustainability outputs are often neglected in traditional contracts, due to fragmented supply chains, competing interests and a large number of interested stakeholders. Maximising the socio-economic outputs of the contract was high on the agenda of Hackney Homes, and is a policy of the current government, due to the fact the area is one of the poorest in the UK and has seen little benefit from the 2012 Olympic development.



Local trainees Darryl and Omar

The contractors have worked with local stakeholders and an integrated supply chain to agree on a common method of engaging, recruiting, training and employing local residents. Through a sustainability core group and the strategic core group, they have also focused on achieving wider community and environmental benefits. The alliance has had a number of early results, including the achievement of National Skills Academy status and the creation of a new social enterprise.

In the first year, the contractors and their supply chain partners have collectively recruited 20 apprentices, supported another 15 individuals into work and accommodated 20 work experience placements.

Application Form Details

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Date: 14/9/2011

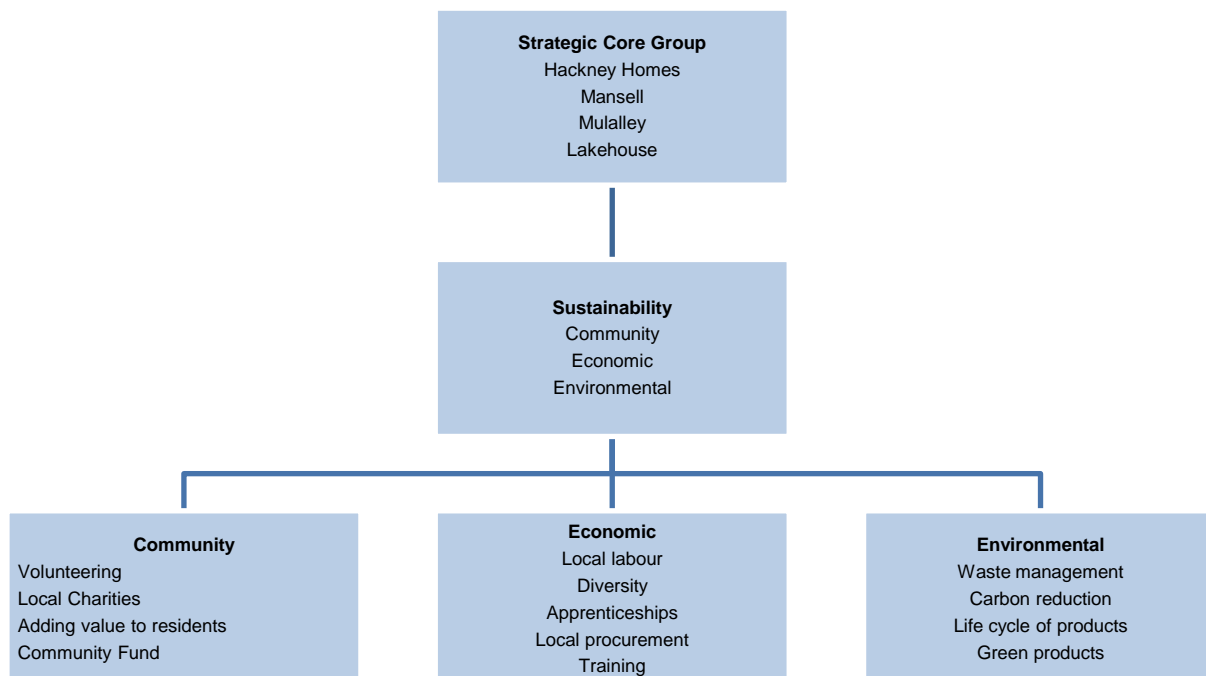
Award Category: **Practitioner award**

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Background

Entry: Hackney Homes Alliance (Hackney Homes, Mansell, Mulalley & Lakehouse)

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



The creation of sustainable local labour, apprenticeship and training opportunities was highlighted by Hackney Homes as a high priority throughout the procurement process; as were the identification and achievement of community development and environmental sustainability outcomes.

All tenderers were required - within their priced bids - to contractually commit to these outcomes as an individual Constructor. In the ethos of PPC 2000, they were also asked to demonstrate processes, and their commitment, willingness and capacity to work together with other Constructors and partners in order to procure overall project outcomes in excess of the simple commitments of each individual Constructor.

A key principle of Hackney Alliance Sustainability Activity is that these commitments are honoured and monitored in terms of achieved demonstrable auditable outcomes - evidenced primarily through their tangible individual and community impact, rather than reported 'tick-box' outputs. To this end, sustainability commitments were embedded within the whole process through 'back to back' arrangements with local SME contractors. This was a result of early resident engagement and



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involvement in the process, which has continued through their attendance through Sustainability Steering Groups

The competitive dialogue process and early contractor involvement used to flesh out good practice and establish a basic strategy to embed sustainability outputs within the contract. An early decision was made to share resources as an alliance and to work together to achieve outputs. To that end, the Hackney Alliance Constructors - Lakehouse, Mansell, and Mulalley, co-ordinated by the lead Constructor for Sustainability, Lakehouse - collaborated with Hackney Homes and its partners, including Job CentrePlus (JCP), Working Links, and Hackney On-Site, prior to contract signature.

A Sustainability Steering Group was quickly established, and it produced a Training and Employment Plan and Community Development/Environmental plans. These documents informed the process where the Constructors assembled a common joint supply chain, ready for a November 2010 contract start, and were included in the tender documentation that the Constructors issued. It was also used to select the common supply chain. The plans were assimilated through other core groups by the overall lead constructor, Mulalley.

The Steering Group was delighted to be awarded National Skills Academy (NSA) status, which enabled us to merge national best practice in employment and skills, with local requirements. A dedicated Project Manager has been appointed to work with Hackney Homes, London Borough of Hackney, main contractors and the supply chain partnership to meet our NSA targets.

The Group has also focused on supporting supply chain partners with the achievement of outputs. For example, a series of workshops have been organised to help suppliers understand their contractual obligations with regard to sustainability. Suppliers have also been linked with 'FLASH' training to ensure they benefit from the growing renewables market.

The alliance has used many PPC 2000 mechanisms to achieve such an impressive start to the project. For example, the sustainability core group has been linked into the strategic core group as a regular agenda item. The sustainability group also created a risk register to highlight potential issues around the achievement of outputs, such as continuity of work and duplication of targets.

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Table 1: Summary of Constructor commitments

Outcome commitment	Number per £1m contract spend per Constructor			
	Lakehouse	Mulalley	Mansell	Total
Unemployed or economically inactive into work	1	0.5		1.5
New apprenticeships / trainees trained to at least NVQ 2 or equivalent level	1	0.5	1	2.5
Other training or work experience placements	4	2	25	31.0

Table 2: Secondary KPI local labour targets

Outcome commitment	Percentage of local labour to the total workforce			
	Lakehouse	Mulalley	Mansell	Total
Proportion of staff employed by main constructors or supply chain, who are paid London Living Wage or above (excluding trainees)	100%	100%	100%	100%
Proportion of local labour on site (secondary KPI-measurement only)	20%	20%	20%	20%
Proportion of supply chain that Hackney based business	10%	10%	10%	10%
Proportion of supply chain that are 'micro' business (see definition above)	10%	10%	10%	10%
Proportion of supply that are social enterprise business	5%	5%	5%	5%

Process





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Achievements

Supply Chain integration

The overall lead constructor, Mulalley, has worked closely with local residents, Hackney Homes and both Mansell and Lakehouse to develop an integrated supply chain with embedded sustainability outputs. To date, 70 suppliers have been appointed across 20 work streams and these mostly consist of Small to Medium enterprises. They have been selected on agreed commercial rates, quality standards and their commitment to sustainability outputs. Residents have helped to draft questions, attend interviews, select suppliers, and will help to measure their performance once the project has been completed through quality inspections and mystery shoppers.

Works 4 Hackney

Another early product of that partnership was a protocol to facilitate the access and appointment of new staff to the contract, through the provision of a seamless screening, referral, and monitoring process, targeted to the benefit of local Borough residents. That protocol is branded 'Works 4 Hackney' (W4H).

The delivery of W4H will be coordinated as part of the Hackney Council local labour programme 'On - Site', in partnership with Jobcentre Plus; and will benefit from integration with other Capital works and resulting local labour commitments across the Borough. Its coordination by 'On-Site' will ensure that effective skills forecasting processes are in place and the local skills and training offer reflects these forecast demands. This approach will provide the Constructors, and their supply chain, with the opportunity to influence the design of skills provision locally and to provide access to relevant skills training to assist them in meeting their agreed employment and training outcomes.

W4H is dedicated to making the Hackney Alliance Programme an inclusive programme for the benefit of local people, in terms of sustainable employment, apprenticeship, training, and work experience opportunities. Its focus will thus be on providing the best quality local candidates for employment.

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The Building Lives Training Academy (here visited by HRH Prince of Wales) has placed local apprentices on the Hackney Homes Framework

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Local Labour Hire

The Alliance 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>.

Lakehouse has already spent £12,000 with the agency.

National Skills Academy

The alliance appointed a Hackney resident to work with Hackney Homes, the main Constructors and supply chain partners.

NSA Targets which have been met this quarter: (>80% of target achieved)

Outcomes	Annual Target	Quarter Target	Actual Outcomes for this Quarter
Existing Apprentices	20	2	2
Health and Safety Tests leading to competence cards for m/c	30	5	4

NSA Targets which have been exceeded this quarter:

Outcomes	Annual Target	Quarter Target	Actual Outcomes for this Quarter
14-16 years work placement (1 individual = 1 output)	10	0	8
KPI - Graduates recruited (1 individual = 1 output)	2	1	2
KPI - Jobs advertised through local employment vehicles	25	7	18
Supply Chain Briefings (1 individual = 1 outcome)	20	5	49
Schools Activities - Resource Days (1 individual = 1 outcome)	4	0	137
Short courses for subcontractors (1 individual = 1 outcome)	30	0	16
Short courses for main contractors (1 individual = 1 outcome)	30	0	12
CPD sessions (1 individual = 1 output)	10	0	1
Accredited training for main contractors (1 individual = 1 output)	10	0	2
Advanced Health and Safety Training for main contractors	1	0	1
Ambassadors Training – Professional (1 individual = 1 output)	3	0	4
Young Apprenticeships work placement (1 individual = 1 output)	4	0	1
Pre-employment courses (1 individual = 1 output)	30	0	4

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Employment and Training- First year results

Summary of Constructor 10/11 Core Employment and Training Reported Outputs

Outcome commitment	Total
Unemployed or economically inactive into work	15
New apprenticeships / trainees trained to at least NVQ2 or equivalent level	20
Other training or work experience placements	20

Community Development

The Sustainability Steering Group has been working with local stakeholders to maximise best value with regard to Community Development. In the first year, the group has worked with



Children at Hackney Homes Community Event

- Eight local schools offering careers talks and enterprise challenges
- Supported six Built2Work schemes (pre-employment programme) with careers talks, mock interviews, materials (donated), work experience placements and apprenticeships
- Supported two local community events
- £18,000 donation agreed by main constructors to local charity KICZ

Environmental Sustainability

The Sustainability Steering Group has engaged residents and local stakeholders to agree to a common method of recording the environmental impact of the project. The contractors have agreed to monitor first year results using the same mechanisms: WRAP for waste, and the Environmental Agency Carbon Calculator for carbon. They will agree targets to help reduce the environmental impact down the line. The group has also written and signed an Environmental Charter.

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In addition, the Sustainability Steering Group has organised 'FLASH' training and Environmental Technology Training for supply chain partners, project staff and residents.



Contractors have committed to halving waste to landfill.

Supply chain engagement

Hackney Homes and the main Constructors have developed a joint supply chain, that has signed up to common key performance indicators and rates. This has been instrumental in embedding sustainability outputs within the supply chain. A local social enterprise has been created to support the supply chain and main contractors' recruitment needs.

Conclusion

The Hackney Homes Alliance has used the ethos and mechanism of PPC 2000 to change the culture of the way contractors, residents, clients and their supply chain work together. An early achievement has been the development of an integrated supply chain and the agreement of a sustainability strategy which has yielded fantastic results within its first year.