RHP/Mears Case Study - PRACTITIONER AWARD

This Case Study looks at the innovative partnership arrangements between RHP and Mears to deliver their repairs service. It tells the story of how the relationship was procured, the unique elements of the contract to build customer satisfaction, how the challenges were overcome and the success of the contract.



Who are RHP?

RHP is a social landlord that owns and manages housing for people in need, although we are known and distinguished by our innovative approach to customer service, making us very different from other social housing providers. The way customers experience our services is the most vital part of our business. We broke the mould in housing, in creating a fantastic customer experience - investing in employing, motivating, engaging and continually improving fantastic people who share our ambition and passion for great customer service. Why? Because we know that happy, engaged employees mean happy, engaged customers.

At RHP over the last two years we have focused on identifying and developing our unique service style, 'iamrhp'. iamrhp is built on the three things our customers say are most important (being on the customer's side; being honest and helpful; fixing things fast to last) and, from an employee point of view, four simple ingredients: fantastic feedback; getting people talking; an open and equal management style and; a sense of pride and community.



It's impossible to overstate the impact the service style has made and the significant and farreaching effects of this root-to-branch review of everything we do. Culture change on the widest possible scale covered everything from the language used on our recruitment advertisements to the contractual aspects of service delivery through our partner supply chain.





Who are Mears?



Mears today employs almost 16,000 people in every region of the U.K. In partnership with our social housing clients, we maintain, repair and upgrade the homes of hundreds of thousands of people in communities from remote rural villages to large inner-city estates.

Our care teams throughout the U.K provide support to around 20,000 people a year and our care service is continually expanding to meet the increasing needs of our elderly population and other vulnerable people living in our communities.

We focus on long-term outcomes for people rather than short-term solutions and invest in innovations that make a positive impact on people's quality of life and on their communities' social, economic and environmental well-being.

Our vision is to make a positive difference to the communities we serve. We do this by constantly striving to achieve the highest levels of customer satisfaction, efficiency and effectiveness in the social housing and home care-services sectors.

Our approach is based on the development of outstanding partnerships with employees, clients, tenants, service users, their families and the wider community. Success enables us to create great opportunities for our employees and sustainable value for our shareholders.

The approach to partnering for repairs

It was important to RHP that the approach to customer service and the *iamRHP* service style was a key thread when we tendered our repairs service and that this would be a thread that ran throughout the partnership term. The repairs service touches all of our customers at least once a year through the gas servicing programme and it was important that we partnered with a contractor that met our values and was also willing to engage with their employees in the *iamRHP* way.

The benefit of using the TPC form was that the statements made about our requirements in the term brief form part of the contract and becomes an integral part of the service delivery. This is key. We know how the 'sell' during a tendering process often does not appear after the contracts are signed.

Clause References

- 1.1 working together and individually in a spirit of trust, fairness and mutual co-operation for the benefit of the programme.
- 1.6 establishing a Core Group to review and stimulate the programme; ensuring among other things that promises at tender stage are delivered.





2.1 – The Partnering Team members are named in the contract and have their roles and responsibilities clearly defined to enable the provisions of clauses 1.1 and 1.6 above to be effectively delivered.

What we wanted the partnership to achieve?

In 2001 RHP and Mears signed one of the first partnering contracts. This approach was innovative for the time and the decision to seek a single partner for such a long contract period (10 years initially) was unusual. This decision was driven by the belief of RHP that excellence in maintenance is a "long game" with improvements driven by building strong relationships, experience of the stock, and by recruiting and retaining the best staff in the business. The partnering approach was enhanced with co-location of teams which ensured great joint working and brilliant communication was embedded from day 1.

We knew wanted to carry on with the partnership approach for the new contract and have a strong emphasis on customer service, innovation and value for money. We knew we wanted to modernise the "offer" not only for our customers, but also to potential contractors and take into account what had changed at RHP, with our customers and how the market place had altered.

How did we do it?

We carried out an option appraisal on the form of contract and looked at taking it back in house, framework, a subsidiary model and partnering. After this analysis our Board recommended partnering and the TPC 2005 (amended 2008) was found to be the only form of contract that could completely under write our objectives.

We considered and dismissed the NEC suite of contracts, primarily because they didn't fully recognise the importance and role of the Core Group and we found their terms and conditions could stifle the innovation we were looking for.

We decided at the start of the procurement process that we wanted to carry out some form of competitive dialogue after looking at this with our legal advisors, and our procurement advisors, Savills. We had all heard the horror stories of some never ending dialogues and so we agreed that we would focus on key areas that were important to us - service, cost and contract – and time limit it.

The TPC 2005 gave us the flexibility to develop the service while, at the same time, ensure the core was being delivered effectively with strong management controls and processes. We could also see that the market was changing and rather than completely discount the Wholly Owned Subsidiary model we chose to discuss this as a possibility during the dialogue process. This meant that if we were to move to this at a later date, we would not be challenged and it also gave us time to be "engaged before we were married" to ensure that this was the right solution.

Clause references:

2.2 – Processes. It was important to us that processes recommended by the Core Group and agreed by the Partnering Team became binding on all parties. This clause relies on the expertise of the contractor in conjunction with that of the Client that is key to the successful delivery of this project.

We knew we wanted a long term partnership, but we also knew that best practice in the market was





to have an option to extend which would help to focus the minds when looking at performance in the early years of the contract. We decided on a five year plus five year approach to keep the contract progressing while still having the longevity of the partnership.

Bidders' Day:

We held a Bidders Day to begin the process of making interested parties aware that RHP and *iamRHP* was the bedrock of the new partnership. We set out the ground rules very clearly about what we expected and followed this up by the Term Brief which also detailed what we wanted to see delivered as part of our service, and the opportunities we wanted to discuss to continue to innovate our service in the future. This was welcomed as the contractors could see how RHP stood out.

Dialogue:

The dialogue process lasted for three weeks and we took three contractors into this stage. The Dialogue gave them the chance to make their bid "real" and gave us a chance to test what they were saying. It also enabled us to start developing relationships from the procurement phase. One of the key areas discussed during dialogue along with the service delivery was pricing and in this three-week period we agreed the pricing approach of the new contract which saved time during the mobilisation. The contract discussions were very positive and this also saved time during mobilisation as the "hard" negotiations were out of the way and because as the contracts are commonly used there were only minor issues raised.

Innovations:

We know that times had changed since the first contract in 2001 and that the focus now was on helping our customers to help themselves and enabling them to be more in control. We are continuing to innovate and build on the new things already in place including the following:

- *iamRHP* training all Mears' employees receive regular training on the *iamRHP* behaviours and their performance is monitored on these behaviours throughout the year.
- Client scheduling works change has brought continuity with the call centre managed by RHP and Mears front line management.
- Complaints we have a "quick fix" approach meaning our complaints have dropped by 60%. The close relationship between RHP and Mears has been essential in achieving this.
- Rate your operative –we have introduced a simple email that is sent to a customer after their repair is completed that allows them to tell us what they thought of the service. This is similar to the eBay approach to rating the seller. We publish this information when we have collected the data.



 Repairs in 10 days – we were delivering our repairs in an average of 10 days under the old contract so we changed our customer promise from the standard "28 days".





- Customer priority we only have general repairs and emergency repairs to simplify things for our customers. If we know if a customer is vulnerable or needs a quicker appointment then we will make this happen with our scheduling team.
- Mears staff are empowered to raise repairs at first contact rather than awaiting for authorisation;
- A personal repairs guarantee card is issued to customers on completion of a repair and all works are guaranteed for 6 months.
- Home Plus our property MOT promise. A check is carried out at the time of the gas service on a proportion of our homes every year collecting data to update our stock database, and deal with any repairs before they become reportable i.e. a dripping tap or a stocking door. This means reducing the number of repairs over the life of the contract as well as reducing the inconvenience of having to report a repair for a customer.
- Communication we have ensured that our customers are kept up to date at all times with what is happening in their home. The contractor will call to let them know what time they will arrive, they will explain what they are going to do, and if it cannot be completed they will explain why and book the follow on appointment before they leave the customer's home. A text also lets the customer know when the operative is on the way
- Empty Homes we paint and carpet at least one room in all of our empty homes.
 We decided to do this so when a customer moved in so they had somewhere to relax at the end of the moving-in day where they didn't have to worry about floor boards or chipped wall.
- RHP branding we have corporate branding for RHP on the contractors' clothes and
 vans as we wanted our customers to see this as RHP delivering the service, and not
 "those blokes in the red t shirt". This also demonstrates the commitment of Mears
 to the partnership.

Clause references

6 – This clause in its entirety allowed us to articulate our requirements through the Term Brief and Task Order so Mears and our delivery teams could be absolutely clear on what was expected of each other in undertaking the Term Programme.

By engaging in Competitive Dialogue during the procurement stage, we could clarify our aims and objectives such that the Term Brief was not a surprise but in fact a springboard to encourage and enable Mears to deliver the promises they set out in their BAFO.

The role of the Risk Register as set out at clause 8.1 and 8.2 allowed us to be quite frank about the risks we faced so we could agree mitigation early on. The Core Group administers the Register and allows us to manage the Term Programme with confidence.





What we got out of it?

We all like to think we are different, but we definitely are at RHP. We focus on customer service and making sure our customers are not just "satisfied" but "very satisfied". We are on a journey and we wanted a partner who would work together with us to achieve our goals and also take the improvement journey (as detailed above) with us. Our new partner, Mears, has committed to this journey and the partnership continues to innovate and improve the service we deliver every day.

The partnership began on 3 June 2013. We have quickly learnt lessons and have become a strong team who fulfil the promises we make to our customers. The latest performance statistics, for August, are testament to this:

Average days to complete all repairs 5 days (target 10 days)

General repairs completed to target 99.8% (Target 99%)

Repairs fixed first time 80.5% (target 78%)

We couldn't have undertaken a project as complex as this with the innovations we are delivering without the flexibility provided by TPC2005. It actively supports genuine partnering and collaboration and from our research, no other contract could have supported the aims and objectives required by RHP and our customers.

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