



Annual Award 2012: Practitioner Innovation in Partnering using PPC2000 & TPC2005

Introduction

This paper outlines how the flexibility and practical nature of the TPC 2005 form of contract has enabled Swan Housing Group and Axis to make radical changes to our combined structures and that of the partnership to achieve considerable improvements in service delivery. As a result we have increased first time fix levels by 3.5%, increased resident satisfaction by 4% and reduced complaints by more than 60% within six months, whilst reducing the cost of managing the service by £1.1m over the remaining 11 year term of the contract.



Background

The Swan / Axis fourteen year partnership has existed for three and a half years, during which time we have seen marked improvements in the service, including value for money measures, the achievement of upper quartile performance in many parts and a healthy short notice inspection report.

However, we recognised that such a long term partnership presents the challenge to keep the relationship fresh through innovation, ensuring we continually seek to be creative in how services are delivered. We are mindful that complacency should not set in and our ambition for the service does not stagnate. Value for money and service delivery, remain, as ever, our main drivers.

Swan and Axis Management were instructed by its Core Group to undertake a review of how operational services were being delivered, with a view to considering opportunities for improving service, introducing greater efficiencies and to consider further value for money opportunities across the partnership.

The review highlighted that whilst the Partnership had proved thus far to be very effective, there was still a traditional look and

feel about it. It was managed and controlled by two very distinct teams in two very distinct locations. This inevitably produced elements of duplication – a common issue in many partnerships.

Swan's lead on the Partnership, Terry Bird Director of Asset Management felt a more radical approach was required, geared ultimately towards providing Axis with greater autonomy, accountability and responsibility.

Overall service performance was very positive and year- on- year improvements in resident satisfaction had been achieved. This was demonstrated through the annual status survey and the Resident's Quality Panel who capture ongoing resident satisfaction feedback. Despite this, we were aware that there was still room for further improvement.

Axis' investment in telephony and repairs software had meant that Axis' own resource had been reduced and had stabilised. Time and investment now provided us with an opportunity to reconsider how we operate and to streamline the service even further through the creation of a strengthened operational team.

The repairs service was geared more towards a reactive rather than a proactive approach for delivery of services. The approach for delivering repairs needed to focus more on getting services "right first time" (proactive) rather than dealing with complaints due to service failures (reactive).

We were still keen to reduce the number of complaints through service enhancement and felt this could be achieved through greater emphasis on managing repair orders before they failed, particularly those that are complex and/or are due to go over target.

Resolution to Change / Review Findings

A number of common factors became the drivers for change:

- To provide Axis with greater autonomy, responsibility and accountability of the service to enhance decision making and to drive forward service improvements
- To change the two team approach. Two operational teams does not add value, stifles accountability and made no sense. In fact, it allowed the partnership to off-set responsibility and resort to a fallback position. It didn't encourage ownership, responsibility or accountability, particularly when staff were faced with difficult decisions
- To drive service improvements through a link to a risk and reward environment in respect of resident satisfaction results
- To introduce a new "Aftercare" team to proactively focus on customers' needs and service
- To streamline duties with a further dilution of duplication, leading to enhanced value for money and generally improve efficiencies and performance
- To enhance focus on audit and quality assessments through a proposed Partnership Compliance team (formally Asset Management)
- Create faster decision making, remove duplication and develop joint procedures
- Embrace the "Right First Time" approach, increasing the number of jobs fixed on the first visit and therefore reduce the number of jobs where a call back is required
- Reduce the number of complaints received

We therefore decided to restructure both the Swan and Axis teams, moving to a single office location where we could operate as a single generic team.





Solution: Restructure for Improved Service Delivery

As part of the restructure five Swan full time equivalent posts were reduced from the organisation. This included:

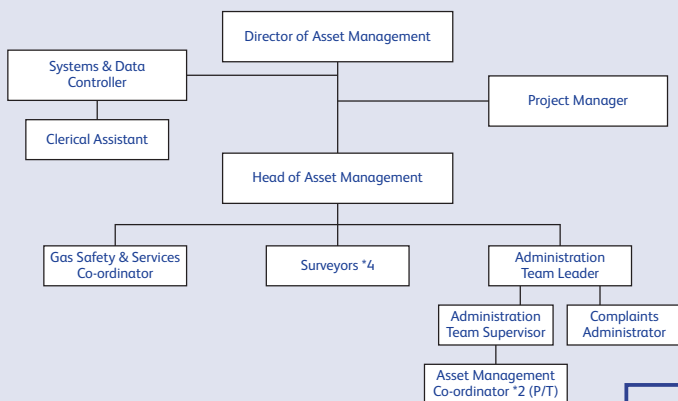
- 2x Surveyors
- 1x Administration Team Leader
- 2x Co-ordinators (Part-time)
- 1x Complaints Administrator

In addition, one Axis full time equivalent post was reduced from their organisation.

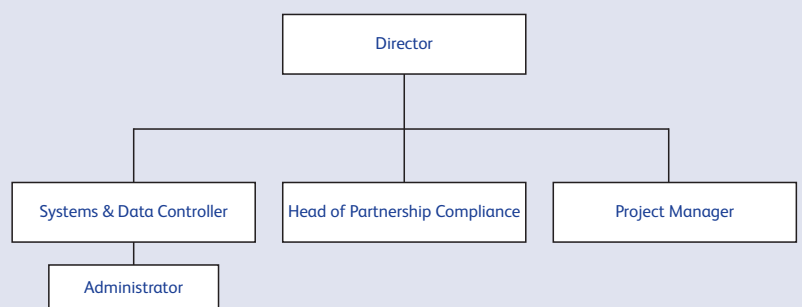
We created a new Customer Service Team within the partnership to focus on the improvements outlined above. Jobs are mapped and monitored at a micro level to minimise the impact of delays and complaints arising within a particular focus on tracking and managing more complex jobs (i.e. those where a successive trade is required). The adoption of scheduling and tracking software is on hand to assist with this, whilst staff take a proactive role in ensuring the resident is kept informed of progress.

We introduced an 'Aftercare' team forming part of the Customer Services team at the Call Centre. This meant that instead of spending energies resolving issues after a repair, we now focus on ensuring the repair is fixed and actioned promptly. Planning has enhanced and reduced operative travel and downtime and residents received a better service.

Asset Management Existing Structure



Asset Management Revised Structure (new Partnership Compliance Team)





Financial Impact

The restructure proposal has generated a reduction in direct overhead for Swan, inclusive of all on-costs, of circa £390k per year. A further reduction of £36k per year is offered up from the Axis Overhead which equates to a net saving of circa £436k.

One off TUPE transfer costs are estimated to be in the region of £200k inclusive of all on-costs and VAT. This will be added to Axis' annual Overhead payment. The redundancies and TUPE transfer costs will produce a net efficiency of some £236k to Swan.

From the total efficiencies achieved Swan has set aside £100k inclusive of VAT, for the reward aspect of driving up resident satisfaction. The equivalent value of £100k including VAT for risk is also applied to Axis should they fail to achieve performance targets, this will then be deducted from the overhead payment. Realistic targets have been set under the TPC2005 KPI measures, with an upper and lower target set to ensure that neither party is unreasonably penalised or rewarded. As such, the targets seek to encourage exemplary performance and where necessary castigate very poor performance

An additional sum of £36k will be utilised for an independent external audit service. This will provide an external and independent review of the service, ensuring our objectives are met and that probity is demonstrated.

Over the life of the remainder of the contract we will realise an efficiency representative of circa £1.1million as a minimum.



Conclusion: Measuring Success

The key measures of success for the revised single team approach, as well as the effectiveness of the managing change process can be defined through:

- Cost reductions that are achieved in perpetuity
- An increase in resident satisfaction of 4% within the first six months
- A general improvement in repairs performance with right first time fixes improving by 3.5%
- A reduction in operational delays and resident complaints. Complaints have reduced by over 60% in the first six months
- Strengthened relationships. Staff working in the Call Centre have commented that they believe the “us” and “them” mentality has been removed and that they now feel more in control to resolve issues themselves as they arise. This has dramatically increased staff morale, since they are not faced with layers of bureaucracy and they can respond promptly to complex and demanding issues through the empowerment and decision making process
- An increase in positive feedback from Resident Quality Panel members who engage with residents to obtain feedback after they have had a repair carried out





Axis and Swan believe that the reasons such a model was able to come to fruition is that it was based, in the first instance, on a solid foundation with a commitment to continuous improvement that spanned both organisations from the top to the bottom. The strength of the relationship, level of trust commitment and willingness of both parties made the changes and improvements much easier to implement than they would have been had these not existed.

The TPC 2005 contract has been instrumental in the delivery of the improvements we have made. Its flexibility and practical nature allows us to adapt and manage change and to aid the TUPE process. The use of KPIs helps us to drive improvement and the open unrestricted dialogue that is facilitated by the Core Group has encouraged joint initiatives and working practices to make the necessary changes to both our structures and the way in which services are delivered.

We believe that this presents an exciting example of best practice achieved through TPC 2005 and we look forward to promoting the model at future industry events.

