



TPC2005 – The Swan & Axis Partnership

Client: Swan Housing
www.swan.org.uk

Contract: TPC2005

Contractor: Axis Europe
www.axiseurope.co.uk

Term: 14 Years, commenced April 09
2 Year Pilot, commenced 07

Type of Work: Provision of all Asset Management Services, incorporating Void Works, Responsive Repairs, Planned and Cyclical Maintenance, Specialist M&E Services, Gas Repairs, Maintenance and Servicing together with all Stock improvement works.

Background:

Swan Housing Association is one of the leading social housing providers in the South East, with a housing stock of over 10,000. Properties span from East London, covering the Boroughs of Tower Hamlets, Newham and Havering along the Thames Gateway and the Eastern corridor covering locations such as Basildon, Thurrock, Chelmsford and Colchester and parts of Suffolk.

After an unsatisfactory Audit Commission report in 2006 and a decline in performance against repair and satisfaction targets, Swan sought a change of contracting arrangements and a better way of working in delivering services.

Swan recognised that the TPC2005 offered a significant move forward in relation to procuring and managing the term works and services they required. The TPC2005 was selected as the route-map for a focused and collaborative approach to managing their repairs and improvement programmes.

With no need for separate partnering agreements under the TPC2005, thanks to all partnering processes and the multi-party approach being integrated in the standard form, the contract delivered its first benefit by streamlining the tender process.

Axis Europe was selected through a competitive tender process, having demonstrated significant experience working under PPC2000 and TPC2005 agreements previously and a commitment to its principles. This includes delivery of continuous improvement, added value in collaboration with its current partners and values that were extremely similar in terms of supporting local communities and that of corporate responsibility.

The Partnership:

In the spirit of the TPC2005 and the partnership's aims of integration and collaboration, the Swan Asset Management and Axis Teams co-located for six months in an office at the heart of Swan's housing stock. This helped to develop the 'one team' ethos, agree a clear timetable for implementing key activities and identify inefficiencies in the delivery process to aid the reduction of duplication and waste.



The innovative practices and early results of the Swan and Axis partnership are explained in more detail below:

Good value for money and innovative costing

The partnership developed cost and payment models that best suited the work being carried out and created efficiencies in processing payments, examples include:

Unit Rate Voids

A fixed unit price for void properties was developed after identifying the common needs of Swan's housing stock. Agreeing unit costs, based on the level and type of work required, meant work could start on a property immediately it became vacant and that operatives were empowered to carry out work without waiting for approval – this increased the speed at which void properties could be turned-around and reduced the re-let period with photos supporting the audit process. Swan's operational Void Performance is now one of the best in its peer group, with void properties being turned round and fully let within 14.1 days.

Fixed Monthly Repairs Invoicing

The partnership processes some 20,000 repair orders per year, each of which were previously invoiced separately for varying amounts. This process was hugely streamlined by a fixed monthly price for repairs, reducing 20,000 invoices to 12 with a single reconciliation process. This again sped up the completion of works (and increased first time fix rates) as approvals were made simpler. It allowed staff who previously managed the process to be re-deployed elsewhere in the business.

Supply Chain: Savings and Added Value

The partnership utilised the length of the term contract and the TPC2005's provision for greater engagement of the supply chain to negotiate better value. For example, a 5.2% reduction on window and door replacement and repair service was achieved following a post tender value engineering exercise.

Added Value for Residents

Working closely with the supply chain has also allowed the partnership to offer added value to residents. One example is a 'decorating pack' provided to Swan residents at void stage free of charge. This contains brushes, rollers, scrapers, trays, gloves etc.

Effective collaboration (removing gaps and duplication)

The team's co-location exercise coupled with the formation of a core group (of Swan and Axis Directors) and regular partnership performance review meetings improved the partnership's responsiveness, resource planning and ability to identify and implement innovations.

Process mapping and value engineering created some of the major benefits of the partnership's collaboration, by reducing the double handling of tasks by Swan and Axis and that of its supply chain partners.



Examples include:

Call Centre

Resident repair calls previously taken by Swan, were integrated into Axis' wider call handling network. The flattened process and technology Axis employs in their call centre allows residents to receive an appointment at first point of contact and two hour appointment slot options. Integration of Swan and Axis systems reduced cost and duplication, providing a better service to residents, whilst still allowing both parties to monitor the performance. In total we have been able to reduce front line operational staff by two people representing a 13% saving.

Systems and Data

Open access to each partners data and integration of both partners systems, including operative PDAs (handheld computers), means greater involvement in the traditionally client lead Asset Management functions, including updating of the asset database. Photos, stock information and repair updates are added by all parties into the system, which has allowed Swan's staff to concentrate on quality and auditing.

Inspections

A shared inspection process between Swan and Axis allowed the number of inspections carried out to be increased without Swan having to appoint additional surveyors. Axis also undertakes daily quality management checks, which has increased defect free delivery.

The partnerships collaboration has already resulted in more effective deployment of resource, avoidance of role and process confusion amongst partnership staff and residents and reduced the risk of wasting time and money. We have been able to increase the number of inspections to enhance service improvement rather than reduce the cost of service. Ultimately this has led to greater resident satisfaction.

Best practice

The rewards built into the TPC2005 for close involvement of all parties and the formation of a core group has helped drive the sharing of best practice, continuous improvement and added value for the partners and Swan's residents.

Performance and learning are a priority for the partnership. 'Lessons learned' and agreed KPI's are shared and reviewed monthly to identify and address strengths and weaknesses and to drive forward service delivery improvements.

A result of process improvements is the reduced turnaround of full kitchen and bathroom refurbishments, down from 13 days to within just under 9 days, achieved with pre-planning and just-in-time delivery with supply-chain partners.



Incorporating the processes, technology and learning from the contract's pilot and each partners experience has allowed the implementation of; first point of call appointments, two hour appointment slots, resident text message notification and reminders and impressed stock on vans specified for Swan's housing stock.

The best practice implemented so far has achieved:

On-time Delivery: 56.1% of voids are delivered early, representing a saving of 241 rent days per annum to Swan (a 9.61% saving against target). A Service Improvement Plan is in place to further reduce works turnaround.

Resident satisfaction has increased 18%, from 76% to 94%, in addition to a 15% reduction in the number of days required to realise like-for-like Planned Maintenance work.

Sharing and implementing best practice has resulted in improved collaboration, communication, understanding and performance.

Sustainability (of the Partnership)

The longevity of the contract supports the mutual commercial interest of all parties. In addition, the sustainability of the partnership is supported by close working relationships, born from the TPC2005's encouragement of a 'single, multi-party' team and the shared focus on measurable continuous improvement.

For Swan & Axis the foundation for this is the 'core' and 'partnering performance review' groups, which were created to plan, measure and review the delivery of works with the intention of sustained; performance increases, service enhancements, value additions and efficiency improvements.

Sustainability (Environmental)

The partnership also shares Environmental Sustainability Objectives, which include setting a minimum SAP rating of 60 for existing properties. The following initiatives have already been implemented:

Specification of low energy replacement components:

- Light bulbs
- Light fittings
- Glazing
- Boilers
- Extract fans

Recycling of replaced components:

- Glass
- Boilers
- Heating pumps



Communications

Operatives, suppliers and staff receive regular communication on the need to recycle, available methods and the requirements of the Swan/Axis partnership.

The partnership has also provided residents with information (hints and tips) to help tackle fuel poverty and make their home more efficient.

Training and employment initiatives

Swan and Axis share the cost of training staff in order to enhance the service they are able to offer residents and the value they can add to the contract. An example of this shared training is all resident facing staff receiving 'Gober' customer service training.

Gober specialise in training, coaching and consulting services to “develop customer-focused cultures in organisations”. The 'GOBER METHOD'™ aims to improve service performance, safeguard corporate reputation and drive excellence.

The partnership has also conducted shared (systems and diagnostics) training to ensure call centre staff can accurately diagnose repairs and input the relevant information into the system, which benefited resident satisfaction and first time fix rates. Overall the partnership has created some ten apprenticeship posts both directly and indirectly through its own sub-supply chain as well as operating DIY training courses for residents and has more recently employed a Swan resident at the Call Centre.

Joint risk management

In addition to a flat structure and open communication channels, 'technical team meetings' provide the platform for the partnership to implement proactive change and risk management. These structured reviews of site performance and Health & Safety information, including review of the partnerships risk register, allows for problem solving and fast dispute resolution.

The partnership has also set specific criteria for the employment of sub-contractor and suppliers, with regard to insurance, licences, accreditations and registrations. This ensures safety compliance.

Additional Partner Benefits

The strength and achievement of the partnership can be further evidenced by the success of a joint submission for a strategic PFI contract in East London, which Swan undertook.

As a result of the invaluable relationship, Swan successfully secured a 20 year PFI contract with the support of Axis in the bidding process, to deliver the responsive, planned and cyclical maintenance.



Conclusion

Too often the word 'partnership' is used without justification and on many occasions without a proper understanding of what a partnership is or aims to achieve. The TPC2005 has helped define the contract model and the Swan and Axis partnership demonstrate the benefits of following this road map.

In addition to improved value, performance, efficiency, and resident focus – all evidenced by KPIs, the partners share a culture of community engagement and involvement.

Both organisations have funded community projects and both sets of staff have volunteered their own time to give something back to the community.

An example is the Noak Bridge Community Hall, a social centre for Swan residents in Basildon, which received repair and redecoration services as part of Swan and Axis' CSR programme.

Swan's partnering arrangements were listed as a 'strength' in the recent Short Notice Inspection by the Audit Commission during early 2010 and we have subsequently built on the recommendations through further service improvement plans.

The strength of the relationship will continue to be realised with both partners working collaboratively to challenging cost, efficiency, process and procedures, with the view to further enhance the current strong delivery.

The next objective for the partnership is to review the total cost of service and consider ways to further consolidate.