



Showcasing Excellence

London Borough of Hackney – Outstanding Achievement in Procurement through Decent Homes Phase II



With the Decent Homes Programme setting stringent targets for the UK housing industry, councils are under pressure to deliver results.

The London Borough of Hackney established its own Decent Homes Programme in 2003, in a three phase process of work. Its purpose was to eliminate backlog repairs in housing stock to the benefit of over 19,000 homes in the Borough.

Following Hackney's Phase I of works, which included window, roof renewal and concrete repairs, the council recognised that Phase II, which focused on internal works, would require a different approach to minimise disruption to residents and secure increased efficiency. Through the implementation of a range of process support and control, the council has greatly improved procurement practice. First year cost savings of Phase II, have already been estimated at 35% against the tendered scheduled rates and 10% on those achieved on Phase I of works.

Setting the Standard in Phase II:

The procurement of large-scale, multi trade repair, renewal and improvement works presents a number of challenges for local authorities including the need to engage residents, and manage a variety of contractors without compromising on cost or quality.

Objectives of Phase II:

- To bring the London Borough of Hackney's housing stock up to a decent standard.
- To deliver a well organised programme of works using effective contractors with proven experience of live environments.
- To minimise disruption to residents.
- To achieve procurement cost savings which could then be filtered into the project.
- To achieve best value in project delivery.
- To create training and employment opportunities for residents in the Borough.
- To make the most efficient use of construction spend.
- To secure true partnerships across the length of the supply chain.



Phase II – A Step by Step Process:

Step 1 – Establish a clear contractor/resident partnership

The London Borough of Hackney split Phase II works into five contract areas across the Borough. A shortlist of contractors was established from the tender process, for the five areas. Using a specific contractor for all the works on each area has ensured the development of firm contractor/resident relationship over a period of several years. This will secure trust and communication between the two parties, ultimately facilitating works in the area.

Step 2 – Secure resident input from the outset

A joint council officer/resident panel for each of the five areas was established to secure the most suitable contractors for the works in each area. Each area panel reviewed tender submissions on a 50% quality/50% cost basis and five contractors were recommended.

Step 3 – Create a strategic alliance to encourage open book working

The chosen contractors formed a 'Strategic Alliance' with the council to work in an open book manner throughout the four-year programme of works, thus securing trust and constant communication between client and contractor.

Step 4 – Agree a basket of rates

Through the alliance a 'basket of rates' was agreed by all the partners. This approach required agreement of a common price for the 'basket' of work required to meet Hackney's brief. Agreeing this basket of prices means consistent cost and quality outcomes for the project leading to a greater financial certainty in project delivery. The basket approach also relieves both parties of some of the more onerous impacts of the Open Book approach.

Step 5 – Carry out a comprehensive community consultation

Following a comprehensive consultation process involving a cross section of Hackney's community, the local authority has taken the Decent Homes Standard one step further developing the 'Hackney Standard' in response to residents feedback. This includes additional improvements such as kitchen and bathroom renewal and ventilation, together with more aspirational works to the external environment. All of these works can be accommodated within this procurement approach.



“We realised that internal works such as re-wiring, kitchen and bathroom installation, and heating and flooring improvements would require a different approach as they were likely to have more of an effect on residents. It was essential we involved well organised, effective and experienced contractors, with good customer relations and a focus on efficiency to maximise programme delivery and secure a quality result.”

Steve Tucker, Director of Housing, London Borough of Hackney

Real Benefits

- First year cost savings of Phase II, have been estimated at 35% against the tendered schedule rates and are 10% lower than those achieved on Phase I of works.
- Through the 'basket of rates' Hackney has ensured that all the products and services used met quality requirements and that significant cost savings were made.
- Ongoing communication and a managed partnership with the five contractors and the council, has enabled innovative developments such as provision of bathroom suites with the plumbing already fitted. This saves on installation time.
- Engagement with the supply chain by the Client has revealed a range of ongoing benefits for the Council not previously envisaged, which has had a significant impact upon procurement strategy.
- Consultation and feedback has greatly assisted Hackney, in measuring residents' expectations and securing their co-operation in the works.
- Open book working throughout has ensured cost transparency.

How does your project measure up?

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