

# Involving Residents in Procurement

We can achieve more together



Collaboration between

**FUSION**<sup>21</sup>

 **tpas**  
TRUST PARTNERSHIP ASSOCIATION

# Introductions

It's been more than three years since the Grenfell Tower tragedy and more than two since Dame Judith Hackitt published her 'Independent review of building regulations and fire safety: final report', in which she outlined how more needed to be done to ensure residents' complaints are properly addressed.

The Social Housing Green Paper included resident empowerment as one of its five key areas, but more than two years on, we're still waiting for the Social Housing White Paper to put that into action.

At Fusion21 and Tpas, we believe that resident influence over the procurement process can be an effective way of addressing empowerment.

Residents know their homes, buildings and areas better than anyone, and therefore, they have valuable insight in the way procurement decisions play out in real life.

The Hackitt Report talked about the introduction of a 'golden thread' of quality building information, and at Fusion21, we believe that residents have a huge role to play in providing insight from on-the-ground.

Our joint research shows that both procurement professionals and residents see the value of working together on asset management and procurement. We found that there is huge support for residents inputting

into procurement at a strategic level, where their contribution can have the biggest impact on their organisations' service.

This publication aims to bring this conversation back into the room (or virtual webinar, as is the case nowadays). We'll be following up on this report by sharing the insights and learning with our members.

At Fusion21, our mission is simple: we want to help our 600+ members to make a real impact. Whether that's realising efficiency savings through procurement, or supporting their work with local communities, we are here to support housing providers to do the best job possible. Many of us in housing know that finding ways in which to listen to residents and incorporate their feedback into our procurement decisions can only lead to better outcomes for everybody.

**Now, let's begin finding ways to make it work.**



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*Mark Chadwick, Director of Business Services at Fusion21*

**When working on this report, it became clear that while some asset management and procurement professionals were struggling to envisage what meaningful resident engagement in strategy and scrutiny looks like, others were getting on with the work, and making decisions that will clearly lead to better value for money in the long-run.**

At Tpas, it's our job to bring tenants, landlords and contractors together to promote, support and champion tenant involvement and empowerment in social housing across England. We've long supported residents sitting on selection panels for new contractors and suppliers, and while this remains an important way for residents to help choose successful bidders for contracts, there is far more that can be done.

This joint research with Fusion21 not only shows that residents are able to help housing professionals put together better, more effective strategies, but also how ongoing resident scrutiny leads to more positive decisions in the here and now, and potentially also years down the line when a contract is re-procured.

As demonstrated here, there is no need to wait around for government to tell us what to do in relation to resident engagement – we can learn from one another and make our own plans.

Arguably, conversations with residents have never been so easy – these days we all meet virtually, opening up possibilities for engagement with individuals who would never have been able to commit to more formal committees and forums.

This report is a starting point – we're now looking forward to working with our members to ensure resident input becomes an integral part of the procurement process.



**There is no need to wait around for government to tell us what to do in relation to resident engagement - we can learn from one another and make our own plans.**

*Michael Hill, Business Development Manager at Tpas*

# What Matters to Tenants

**It is tenants who ultimately live with their landlords' procurement decisions. The contractors selected spend hours, sometimes days, in tenants' homes; and chosen fixtures and fittings could feature in tenants' properties for years, perhaps even decades.**

Perhaps it is not very surprising, then, that a huge **93%** of the 79 Tpas members surveyed by the organisation feel tenants should have a say in the kinds of organisations their landlords work with.

So, what do the people who ultimately benefit (or suffer) as a result of their landlords' decisions, value most highly when it comes to procuring goods and services from contractors and suppliers?

# 93%

of tenants feel tenants should have a say in the kinds of organisations their landlords work with

## Positive feedback from previous customers

The one thing valued by survey respondents – **68%** of whom had housing association landlords, **20%** local authority landlords, and **12%** arm's-length management organisation landlords – was positive feedback from fellow tenants who already receive services from a potential contractor or supplier.

According to those who noted down what they would look for in a contractor, tenants are most interested in a contractor's record on "health and safety" and "keeping appointments", as well as their levels of "trustworthiness" and "courtesy". "Good communication" was also essential.

Residents wanted to be reassured that the teams their landlord were inviting into their homes could be relied upon to "treat tenants with the utmost respect", summed up one housing association tenant.

"There should be a thorough screening and vetting of the organisations our landlord chooses to work

with," wrote another. "A supplier's reputation should be in good standing, they should take pride in the work they carry out, be respectful and endeavour to do their best on every job. And this should be verified through genuine customers not 'fake reviews'."

Tenants were given a list of options which they were asked to rank in order of importance. After a strong track record came, a "demonstrable value placed on tenant engagement", then "support of local activities"; next came "responsible environmental behaviours", and "values around diversity and inclusivity"; and finally, in last place, came the price of the goods and services on offer.

Participants in Tpas's research were not, however, content with the list of considerations supplied to them, with almost two thirds (63%) putting forward other considerations that should feed into procurement decisions.

## Local connections

Many tenants explained that a supplier's "**knowledge of the community they will be working in**", was highly important as it impacted on the service provided, as well as providing local employment opportunities.

Participants in Tpas's research championed their landlords' support of local businesses. "They should look for local companies first and consider making the application easier for small businesses," outlined one.

Meanwhile, several expressed concern about the way in which chosen contractors would go on to hire sub-contractors. "Having a sub-contractor travel 50

miles for a repair makes no sense," said one housing association tenant.

The use of sub-contractors needed to be incorporated into the original procurement, suggested another housing association resident. "I would like to know if a contractor sub-contracts and, if so, what the criteria is," they wrote.

## Genuine social value

Several respondents pointed out that social value should be used in all procurements. "Social value is paid lip service," wrote one local authority tenant, "but it should form a far more significant part in the contract. It should be about having a significant impact in the local community, driven by that community's priorities."

## Good employers

If contractors were to be employed by their landlord, residents wanted to be sure that they, in turn, were responsible, values-driven employers. "Contractors' work conditions and pay should be at least as good as those at the housing association," said an association tenant.

"They should have a diverse, properly paid and supervised workforce," stated another. Many of their fellow tenants noted that potential suppliers should be required to produce evidence of policies relating to diversity, equality and inclusion. "They should value all people," wrote one.

## Value for money

The residents who took part in Tpas's research wanted to see evidence of value for money. "The landlord shouldn't opt for the cheapest organisations, and then go on to ignore tenants' complaints about them," summed up one housing association tenant.

"Cheap may seem good in the short-term, but ultimately costs much, much more, both economically and in the resident-landlord relationship," they added.



# Tenants' current input into procurement decisions

The individuals who took part in Tpas's research – who are residents of more than 40 different landlords – tended to be inclined to volunteer their time to help improve the services received by their fellow residents.

In fact, approaching two-thirds (**62%**) identified themselves "involved residents"; **13%** were board members, and many others described how they sat on various committees, forums, associations and panels.

In the past, more than half (**57%**) of those who took part in the online survey had previously been involved when their landlord had procured a new service.

Meanwhile, **86%** of the procurement professionals, who took part in Fusion21's corresponding research, said their employer organisation involved residents in procurement process at one stage or another.

## At which stage(s) during the procurement process does your organisation tend to involve its residents?



Source: Fusion21 survey, June/July 2020

## Developing proposals

Eleven per cent of the residents surveyed had been in developing proposals and/or tenders from the start; meanwhile 18% got involved in agreeing proposals and/or tenders once they had been developed.

This fits neatly with the feedback provided by procurement professions, 19% of whom said their employer involved residents when putting together tenders. However, several pointed out that residents views were gathered via others in their organisations, rather than through a direct relationship between the procurement team and tenants.

“Procurement don’t directly engage with tenants, but the stakeholder team does engage with tenants as required,” summed up one housing association category manager.

For us procurement people, having contact with the end user is really useful. It feels valuable and is therefore good for morale.  
It's a win-win for everybody

## Shortlisting suppliers and contractors

More than a third (**35%**) of procurement professionals said tenants were involved in shortlisting suppliers and contractors, and **22%** reported that tenants played a part in the eventual selection of the successful organisation. Meanwhile, **29%** of the residents surveyed said they had experience of interviewing contractors or suppliers.

Rod Davies, Procurement Manager at Southwark Council, said that, for the London local authority only involves residents in the selection of suppliers when working on smaller, scheme-specific contracts – but when it does so, it leads to positive results for everyone involved.

“When we were working on the general refurbishment of one estate we approached the leaseholders and tenants to each put forward a representative who would help select the contractor,” he recalls. “The two individuals they chose were thorough and objective, and they understood what we were seeking to achieve, as well as the constraints involved.”

The representatives joined three council officers, two procurement professionals and one technical expert on the tender panel, and everybody involved received the same guidance, and were given equal input into the overall scores of each potential supplier. They were then involved in the discussion during which a consensus was achieved.

“We procurement people are not involved in resident engagement or contract management, so the contact we have with end users during a tender process is really useful. It feels valuable and is therefore good for morale. It’s a win-win for everybody,” said Rod, reflecting on the positive outcomes of involving residents in procurement decisions.

“The process means residents can be absolutely confident they are getting value for money, and when the successful company is on-site, residents know them, and they understand what is expected of them,” summed up Rod, “and that empowers everyone, across the board.”

# 35 %

**of organisations involve residents when shortlisting suppliers and contractors**

## **Case study: Eastlight Community Homes' tender panels**

Moia Thorogood is a tenant of Eastlight Community Homes, which formed on 1 July 2020 as the result of a merger between Colne Housing and Greenfields Community Housing.

During her years as a Greenfields resident, Moia was involved in several tender panels, including one awarding a repairs contract and another to select a painting and decorating supplier.

"The reason I got involved was to make sure residents get a good deal and a good home," explains Moia. "I like to do it for current and future residents – I like to think about the possibilities out there for them."

Mandy Rose, Procurement Manager at Eastlight, said that tenant involvement in tender panels had been "a constant" at Greenfields, and that the newly formed 12,000 organisation, which operates across Essex and Suffolk will be "evolving on how to best ensure tenant voices are heard during tender exercises".

"Personally, I've always championed resident involvement. The reasons we're all here is because residents pay their rent, so we have to make sure their money is well spent," stated Mandy.

Sitting together residents in a group of around four-to-six individuals from very different backgrounds means everyone picks up on one another's points-of-view. The other panel members learn from the tenants, and the other way round, she adds.

At the moment, Eastlight, which is a community gateway organisation that places great emphasis on listening to its customers, currently only involves residents in tender panels for services that obviously directly affect them, such as grounds maintenance contracts, rather than in all procurements – they wouldn't, for example, be involved in procuring a new insurance provider.

However, Mandy refuses to rule anything out. "Who knows how resident involvement will develop," she states.

# How Tenant Scrutiny Adds Value

**“When you’re talking to residents, it gives you a sense of the real practicality of what is being delivered,” states Rod Davies, Procurement Manager at Southwark Council. “We can learn from tenants – there are things that are blindingly obvious to them, but not to us.”**

This perfectly sums up the value of tenant involvement in the scrutiny of contractor performance, routinely measuring delivery against the objectives originally outlined in the tender.

## A Different Perspective

Chrissie Whitmore, Vice Chair of Stoke-on-Trent City Council’s tenant board wholeheartedly agrees. The board has quarterly performance meetings when it reviews contractor performance.

“We have all of the facts there in front of us, and if there’re things we don’t like, we’ll challenge them on them,” Chrissie explains. “Those involved then go away and work on feedback.”

Often, the tenants bring welcomed common sense to the table – this was the case when Chrissie and her colleagues scrutinised the way gas servicing was being delivered to them and their fellow local authority tenants.

“The gas men and women were working on two houses in one area, then travelling to the other side of the city to do two more – it was a waste of resources,” she recalls. “We pointed this out, and now the gas servicing team is broken down into three different areas, meaning they stay local and are not constantly going backwards and forwards.”

This type of input means that residents’ homes are not treated as mere assets. “My landlord may own my house, but it’s my home,” explains Chrissie. “Being involved in scrutiny ensures it is treated as such.”

**My landlord may own my house, but it's my home. Being involved in scrutiny ensures it is treated as such.**

# 29%

**of residents were involved in the ongoing monitoring of contractor performance**

## **Case study: Scrutiny at PA Housing**

Dennis Barber has been a PA Housing resident for four years and has so far been involved in two procurements. "You're presented with contractors' glossy brochures and lots of lovely spiel – they look wonderful, but the reality can be quite different," he says of his experience of selection panels.

However, this is not the end of Dennis' input: the next stage is to go out and see for himself what each shortlisted contractor is really like when on-site. This can be quite a commitment – during his last procurement, Dennis, who lives near Nottingham, spent a total of six nights in a hotel in Surrey, close to where PA has an office.

"We were procuring a painting and decorating contract and there were three site visits, during which we commented on anything we noticed, such as the way the site was operating and the quality of the work," says Dennis. "It was a worthwhile thing to do."

Dennis's fellow PA tenant Mary Harrison is involved in ongoing scrutiny. Each scrutiny takes three weeks of intensive work, with Mary being part of a group of residents who spend four days each week looking at the performance of a service area or individual contract from "every angle possible – including value for money", she explains. "We understand there isn't unlimited cash, so we're practical," she adds.

Mary says there are demonstrable positive outcomes from this scrutiny work. "PA's Board takes up the recommendations we've made," she states.

One example, recalls Mary, is the time when she and other residents scrutinised grounds maintenance contracts. "While we were interviewing key members of staff, it transpired that they didn't have a detailed scope of works for what needed to be done on each site," she explains. "So, they underestimated the number of people they needed to do the work."

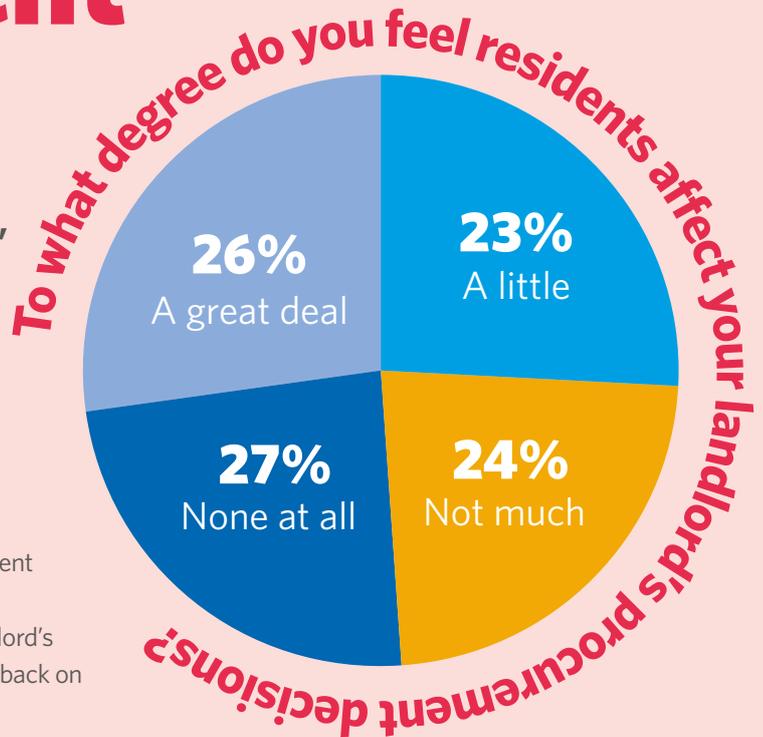
Following the resident scrutiny work, PA immediately put in place an action plan for grounds maintenance, says Mary. They then went on to systematically put together a detailed portfolio of work that needed to be done on each individual site."

# Greater strategic involvement

Despite the high level of involvement of the residents who took part in Tpas's research, roughly half (51%) felt they and their fellow tenants had little influence over their landlords' procurement decisions.

As things stand, 8% had previously been involved in developing a procurement policy from the start, and 13% had played a part in agreeing the procurement policy when already developed; meanwhile, 4% had inputted into the development developing their landlord's asset management strategy, and 11% had given feedback on the strategy once it had been drafted.

Tpas's research revealed a huge appetite amongst residents to have more strategic input. Almost two thirds (65%) said they want to be part of the organisational team that develops asset management and procurement strategies and plans, and nearly three quarters (73%) would like the opportunity to scrutinise these documents. More than half (57%) want the chance to work on the development of individual proposals and tenders.



## Barriers to Greater Involvement

Nearly a third (31%) of the procurement professionals who took part in Fusion21's research believe that residents could be more involved in the production of asset management strategies, and 43% agree that it could be possible for residents to have greater input into early market engagement activity. However, a number of individuals expressed a number of concerns.

"While there is a desire to involve residents more fully, the operational practicalities and constraints of resident availability tend to limit this," summed up one local authority procurement manager. Others felt that the amount of time and knowledge needed to make a meaningful contribution at an early, strategic stage. "Residents don't have technical know-how," wrote one procurement expert.

"There are procurement regulations to consider, as well as commercial sensitivities and issues around accountability," added another. "The barrier to greater tenant involvement is their ability to commit to it," stated a local authority employee.

## How would you like to be involved with your landlord's asset management and procurement activities?

65% In their development – as part of the organisational team

57% During the proposal / tender development for projects

73% As a check point to scrutinise their strategies and plans

71% Monitoring and reviewing a contractor / supplier

59% At the shortlisting / interviewing phase

58% When it comes to choices directly affecting me (individual & personal choices)

Source: Tpas survey, June/July 2020

## The Hidden Costs of Failure

**It is, however, in housing providers' best interest to try to find ways to overcome these obstacles.**

"There is a trend towards resident engagement because we need to make sure we are delivering value for money for people, but there is still a tendency to go out with procurements we think are right and hope we get submissions in," stated one procurement professional.

"If you go out with something that doesn't work, there's a cost if it goes wrong," said Rod Davies, Procurement Manager, Southwark Council. "If a plumber fits an elbow joint to a pipe, but doesn't solder it properly, just dealing with the tenant's emails about the problem costs money – and that's just the direct costs, there're also opportunity costs, because if we're dealing with complaints, we're not doing something else."

"We need to engage with residents," added Rod. "It's not being about warm and cuddly; it's about getting the right products and services out there."

**We need to engage with residents - it's not being about warm and cuddly; it's about getting the right products and services out there.**

# Conclusions

Generally speaking, the professionals who took part in our research welcomed greater resident involvement in more procurements for more localised services – but questioned whether input into organisation-wide procurement decisions was realistic.

This is why resident input at a strategic level makes sense – it means that tenants potentially influence all asset management and procurement decisions, without necessarily needing to input into large, complex procurements that could potentially involve a great deal of time and training.

At Fusion21, we are aware that our members want to be valued for their strategic input into their organisations – but are still often viewed as the people who simply deal with the nuts and bolts of buying in products and services.

However, we also know that the work of procurement teams has a huge impact on customer satisfaction. Innovation around resident involvement in procurement can only help to demonstrate the value of strategic procurement in helping housing providers to meet the expectations outlined in the Hackitt report, and also meet their own organisational objectives around being a genuinely good landlord.

Procurement really is the area in which residents, landlords and contractors can find solutions together, saving money and bringing lasting change to communities.

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