

The Gateshead Housing Company

Leading housing provider delivers 20% savings on their capital programme and higher customer satisfaction

The Organisation

The Gateshead Housing Company (TGHC) is a non-profit organisation responsible for the day-to-day management of over 21,000 homes in the North East of England.

The Challenge

TGHC was two years into a five year contract on its capital works programme with multiple partnering contractors, achieving delivery targets and excellent customer satisfaction.

However, they were unsure whether they were realising value for money (VFM) from the programme and whether they had achieved the right balance for their tenants between cost and quality.

TGHC, like many organisations, had invested significant resource in their initial procurement process yet found that once the contracts were in place, their contract management framework had become short-sighted and was not delivering some of the partnering attributes provided for within the contracts.

They were not satisfied with judging their performance purely on how many properties had received improvements and how close they had come to their budget. TGHC wanted to clearly demonstrate (and evidence) that they were achieving VFM on their capital works programme.

TGHC commissioned Vantage Business Solutions (Vantage) to carry out a comprehensive VFM project on its capital works programme. The project would look at service delivery, costs of delivery, and assess overall levels of VFM.

At the outset, TGHC recognised the need to bring in outside expertise to identify opportunities and also work with them to deliver the changes.

Our Solution

Forensic review

Vantage were able to draw on vast experience across the housing and private sector to determine those tools and techniques which would leverage the highest value for money gains for TGHC, including the use of 'lean', open book and value engineering.

The Benefit



Like many organisations we wanted to ensure we were getting

maximum value for money from our capital investment programme. Eighteen months later, what has been achieved is very impressive. We are pleased with both the process and the outcome. Vantage have delivered significant savings and contributed positively to our Business Plan objectives.



Jon Mallen-Beadle

Managing Director
The Gateshead Housing
Company



Key members of the TGHC team embraced the change and have taken ownership of ongoing savings.



Vantage undertook a forensic review of the supply chain, engaging with key stakeholders such as customer representatives, managers, staff and the partnering contractors to:

- Dissect the supply chain
- Analyse all programme costs
- Review specifications
- Assess procurement models
- Challenge existing commercial practices and pricing frameworks

From the review came a comprehensive set of recommendations for change supported by financial business cases that TGHC approved for implementation.

Re-engineering the supply chain for value

Working collaboratively with TGHC and its partnering contractors, Vantage assembled and managed multi-supplier teams to implement the business cases in a seamless manner, avoiding any negative impact on service delivery to customers.

As an identified priority, through innovatively working with partners to re-engineer the supply chain, Vantage were able to achieve improved economies of scale for TGHC throughout its procurement process. Competitive prices were achieved by taking out waste and duplication, and eliminating costs that were not adding value to the customer.

Crucially, key members of the TGHC team embraced the change and, through execution of training and knowledge transfer from Vantage, have taken ownership of achieving ongoing savings.

The Outcomes

In summary, TGHC were able to achieve over 20% of cash releasing savings without affecting quality or frontline service.

With an accelerated delivery programme, this meant TGHC customers could have their **properties refurbished sooner**, to the agreed standard and **at a significantly lower cost**. A further **increase in customer satisfaction** was achieved.

About Vantage Business Solutions

Vantage Business Solutions is a consultancy firm specialising in helping organisations significantly improve their financial performance, enhance customer satisfaction and demonstrate Value for Money to stakeholders. What makes us different is that we provide all of our services on a performance-related basis – demonstrating our commitment by staking our own rewards on the success of our Client's transformation. We work closely with our clients to identify their priorities, eliminate their business constraints and achieve high performance.

Contact us today to see how we can improve the performance of your organisation.



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