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## Phoenix Community Housing Strategic Cost Advisor - Internal Decent Homes Programme

### Background & Context

**Phoenix Community Housing was the first in London to use the Community Gateway approach, which empowers tenants and leaseholders to take a central part in decision-making and to become shareholding members.**

4i Solutions were selected through a competitive process run by Phoenix in 2010 and were appointed in year three of a four year programme to work with Residents, Staff and two existing Partnering Contractors.

Our role was to drive and evidence improved value for money from available budgets and work with the existing client team to improve effectiveness and efficiency.

Approximate spend by both contractors was in the region of £8 Million per annum and the works covered kitchens, bathrooms, wiring and heating installations across Phoenix's assets of approximately 5,500 homes.

Having already developed the cost management approach to significantly reduce costs and processes, during the early part of 2011, based on advice that 4i provided, Phoenix commenced a competitive process of reducing from two to one partner for the remainder of the programme.

### Services & Support Provided

**Services provided by 4i Solutions to Phoenix Community Housing includes the following:**

- Structured health check of existing services provided by the two Construction Partners and by PCH's client team
- Phoenix Community Housing appointed 4i Solutions in 2010 to act as strategic cost managers on our internal Decent Homes works and in the first 6 months they helped us to secure savings in the region of 10% across our programme, working closely with our internal teams and our two Contracting Partners.

### Feedback from Phoenix Community Housing

“ 4i have worked in a collaborative manner to drive up performance of our clienting role in our repairs service, bringing a well structured and constructive challenge to our organisations operations. I have no hesitation in recommending the services and support that they provide ”

Léonie Chettle  
Director of Asset Management  
Phoenix Community Housing

- Analysis of existing costs
- Capture of key issues
- Capturing risks and providing a risk management framework
- Assessment of process waste
- Streamlining valuation processes
- Use of an common IT platform for storage and supply of management information
- Agreement of revised and reduced prices for key elements based on assessment of actual costs
- Agreement of Schedule of Inclusions for known items of work, based upon a true understanding of risk

## Key Outputs & Achievements

**The collaborative process outlined overleaf was used to support the development of the existing programme and encompassed the following:**

- Completion of an **Efficiency Review** based capture of actual cost and performance data
- Agreement of new improved **Target Costs**
- Development of detailed **Schedules of Inclusion** to replace more traditional specifications and to reduce the quantity of variations and resulting measurement costs
- Development of a bespoke **Cost Management System** supported by a detailed suite of processes and procedures
- Creation of a robust **Validation Process** and focus on Phoenix procedures to sign off works
- Strengthening capacity and skills set within the **Clienting Team**
- Reduction in costs for kitchens of approximately **17%**
- Reduction in costs for bathrooms of approximately **15%**
- Reduction in costs for rewires of approximately **16%**
- Reduction in costs for heating installations of approximately **10%**
- Creating a **Value for Money Strategy** and measurement process
- Improved **Management Reporting** and presentation of cash forecasting and cost control data
- Delivery across the programme of approximately **£1.2 Million savings**

## 4i Solutions Strengths – Feedback from Phoenix Community Housing

**The following strengths of the 4i Solutions team have been identified by Léonie Chettle, Director of Asset Management at Phoenix:**

- Willingness to challenge clients (which we have invited in our brief of services) but in a consistently positive manner
- Quality of reports
- Approachable and willing & able to listen
- Sensitive to internal and external stakeholders
- Sector knowledge
- Added value – taking on or identifying issues outside their remit without resort to fee claims.
- Mentoring and empowering client teams