

Modern approaches to repairs and maintenance procurement within the social housing sector

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PREFACE

This thesis comprises six 'Documents' in which the focus of the study is subjected to a number of research approaches and methodologies. The six Documents can be summarised:

- Document 1 – Definition and mapping of the research and a research plan;
- Document 2 – Critical literature review and conceptual framework;
- Document 3 – Ethnographic / interpretive research;
- Document 4 – Survey based research;
- Document 5 – An Action research project adopting a Cooperative Inquiry methodology;
- Document 6 – A reflective journal.

The Documents were concluded at the Nottingham Trent University over a period of four years from 2005 to 2009.

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Finally and by no means least, thanks to my wife Angie for supporting me and putting up with fifteen years of University study and all of the sacrifices that created. Special thanks to my Mother, Mrs Carole Coupar, who gave many hours meticulously proof reading three dissertations as well as this thesis.

Document One

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1 FOREWORD

The study of the repairs and maintenance sector of the UK construction industry does not appear to have been given the level of consideration that it could have, particularly bearing in mind that repairs and maintenance constitutes a significant segment of the market.

As the market is so vast, this research will focus on just one area of the market, repairs and maintenance within the social housing sector.

Following the publication of the *Rethinking Construction* report in June 1998, many sectors of the construction industry have adapted to reflect the observations of the report. However, Simpson (2005) notes that the repairs and maintenance sector does not appear to have embraced the recommendations of the report to the same degree as others.

The results of this study will be of benefit to a wide range of stakeholders at both macro and micro levels, including:

- Contractors operating within this area of the market;
- Registered Social Landlords;
- The Audit Commission;
- Policy makers within The Office of the Deputy Prime Minister;
- The Housing Corporation;
- Industry bodies including the Chartered Institute of Housing and the National Housing Federation, both of which are actively involved in research;
- Researchers within the construction / property industry.

The aim of this document is to identify my proposed research methods and to provide an introduction to the research area, so as to set the context for the study.

This document identifies the specific research questions, which will then be explored in greater depth in following documents. An outline to the proposed research methods of Documents three, four and five are also noted. Whilst it is fully expected that these will evolve over time, this document aims to provide an indication of the research approach at the outset.

2 INTRODUCTION AND STATEMENT OF THE ISSUE

Background.

For some considerable time, much criticism has been levelled at the construction industry with regard to poor quality of the 'product', time and cost overrun, referred to by Fellows (1998:175) as "*the construction primary procurement variables*". In an attempt to address this, numerous government sponsored reviews and reports have been undertaken to look at the processes involved, highlight the perceived areas that have an adverse effect and to 'signpost' improvements.

One of the reasons for government interest is that the construction industry makes a significant contribution to the overall gross domestic product (GDP) of the country. Furthermore, Hillebrandt (1985:10) noted that "*governments have historically used the construction industry as a regulator of the economy due to the effect demand and interest rates have on the buoyancy of the industry*". To this effect, an efficient and effective construction industry is not only important to those who are directly involved in it, but also to the Government and the wider economy.

The repairs, maintenance and reinvestment side of the industry is substantial. It is hard to equate exactly what proportion of the industry that this forms due to the 'do it yourself' market and to the unregulated (i.e. no declaration of tax) market. However, the size was recorded by the Office for National Statistics (2005) for 2004¹ at 49% of the industry as a whole. Accordingly, this sector of the industry should not be discounted when considering or proposing improvements in effectiveness and efficiency. Furthermore, Harvey (1996:62) notes "*repairs and maintenance is a sector that is growing and, in all*

¹ Most recent figures available

probability, will continue to do so due to the nature of the national property stock portfolio”.

Under the Chairmanship of Sir John Egan, the Rethinking Construction Task Force published *Rethinking Construction* in 1998. This report is commonly referred to as ‘the Egan Agenda’. The report undertook a strategic review of the construction industry and made several recommendations to bring about a fundamental change in approach. This was a government sponsored report which has received general industry acceptance upon the recommendations.

A further related concept is that of ‘partnering’. Fisher and Green (2000:59) points out that *‘the one thing that becomes clear from a study of the literature is that there are many definitions of partnering’*. Fisher and Green (2000:59) go on to state that *“perhaps the most widely accepted definition of partnering is that offered by Bennett and Jayes”*:

“Partnering is a management approach used by two or more organisations to achieve specific business objectives by maximising the effectiveness of each participant's resources. The approach is based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements.”

Bennett, J., Jayes, S., (1995:2)

Social housing landlords, which are public sector funded organisations, predominantly Housing Associations, Housing Trusts, Arms Length Management Organisations (ALMOs) and Local Authorities spend substantial revenue and capital finances on repairing and maintaining their housing stock portfolios. The Local Government Task Force (2005) estimated an annual £11 billion was spent by social housing landlords on construction related expenditure in 2004. Furthermore, social housing landlords are formally obligated by their regulatory bodies, both the Audit Commission and/or the Housing Corporation, to assess and implement modern methods of procurement including those emanating from the *Rethinking Construction* report and the concept of partnering.

With regards to public sector procurement, Gershon (2004:7) said that *“too much public procurement is undertaken without professional support which results in sub-optimal value for money and unnecessarily high prices being paid for goods, works and services”*.

Concerns of the Stakeholders

It would appear that stakeholders all have expectations, some of these could be incompatible with the desires of other stakeholders. However, the above indicates a common ‘thread’ in that social housing providers and Government departments have a strong desire for achieving value for money.

The Regulatory bodies i.e. The Audit Commission and the Housing Corporation, place a significant emphasis upon predictability of delivering a repairs and maintenance service.

The views of contractors are not as explicit. However, a key theme from the *Rethinking Construction* report related to the ‘price driven client’. The consequence of this was for contractors to bid low in order to secure contracts. The low tender prevented any investment by the contractor into the service as profit margins were so low, which potentially resulted in a low cost, low quality service.

The combination of the above is indicative that there is significant potential to improve the approach of the social housing sector in the procurement of repairs and maintenance in their property portfolios. It also demonstrates the high levels of linkage to the general construction primary variables (i.e. time, cost, quality). This research project will attempt to incorporate stakeholder concerns from the above in order to provide a balanced perspective, as there is an inherent risk that the focus will centre on social landlords concerns only, which will not fully address the totality of issues.

3. PRELIMINARY LITERATURE REVIEW

Conceptual Framework

In order to develop a conceptual framework, there is a need to identify the key variables and factors that could go to form this. Furthermore, having identified key factors, there is a need to understand the degree of linkage between the concepts so that cause, effect and interdependence can be scrutinised and fully understood.

A narrative framework has been developed by identifying an initial view on key concepts and how these may relate. This is based on my experience as a practitioner and known stakeholder views, as noted in Section 2 of this document. This is followed by a preliminary literature review to test and challenge these assumptions in order to provide a revised conceptual framework.

Initial Key Concepts

Repairs & maintenance

This may appear to be an almost obvious concept, requiring little or no further definition. However, from my experience, 'repairs and maintenance' is a term that is widely and commonly used, although with inconstant definition.

Drawing from experience, repairs and maintenance often includes:

- Reactive / responsive customer demand led repairs (e.g. rectification of a leaking water pipe, repairs to a void / empty property);
- Cyclical maintenance which is programmed by the landlord (e.g. external painting);
- Planned maintenance, which is also programmed by the landlord (e.g. gas servicing);

- Reinvestment programmes, programmed by the landlord and often funded from capital reserves, as opposed to being funded from the revenue accounts (e.g. window replacements projects).

In determining what interrelation there is between the above, I assume this is on the basis that all four concepts are construction related activities. However, there does not appear to be any greater degree of synergy than this.

Accordingly, when undertaking the preliminary literature review, this will be explored further.

The Client

The client can be defined either broadly or more narrowly. A broad definition would be a 'social housing client' whilst a narrower definition would be to show the various 'categories' of organisation that are social housing providers (e.g. a Housing Association).

A further consideration would be to identify if there is more than one client i.e. is the client the social housing organisation, the tenant / resident of the property having the repairs and maintenance undertaken, or a mixture of both. In order to refine the conceptual framework, it is important to have a clear focus on who is 'the client'. In order to assist in this, it would be of benefit to assess literature for the 'role of the client'.

Procurement

The process of purchasing repairs and maintenance is usually guided by a Procurement Strategy or policy. From experience, the existence of such was historically sporadic. In more recent times, encouragement to develop and to formally adopt a procurement strategy has been given by one of the regulatory bodies, the Housing Corporation. As such, it should be possible to define how organisations do procure repairs and maintenance at both a macro (i.e. sector) and micro (i.e. individual) basis.

From my familiarity of the sector, the process of interrelationship of repairs and maintenance, as defined in procurement strategies compared to what

actually occurs, anecdotally show a degree of divergence. The literature review will need to take account of this, as there is a risk of assuming the theoretical strategy assumptions are always followed in practice.

A key factor to impact the social housing sector in September 2004 was the acceptance that social housing landlords are 'Contracting Authorities' for the purpose of the European Union Procurement Directives. Prior to this, it was widely assumed that the Directives did not apply. This can be evidenced by the lack of formal 'Contract Notices' that were published in the Official Journal of the European Union (OJEU) prior to September 2004. It is assumed that this has influenced procurement significantly and may form a significant variable in the conceptual model.

The *Rethinking Construction* report

Any review of repairs and maintenance from within the social housing sector would need to include, or to take account of the report from the Construction Industry Task force, *Rethinking Construction*. The rationale to this is that this report called for a complete change in stance from the traditional approach to procurement. Moreover, the regulatory bodies (i.e. the Audit Commission and the Housing Corporation) both endorsed the report and promoted the change in strategy.

Partnering

Closely linked to the previous concept is the issue of partnering. Frequently, the concepts of partnering and those noted in the *Rethinking Construction* report are perceived as one of the same and the terms are used interchangeably. From my experience, these concepts are separate although closely linked.

Performance Measurement

The social housing sector is a highly regulated environment. Social landlords are required to provide a 'Regulatory Statistical Return' on a range of key issues, including repairs and maintenance. This assesses how well organisations undertake repairs and maintenance in comparison to peer

organisations. As a result, a variety of benchmarking organisations have developed.

I consider this to be an important concept as the usage of performance analysis and the ability to assess against peer groups should enable conclusions to be drawn on effectiveness of modern procurement approaches within a repairs and maintenance context.

Preliminary Literature Review of Key Concept Definitions

Repairs & Maintenance

Section Two of this document cites that repairs and maintenance form a substantial segment of the construction industry. However, the term 'repairs and maintenance' are used broadly and somewhat generically and accordingly require some further definition.

The Housing Corporation's Regulatory Code, has defined 'repairs' as "*work usually requested as a single job done to ensure health, safety and comfort of the occupants or the proper functioning of the building as a dwelling*" (2000: 18).

Simpson (2005:64) makes a clear distinction between repairs and maintenance by stating that "*maintenance consists of a number of approaches, usually co-ordinated and organised proactively and is not customer demand led as is responsive repairs*". Simpson goes on to note further demarcation into: (i) planned / preventative maintenance, (ii) planned / reactive maintenance, (iii) cyclical maintenance.

The above introduces an interesting dimension, as it appears to break the degree of linkage of 'repairs and maintenance' into two independent factors. Moreover, further sub-categories are introduced which also require definition.

Harrison and Trotman (1998:59) provide the following definitions:

Table one: Definitions of Maintenance

Planned / Preventative Maintenance	The necessary work organised with forethought, control and strategy. It may be preventative or corrective in approach
Planned / Corrective Maintenance	Works undertaken to restore a facility / function to an acceptable standard
Cyclical Maintenance	Works of a regular pattern that help to ensure the longevity of an element .

Harrison and Trotman go on to define the relationships and levels of inter-dependence between the various forms of maintenance. This is of particular interest, because unlike Simpson, the term repairs and maintenance are linked at a strategic level.

The Client

The social housing sector, to which this research is focused upon, has three differing client bases, defined by Teed (2004: pp24 to 27) as “*Local Authority Housing providers, Registered Social Landlords and ALMOs [Arms Length Management Organisations]*”. However, the above distinction still doesn’t provide a comprehensive definition of ‘the client’. Registered social landlords consist predominantly of Housing Associations and Housing Trusts. There is a subtle but nevertheless important distinction between these two. Also, ALMOs are wholly owned subsidiary organisations of local authority housing providers, accordingly there is a very high degree of linkage between these. Teed makes no mention of Tenant Management Organisations, who are few in number, but do manage some local authority housing stock and are responsible for construction related procurement decisions.

Loraine and Williams (2001:83) note that “*the majority of construction related repairs and maintenance activity procured within the social housing sector is done so by local authorities*”. In contrast, they go on to note that “*the majority of major refurbishment is undertaken by housing associations*”. It is noteworthy that this publication predates the development of ALMOs, who the Office of the Deputy Prime Minister (2003) note, were specifically established to enable access to funding for housing stock investment, for which the local authority providers were unable to access.

Having provided some definition of 'the client', the literature review indicates that there would be additional benefit from assessing the role of the client as opposed to just defining who the client is.

The role of the Client

The *Rethinking Construction* report is one of few reports to identify the role of the client and to establish 'Drivers for Change'. Interestingly and of particular relevance to this research, the role of the public sector house building client is highlighted. Suggested improvements are made on processes on what would typically be classified as 'client functions'.

The above report has a high degree of synergy to the *Constructing the Team* report. Both make reference to the client needing to manage risk in relation to construction procurement, although one advocates the client should reduce their risks by requiring contractors to carry additional risk, whilst the others state that clients should manage the risk in the most appropriate manner.

In the Surveyors Construction Handbook (1998:4 Part 1 Section 1) notes "*the clients prime role is to establish a structure for the management of the project and to make sure it works*". Whilst reference to a 'project' is harder to define in a repairs and maintenance context, this definition is helpful in showing that the client has the responsibility to both initiate and monitor the management process. The report goes on to cite communication being a crucial element of effective management.

Procurement

The Audit Commission noted (2006:11) "*despite £9,630 million spent each year on repairs and maintenance within [the social housing] sector, not all organisations have a procurement strategy that covers repairs and maintenance*". An inference from this report is that the lack of a procurement strategy is a potential barrier to improving procurement practices.

Further procurement 'barriers' are noted by the Audit Commission (2006:14-15). These can be summarised:

Table Two: Procurement Barriers

Barrier	Definition
Legal complexity	Procurement law creates tensions for re-procuring services which may lead to organisations not taking new opportunities in order to avoid applying legal framework
Risk aversion	Perception of client risk leads to avoidance as opposed to managing risk
Restricted supply side	Alternative delivery options are reduced by supply side gaps or un competitive pricing
Lack of client side capacity	Lack of procurement strategy to guide the client side process. Lack of client side capability as well as capacity.
Narrow approach	Introspective stance leading to only identifying a small number of procurement options
Organisational culture	Adversarial client approach to managing contracts can frustrate more modern approaches to procurement

The above framework is very useful in identifying a perception of one of the industry regulatory bodies on procurement barriers. However, of greater benefit it identifies a potential further 'sub-set' of procurement variables that need to be included within the conceptual framework under a broader heading of procurement.

Kashiwagi and Byfield (2002:103) set out an approach to *“Selecting the best contractor to get performance: on time, on budget, meeting quality expectations”*, in the Journal of Facilities Management. The authors argue that the most important element in construction procurement is contractor selection. At first this would appear to be an obvious statement. However, the authors go on to note that *“why then do facility owners continue to select non-performing contractors?”*. The paper sets out how contractors should be selected and offers a somewhat differing approach to what would be considered as 'traditional'. This view supports the view of the Audit Commission in linking client side capacity to procurement.

Tookey, Murray, Hardcastle, Langford (2001: p20-30) in *Construction Procurement routes: re-defining the contours of construction procurement*, published in the Journal of Engineering Construction & Architectural Management, noted the various procurement options available to construction

clients. The authors went on to say that “*procurement is a succession of ‘calculated risks’*”. This is on the basis that even experienced construction clients, the ‘informed client’, are not aware of all of the risks of each procurement approach. The paper goes on to say that current research in academia focuses on reducing procurement risk through better procurement system selection.

The above follows a similar theme to that of Kashiwagi, Byfield and the Audit Commission in that significant emphasis is afforded to the selection stage of procurement and this early stage shows a propensity for increased risk.

Kumaraswamy and Dulaimi (2001:p325-334) in *Empowering innovative improvements through creative construction procurement*, published in the Journal of Engineering Construction & Architectural Management note that lessons need to be learnt from other industries, most notably manufacturing. The authors note that “*opportunities to inject innovative improvements in construction procurement strategies exist*”. The manufacturing industry, in the development of a marketable product, adopts a product development focus that empowers and inspires the innovations that are needed to achieve productivity gains.

The above Journal article is not unique in making a link to the processes utilised within the manufacturing industry and seeking to apply these to the construction industry, but it makes the case that the construction industry is ‘sluggish’ in generating improvements and there is a potential need to review the approach taken to that of other sectors.

The *Rethinking Construction* report

Despite having cited this particular report in my initial conceptual model, for purposes of the preliminary literature review, it is essential that the report is reviewed alongside two other reports, to which a high degree of similarity can be seen. These are ‘*Constructing the Team*’ (commonly referred to as the Latham Report) and a further report from the Office for Science and Technology issued a report ‘*Progress Through Partnership*’.

The Latham report, *Constructing the Team* made a significant impact upon the construction industry. This report is very comprehensive and is still relevant today, some eleven years after publication. The report takes a 'root and branch' review of the industry and is one of the first to cite the role that clients have and the perceived abuse of this role. The report also focuses on procurement strategies and parallel to this, risk management. Having developed a framework the report shows how dispute resolution systems can be incorporated so that a quick solution can be achieved and the process of construction can continue. The *Constructing the Team* report makes only a brief remark upon the benefits of 'partnering' although the thrust of the entire report is about fair and equitable ways of 'doing construction business' which reflects the ethos of partnering.

The report is comprehensive and leaves the industry in a position whereby both the perceived faults of the industry are shown and solutions suggested. Furthermore, the need for investment on training and education are shown as these have a significant impact upon long term sustainability of the industry.

Having reviewed the Latham report, it was logical to review the *Rethinking Construction* report due to the high levels of synergy. The *Rethinking Construction* report takes a differing position by comparing the industry to the manufacturing industry, especially in relation to quality control and off-site fabrication. The report claims to build upon the Latham report and cites 'Drivers for Change' and 'seven improvement indicators' as key tools in doing this along with the usage of partnering, standardisation and pre-assembly in order to build in quality. These issues are further supported by better management of the process along with better training and conditions in order to create the right atmosphere to foster the changes.

The role of the client is highlighted, especially that of the public sector house building client and the role and responsibility that the client/clients representatives have in enabling this change. This is coupled with a move away from short term traditional tendering in favour of long term partnering and non-adversarial systems. Fundamentally, this report calls for radical

changes in the industry and not improvements upon the existing systems. The report recognised that in order to do this, focus groups would need to be established in order to keep the momentum of change going.

The *Rethinking Construction* report has been implemented by many clients, contractors, consultants and suppliers, although it could not be claimed that all of the industry has accepted the 'Egan Agenda' as the only way forward. However, the report has led to a radical and far reaching review into the industry.

In the interim period between the Latham and Egan reports, the Office for Science and Technology issued a report *Progress Through Partnership*. By conducting an in-depth review, the report concludes with four 'Engines of Change' and five 'Key Opportunities' to enable the construction industry to become and to retain competitive edge.

The research that resulted in the report was detailed and took a broad and strategic view to the perceived problems of the industry at that time and what solutions should be adopted. The Engines of Change are; promoting learning and learning networks, setting up mechanisms to improve and sustain the information flow on projects by using IT, advocating a fiscal policy change that encourages long term investment and economic growth and innovational culture. These are further supported by the Key Opportunities of customised solution from standard components, business process re-engineering of some of the processes involved, adopting a constructing for life approach, environmental benefits from construction developments and creating nationally competitive infrastructures.

The conclusions of the report were specific. The report was very robust in the methodology used to arrive at the conclusions and, as such, this report should have formed a 'bridge' between the Latham and Egan reports. However, the profile of the report was not raised to the level whereby the majority involved in construction could assess the report and act upon its conclusions.

Notwithstanding this, the identification of key issues and factors shows similarity in identifying problematic areas.

Partnering

The literature review this far has shown that whilst there is an ‘academic’ separation of the key concepts of the *Rethinking Construction* report to that of partnering, in practice the concepts are used interchangeably and generically. However, there is a need to consider two variations of partnering, project and strategic, in order to ascertain if either or both are significant factors.

Cheng and Heng (2001:292) set out a *Development of a Conceptual Model of Construction Partnering* in the *Journal of Engineering Construction & Architectural Management*. The paper undertakes a review of literature in order to develop the conceptual model, which was then tested. This text is very useful in identifying the key factors and being able to challenge assumptions in order to arrive at a definition. The research of Cheng and Heng aims to identify the ‘success’ factors of partnering. This is done on the basis of identifying fourteen factors and then applying these to the two forms of partnering in order to identify areas of divergence. The model is shown below.

Table Three: Development of a Conceptual Model of Construction Partnering

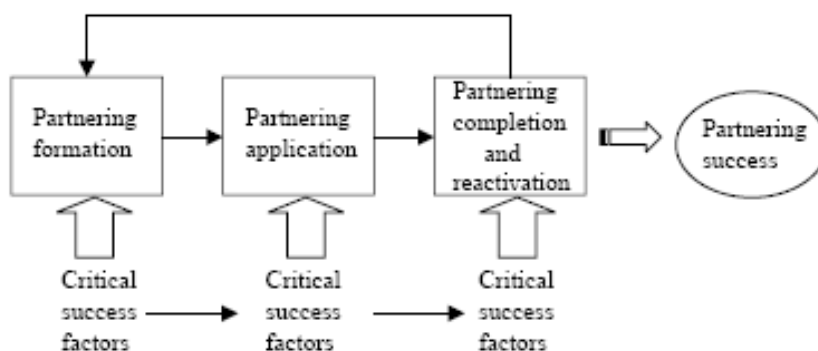


Figure 1 A conceptual model of partnering.

The conclusions offer a range of suggestions as to why project partnering is more successful in certain situations and why strategic partnering achieves greater degrees of success in other situations. Of greater relevance to this

research project is the suggested areas of future research, particularly the causal relationships of some of the fourteen factors.

Performance Measurement

The preliminary literature review offers little in the way of performance management, but shows that this tends to be considered more frequently under the heading of 'continuous improvement'.

The Housing Forum Demonstration Project Report is produced on an annual basis so as to provide an update on the numerous 'demonstration' projects that have been accredited by the Housing Forum. One of the key features that are applicable to all improvement initiatives from the Egan Agenda is that of benchmarking. The demonstration projects set out to benchmark key projects and align them to one or more of the seven improvement indicators from the *Rethinking Construction* report to show in practice how continuous improvements can be achieved. The report shows for each key indicator a definition of achieving the benchmark. For each project shown it highlights a summary of milestones, key stages/decisions and the processes directly involved in achieving the key indicator requirements.

It is worthy of noting that the vast majority of literature reviewed covers the topic of performance measurement in some form. This underpins the view that this should form part of a conceptual model.

Revised Conceptual Framework

The literature review has identified a number of variations to be made to the Initial Framework:

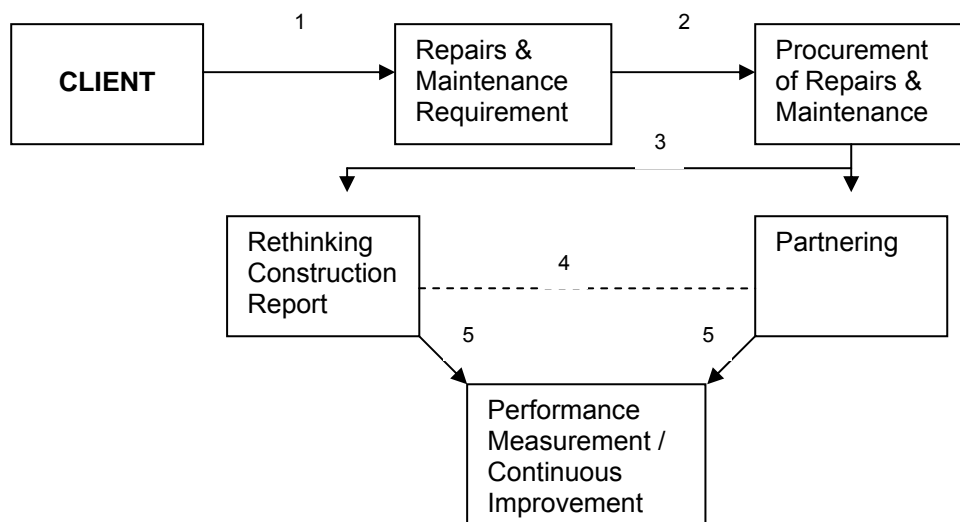
Table Four: Comparison of Initial and revised Conceptual Framework

Initial Framework	Revised Framework
Repairs & Maintenance	Repairs & Maintenance: Review has provided a clear definition and interfaces.
The Client	The Role of the Client: Review has identified the various 'types' of client but indicates that the role of the client has

	potentially more value to a conceptual framework.
Procurement	Procurement Barriers: Review has help define what procurement is within the context of the research and has identified a number of barriers.
Rethinking Construction report	Rethinking Construction report: Review has provided a clearer definition and linkage to previous reports.
Partnering	Partnering: Review indicates that 'academic' separation of Partnering to that of key concepts identified in the <i>Rethinking Construction</i> report in practice is limited.
Performance Management	Performance Management / Continuous Improvement Review underlines the need to apply a performance management framework and that this is often captured under the heading of continuous improvement.

The preliminary literature review not only indicates the above as key issues but also indicates there is a potential chain of causation between the variables, shown in Figure One.

Figure One: Potential Chain of Causation:



Key:

1	<p>Social Housing provider 'the client' has a need for repairs and maintenance to its housing portfolio in order to:</p> <ul style="list-style-type: none">a) Protect its property assets;b) As part of the service for which rental income is charged;c) To fully discharge its legal duties:<ul style="list-style-type: none">i) In contract law under the Tenancy Agreement;ii) In public law (e.g. health & safety, statutory fitness);iii) In the law of torts under the Duty of Care 'neighbour principle'.
2	<p>A need for repairs and maintenance derives a need to procure a service provider (i.e. a contractor).</p>
3	<p>In considering procurement, all Social landlords are under an obligation to consider using modern procurement approaches by the regulatory bodies.</p>
4	<p>High levels of synergy between the issues noted in the <i>Rethinking Construction</i> Report and that of 'Partnering'.</p>
5	<p>Irrespective of which procurement route is taken, there is a need to measure performance and outcomes. Sector tendency is to capture this as 'continuous improvement'.</p>

4. RESEARCH STYLE AND APPROACH

Plan

Having a robust research plan is noted by Pettigrew (1985:41) as “*a critical component of managing the research process*”. At the beginning of such a detailed research project, there is a desire to maintain a certain amount of flexibility and adaptability to enable the researcher to respond to issues, as they arise throughout the process and not to overly constrain oneself to research techniques which may become irrelevant at a later stage.

However, it is envisaged that the following style and approaches will be utilised:

Style

Having undertaken a preliminary literature review to establish the highlights of the current body of knowledge and having ‘set the scene’ to the research topic, this has also clarified what further research I need to undertake and which research style is most suited to collect the data.

Bogden & Taylor (1975:26) defines research as “*a careful search, investigation and systematic investigation towards increasing the sum of knowledge*”. This sets a useful criteria and underpins the need for systematic investigation being central to a Doctoral level degree.

Easterby-Smith, Thorpe & Lowe (1993:28) debates the philosophy of research design between the stance of the “*positivist paradigm*” and that of the “*ethnographic phenomenological interpretivist paradigm*”. Preferred methods of research for each style are shown in Table Five:

Table Five: Key features of Positivist and Phenomenological research

	Positivist	Phenomenological
Methods:	Operationalising concepts so that they can be measured; Taking large samples.	Using multiple methods to establish different views of phenomena; Small samples investigated in depth over time.
Researcher should:	Focus on the facts; Look for causality and fundamentals; Reduce phenomena to simplest elements; Formulate hypotheses and then test them.	Focus on the meanings; Try to understand what is happening; Look at the totality of each situation; Develop ideas through induction from data.

(Easterby-Smith *et al* (1993: 27))

It is indicative that many researchers, within the broad subject area of the built environment, favour adopting a positivist research stance. Holt (1998) notes that the research style needs to be sufficiently flexible and adaptable to account for a wide range of variables within study of the built environment, most of which cannot be accounted for at the outset of the research.

Fellows (1999:16) notes the need for a *“triangulation approach in order to ensure rigour and objectivity are paramount throughout”*. Fellows goes on to suggest research commences with a qualitative approach and is verified by a quantitative approach, this also supports the programme of study for the DBA.

Qualitative and Quantitative

It is envisaged that the initial research will be of a qualitative nature. This has been described by Bell as *“data which is expressed in words and not easily amenable to numerical quantification”* (1987:3). By using this method of research it will enable me to get a broad insight into the topic area. This will also enable me to adopt the triangulation approach espoused by Fellows.

The qualitative data will then be subjected to some form of quantitative analysis. This is essential to support the research questions, many of which seek to analyse the extent of acceptance from research samples, which

requires a measure of objective demarcation in order to draw credible and meaningful conclusions.

Fellows (1999:19) notes that the *“results of qualitative data should show patterns whilst the results of quantitative data should show relationships”*.

Fellows (1999:20) goes on to say that undertaking research within the built environment by adopting both stances enables *“insights and inferences leading to conclusions”*.

Approach

The DBA programme requires a research approach that adopts a range of techniques.

Document 2

The importance of an extensive literature review is noted by Popper (1989:31) as *“properly executed research is reliant upon thorough and detailed discovery of all relevant literature”*.

Document 2 will significantly expand upon the preliminary literature review as well as enabling the development of a conceptual framework. The preliminary literature review has identified a significant volume of data, with varying degrees of relevance. In order to manage the multitude of reference sources, Holt (1998:55) notes the need to filter sources based upon a *“hierarchy of relevance”*. The rationale to this is to identify sources with the most relevance in order to keep the preliminary research focused and to avoid the risk of getting ‘sidetracked’.

The development of a conceptual framework will provide focus to the study. Miles and Hubberman (1994:18) note the need for a conceptual framework as it will explain *“the key factors, constructs or variables – and the presumed relationships among them”*. Having identified the principal stakeholders, the conceptual framework will set out the relationship with other stakeholders along with the variables. This will aid the research by endeavouring to consider a reasonably wide range of stakeholder interests, some of which will

have conflicting criterion, and helping to 'signpost' what data needs to be collected and analysed.

Document 3

This document will utilise qualitative research techniques and will be informed by the conclusions of Document 2 and targeted towards the research questions that are compatible with a qualitative approach. The research topic and proposed style does not lend itself to the usage of focus groups. However, the use of in-depth interviews would be of significant value.

The preliminary literature review has identified three differing stakeholders. The Encyclopaedia Britannica (1962:1183) defines stakeholders as "*those who have an interest or concern*". Accordingly, in-depth interviews will prove a useful technique exploring divergences of opinion and upon which facts or beliefs are made.

The participants for the in-depth interviews will need to account for seniority within organisations e.g. it is possible that a Director from a registered social landlord may have a differing view on modern procurement methods to that of a more operational level member of staff, for example, a Project Manager. I would wish to explore a variety of levels and not restrict the research to a strategic level only. The reasoning for this is that it could be the operational implementation of modern procurement that presents the most barriers to its adoption. By not interviewing staff who operate at this level will leave the potential for gaps in the research conclusions.

Document 4

A survey based piece of research will follow the in-depth interviews. This will be by designing a questionnaire. Bearing in mind the tendency for a low rate of return, noted by Black (2001), the potential for seeking completed responses via electronic format will be explored as anecdotal evidence is indicative of a higher response rate. There is further potential for this to be distributed by a national benchmarking club, which will not only assist in the

administrative process, but also add credibility to the research by virtue of the standing that the benchmarking club has within the sector.

Document 5

Having concluded the above, the focus will move towards synthesising the results and conclusions achieved to this point. This will also identify any gaps in the research and will enable greater depth in key areas. Having noted the wish to adopt the triangulation approach, noted by Fellows (above), further in-depth interviews will be undertaken. These will be supported by questionnaires in specific and key areas. Notwithstanding the apparent level of non response from questionnaires, the design will ensure that valuable data is captured in a succinct manner, using a score system as opposed to seeking text.

Initial Research Questions

Specific, albeit initial, research questions have transpired from the preliminary literature review. Miles and Hubberman (1994:23) note that *“formulating the questions may be refined and reformulated in the course of the fieldwork”*. As such, it is noted that in the research process, other key questions may arise or those noted below will be modified in order to provide a clearer focus.

In considering the title of the study and the outcomes of the preliminary literature review, there would appear to be a need to identify any barriers or forces that are impacting on the implementation of specific recommendations of the *Rethinking Construction* report, with specific focus on social housing. Furthermore, to assess if alternatives with greater potential exist, thus negating the ‘business driver’ for implementing specific recommendations of the report.

One potential issue to consider is to establish if the repairs and maintenance sector is so unique in contrast to new build that modernised procurement approaches could not apply, or could not apply to the same level i.e. have a marginal impact potential only. Accordingly, the ‘procurement barriers’ identified in the preliminary literature review may prove insurmountable. A

further issue would be to explore if the aforementioned barriers present more of a challenge for smaller organisations than those with either a larger housing portfolio, greater financial reserves or some other variable.

When defining 'repairs and maintenance' in the preliminary literature review, there were definable sub-sections of repairs and maintenance. As such it is proposed to assess if there are differing levels of applicability of the *Rethinking Construction* report recommendations within the various segments of the repairs and maintenance sector (i.e. responsive maintenance, planned / preventative maintenance, servicing and reinvestment). This will help to identify which particular 'types' of repairs and maintenance lend themselves more readily to modernised procurement and those that are not as amenable.

The potential 'chain of causation' in section three of this document identified the apparent high levels of synergy between the recommendations of the *Rethinking Construction* report to that of partnering. It is proposed to assess how partnering can be integrated into the repairs and maintenance procurement process and if there is any degree of linkage to the *Rethinking Construction* report.

Finally, a variety of procurement barriers were noted in the review. It would appear to be of significant importance to assess how much of a 'distraction' the barriers are. The reasoning for this is to identify if the barriers are fundamental obstacles to implementing modernised procurement in repairs and maintenance within the social housing sector or if it is more of a perception.

5. PRINCIPAL CONSIDERATIONS

Ethical and Organisational matters

As the researcher is not an employee of an organisation being researched, this is helpful insofar as there is minimal exposure to any quasi political issues emanating from a potential disagreement with the research conclusions.

However, with regards to ethics, it is highly likely that at some stage the research will be exposed to or impinge upon commercially sensitive information, especially with regards to contractors pricing strategies. In this event, if the information is not already within the public domain (e.g. recorded at Companies House as part of the annual return) either specific permission will be requested to print the relevant details or details shown will be anonymous. Should neither of these options be possible or practical, the raw data will be excluded from the relevant document and only disclosed to specific academic individuals on a confidential basis.

Notes and written records will be kept of all meetings. At the conclusion of the meeting, the interviewee will have the opportunity to read any notes, should they choose to do so.

Anonymous results to surveys will be provided to those participating, if requested. It is hoped that this will also provide some encouragement for participation in the research.

Outcomes

On a personal level, having been employed in the construction industry for some twenty years and being a management consultant for procurement activity within the social housing sector, I am interested in the topic and proof or not of the hypothesis is of importance and value.

Acquiring a Doctoral level qualification is important, but so is the ability to undertake a range of research techniques and to refine these over a period of time. It is hoped that the DBA programme will provide both of the above.

Having led the two largest (by value) construction related procurement projects in the social housing sector and enjoying some credibility within the industry, it is hoped that there is a real opportunity and ability of this research to influence the future, even if this is only minor. Abbey (2005:37) noted that *“millions [of pounds] are being wasted each year within social housing by inefficient construction procurement”*. Moreover, Simpson (2005:52) commented on the same theme that *“inefficiency is partly due to not everyone being up to good practice in procurement techniques”*. As such, the ability to improve appears immense and the ability to base at least some of this upon robust research is realistic.

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Document Two

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ABSTRACT

Delivering high quality, customer focused property repairs and maintenance services have been a challenge for many social housing landlords. As encouragement from the industry regulator increases to utilise modern procurement techniques, the literature suggests that experiences have been mixed and there are a number of obstacles to achieve the desired objectives.

This review identifies a number of 'common threads' that can be seen through a number of sources. These include questioning the role of the client organisation (i.e. the social housing provider), the apparent frustrations with the EU Procurement Directives and a market place that appears somewhat restricted, creating additional tensions and dynamics.

This review also draws on the literature reviews from other researchers. There appears to be agreement amongst the researchers that whilst there are many potential advantages from modern procurement practices, including that of partnering, the reality is a lack of robust and demonstrable evidence to show that modernised procurement adds greater value in contrast to more traditional routes. Whilst some authors note the benefits, these can tend to be speculative rather than transpiring from robust research.

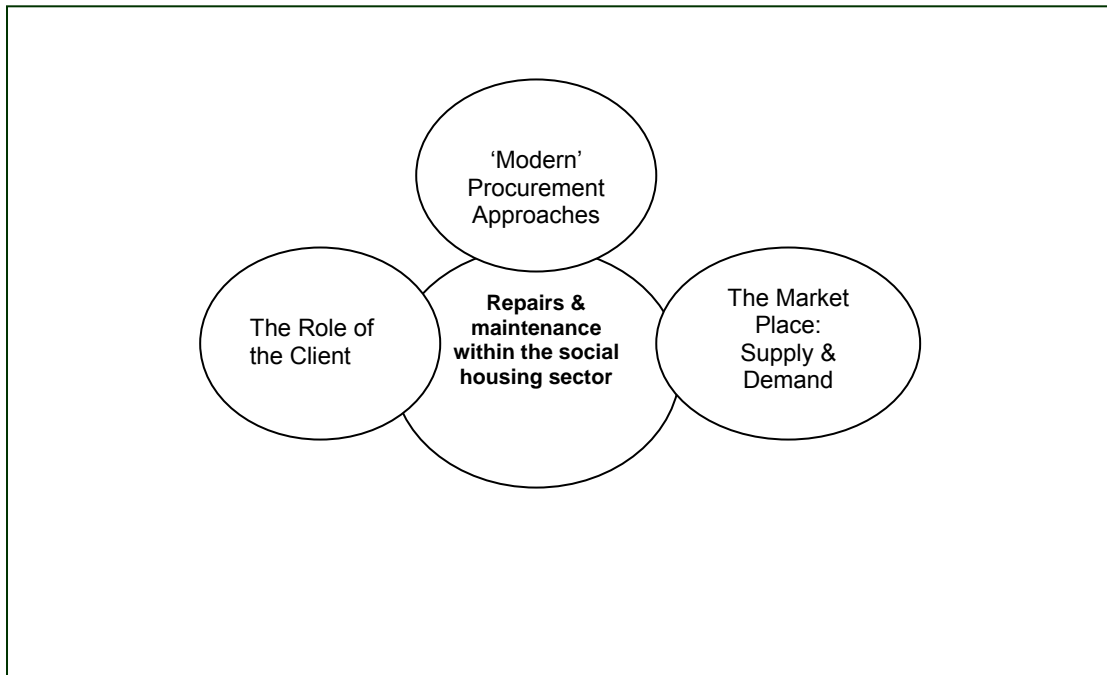
There appears to be some gaps in understanding. Whilst 'procurement barriers' and 'tensions' can be readily observed in the literature, it would appear that in the vast majority of cases, the problem (i.e. the barrier) has been identified but there appears to have been little attention to the cause and if this can be overcome or if it is insurmountable. As an illustration of this, the client organisations come in for repeated criticism for being ineffective in the role of construction client, but the literature does not identify why this is and if this is a systems based issue or a cultural issue.

1 CONCEPTS OF VALUE

Mapping the literature

Document One presented a preliminary literature review identifying key concepts and suggested definitions which appeared to transpire from the field of study. In order to provide further focus to this more detailed literature review, a map of related literature has been produced, as shown in Figure One. This not only shows the key areas of literature that need to be reviewed and the 'linkage' that the concepts appear to have, it will also assist in identifying literature sources that have a high degree of relevance and those that have only a marginal degree of relevance.

Figure One: Mapping the literature



An Enriching Process

The literature review needs to be an “*academically enriching process*” to the research (Hart 1998, 26), in order to provide further clarity on the research questions and the conceptual model. The process of conducting a literature

review has been described by Strauss and Corbin (1990, 19) as “enables the user to identify previous research in an area, as well as to discover where there are gaps in understanding”. The importance of an extensive literature review is noted by Popper (1959, 114) as “properly executed research is reliant upon thorough and detailed discovery of all relevant literature”.

In order for this document to add value to Documents 3, 4 and 5 it needs to identify the relevant themes and sources as well as to reject those that do not add value to the field of study. I believe this to be an important concept as it should avoid becoming sidetracked or losing focus on the core subject matter.

The preliminary literature review noted that the literature tended to emanate from three principal sources; government generated, academic and ‘technical’. Whilst this proved to be a useful demarcation initially, the recurring themes that were identified as a result of concluding the initial review, did not show that this demarcation has any significance in terms of recommendations or conclusions. Accordingly, it is not felt that there is a value in maintaining this distinction.

Research approach

Document two is a critique of the literature which, *prima facie*, appears to have relevance to the field of study and in particular the research questions outlined in Document one.

In undertaking the review, I was looking for key concepts and the degree of linkage and synergy from differing authors. In undertaking the process I was able to reject a number of literature sources. The rationale to this was to remove literature which looked at repairs and maintenance procurement from a general perspective as opposed to within the context of social housing. This was on the basis that seeking to review and ultimately to assess procurement within a wider operating environment, would broaden the scope of the review to such a level that it overwhelms the research and adds little or no value to the research questions.

In considering the quality of literature sources, I targeted literature emanating from Government sources as well as notable Journals. Some of the Government reports are from quasi-autonomous non governmental organisations 'quangos', most notably the Audit Commission, the Office for National Statistics and the Housing Corporation. These were supported by 'traditional' text books when appropriate to do so. Accordingly, significant elements of the literature review have previously been subjected to a peer review process, which adds weight to the decision to incorporate the documents within the review.

The actual process of searching for literature was a multi-faceted approach and not merely a random collection of abstracts. This commenced with identifying what appeared to be seminal text. This was followed by identifying sources that informed the seminal text and sources that 'flowed' from the same. Identifying key words and key concepts was formed from the research questions and led to a broad span of potential literature sources, which then needed to be subjected to the aforementioned 'filtering' process. It was apparent that using the document abstract and bibliography / reference as an initial review was helpful in then further identifying which texts required a comprehensive review, as they had shown greater potential in informing the literature review.

The literature review attempts to analyse what was said as opposed to merely just repeating what was said. The aim for me was to comprehend how authors are trying to understand the particular issue. What is their contention and what is the basis to their argument. This introduced 'sub-themes' to the review. The review captures these under 'grouped headings' an approach endorsed by Howard and Peters (1990).

In evaluating empirical research, Girden (2001) notes three key concepts of a literature review; controlled observation, reliability and validity. The controlled observation of my review is the process of 'filtering' to avoid loss of focus to the project. Reliability and validity are also covered by the multi-faceted

approach. With reference to Girden, both criteria demand consistency and robustness.

Mindful of the limitations of this part of the research, both in timescale and context, I endeavoured to identify concepts that have an accepted view. If there is a generally accepted view, there would appear little merit in trying to evaluate this further but to focus on areas where there remains ambiguity, gaps or a clear divergence of opinion. I compared and contracted views to understand the robustness of the argument.

Every attempt has been made to ensure comments on the literature are made to show divergence of opinion and to make linkage to other texts or the research questions. This is to guard against introducing a personal opinion.

Having completed the review, this has led to a significantly revised conceptual framework, the identification of a hypothesis and revised research questions. All of these are aimed to ensure the next stages of research, contained in Documents three, four and five are appropriately targeted and draw sufficiently on the established 'body of knowledge' as identified in Document two.

2. REPAIRS & MAINTENANCE WITHIN THE SOCIAL HOUSING SECTOR

Historical Context

Hale (1998) stated that the concept of social housing was brought about by the First World War and the *“hitherto separation of poor health and poor housing”* (p.862). The ‘Homes for Heroes’ initiative instigated the steady migration from private landlords to that of the public sector, under the control of the local authority.

Social Housing can be sub-divided into two main categories, as Kenny (2001, 54) summarised this as *“that traditionally provided by the local authority and that provided by registered social landlords”* (e.g. housing associations). In setting the historical context, it is important to identify both of these two categories, as both appear to have adopted a fundamentally different approach.

Repairs and maintenance

Repairs and maintenance services are arguably one of the most important services that social landlords deliver to their tenants. Smith (2004) put this into context by saying that repairs and maintenance services *“are an important ‘shop window’ to resident contact with the RSL [Registered Social Landlord], with residents being more likely to contact the RSL about repairs and maintenance than any other service”* (p. 3). If this presumption on the level of customer interface is correct, it would be indicative that there is ‘linkage’ from the quality of the repairs and maintenance service, as viewed by the customer, to the overall perception of the landlord service provided by the social landlord. This is a point made by Harrison (2005), who also identified a degree of organisational linkage from ‘successful’ repairs and maintenance service delivery to ‘successful’ strategic asset management of the housing

stock. Harrison did not define the measure of success, but did say that the *“quality of the repairs and maintenance service provides key indicators for the quality of the landlord”* (p. 17). Harrison went on to note that the importance of repairs and maintenance services and the manner in which these are provided have the potential to make a significant impact on the quality of life to residents of the landlord.

Reader (2004) observed the distinction manifested itself by local authorities predominantly delivering repairs and maintenance services in-house, via a direct labour organisation (DLO), and housing associations predominantly delivering the services via external contractors. Although Griffiths (2003) notes that the traditional ‘delivery models’ have evolved to the extent that no generalisation for either category can now be observed. Having a *“mixed economy”* was cited by Thompson (1999, 3) as having advantages of not being fully exposed to the open market and not becoming over reliant upon an in-house team.

Bevan (2002) commented on the delivery of the repairs and maintenance services are likely to be the biggest source of revenue expenditure and often from a considerable area of capital funds. A correlation to the quality aspect that Harrison made can also be observed. Bevan (2002, p. 5) said *“quality in these [repairs and maintenance services] areas plays an important role in defining the nature of relationship with residents, the Housing Corporation, local authorities, lenders and other stakeholders”*. Whilst a degree of synergy between Harrison and Bevan can be established, Bevan explores the impact of delivering repairs and maintenance much further by identifying a broader stakeholder group, crucially that of the lender.

Parker (2003) identified the gradual move away from public funds being available for social landlords leading to the need to raise funds from the market place. Parker said:

“the move to private finance has transformed the manner in which social landlords manage their stock. Repairs and maintenance activities were sometimes characterised by ad-hoc compromises between the immediate physical needs of the built asset and a

restrictive tension to the availability of finance. At the simplest level, the funding systems encouraged a short term vision”.
(2003, p. 9).

Irrespective of how the repairs and maintenance service is procured, funded and ultimately delivered, Thomas, Johnson and Veale (2005) noted that £2.4 billion per annum was expended on repairs and maintenance on just local authority housing stock (i.e. not including housing associations). The report goes on to state that *“The Gershon Review has increased the amount of attention given to procurement in relation to responsive repairs”* (2005, 63). This would appear to be an important statement, as it identifies one potential key ‘driver’ for reassessing the process of procurement. This sentiment is further endorsed by the Audit Commission (2006, 6) which comments on the expected impact and outcomes of the Gershon review, *“the review will mean that you [social housing providers] will need to ensure that your services are providing value for money and financial management and performance management must be much closer aligned”*. Whilst the comment is silent on applying this to repairs and maintenance services specifically, as the above comment is made in the Audit Commissions Repairs and Maintenance Efficiency Pack, accordingly the link is self evident.

The Office of the Deputy Prime Minister (2006) note that efficiency in delivering public funded services is about improving productivity and getting more from the same resource, or achieving the same level of service from less resource. In the same report the Office of the Deputy Prime Minister (2006, p11) notes that *“housing organisations responsive and planned repairs service account in excess of £9,630 million worth of expenditure per annum”*. This would appear to contradict the value noted by Thomas *et al* although by assessing either value, it is evident that the level of expenditure is substantial.

It is also apparent from the literature that there are a variety of ‘pressures’ to ensure procurement within the repairs sector of social housing becomes more efficient.

Simpson and Nicholls summarises this by noting that:

“the housing stock is a major asset of housing providers and represents many billions of pounds of public and private investment. The repairs and maintenance of these assets is a major task to organisations”.

Simpson, K. Nicholls, B (2005, 7)

The comments of Simpson and Nicholls appear to endorse those of Thomas *et al* in that there is agreement that the scale and magnitude of providing a repairs and maintenance service is substantial. Moreover, a further dimension is introduced by linking the need for repairs and maintenance to the asset value of the housing stock.

Procurement Law

Having identified the vast levels of expenditure on repairs and maintenance service, it is appropriate to see how these are actually procured.

Morrish (2005) provided a critique of the EU Procurement law and its application to social landlords. Morrish set the context of the Directives by saying;

“The purpose of the directives is to remove national barriers to the supply within Europe of goods, works and services to the public sector and to help ensure those bodies embrace the best procurement practices to achieve the lowest cost of purchase from the best source of supply across the European Community. The public sector in the EU spends around 720 billion Euro (£560 billion) on supplies, works and services and places thousands of orders and contracts each year”.

(p. 1)

One of the ‘procurement barriers’ noted by the Audit Commission (2006) in relation to repairs and maintenance services, is the consequential impact that the acceptance of the European Union (EU) Procurement Directives² have application to registered social landlords. Bird (2004, 14) noted that ‘Contracting Authorities’ are *“any corporation established for the purpose of*

² The Public Works Contracts Regulations 1991 – Statutory Instrument (SI) 1991/2680 implementing the Works Directive 93/37/EEC;

The Public Services Contracts Regulations 1993 – SI 1993/3228 which implemented the Services Directive 92/50/EEC;

The Public Supply Contracts Regulation 1995 – SI 1995/201 which implemented the Supply Directive 93/36/EEC.

meeting needs in the general interest". The Housing Corporation, a governing body in the sector, accepted on the 10th September 2004 that Housing Associations meet the definition of a Contracting Authority. Collins (2005, vii) noted that this acceptance by the Housing Corporation was *"regrettable and is based upon an incorrect reading of the procurement Directives"*.

Collins (2005) also notes that before taking steps to procure repairs and maintenance services, Registered Social Landlords need to assess if the EU Procurement Directives do apply by adopting a 'precautionary principle'. It is not evident if this assists or contributes to the aforementioned procurement barriers. Vickery (2005, 7) states that RSLs have *"a positive obligation to observe and comply with the EU principal of 'transparency'"*. Vickery (2005, 9) goes on to note that whilst there is leading case law *"Telaustria"*³ underpinning this view, and that *"few RSLs adhere to the requirement of opening up the market by advertising to ensure impartiality in the procurement process"*. Both Collins and Vickery identify that in their view, social housing sector is potentially leaving itself exposed to claims and challenges to the award of contracts, due to ineffective procurement. This is further debated by Collins by identifying from what source a potential challenge may emanate and, if a challenge does occur, what strategy the registered social landlord should consider adopting. Morrish does not appear to take the same stance as Collins and Vickery, but advocates a more pragmatic view by saying;

"Value for money is best served by a common sense approach to the legislation. This must be tempered with the need to protect your organisation from the severe financial penalties of non-compliance, without creating bureaucracy. The most appropriate policy should be to implement the rules and obtain the benefits, but with the minimum cost and disruption to your operations".

(p. 1)

Hitchin (2006) takes the view that whatever historical stance Contracting Authorities have adopted in procuring services, supplies and works, there will need to be a step change in approach following the decision to implement the common law case of *'Alcatel'*⁴ into the Directives. Hitchin comments that *"this*

³ *Telaustria Verlags GmbH and Telefonadress GmbH v Telekom Austria AG* - Case C-324/98

⁴ *Alcatel Austria AG v Bundesministerium fur Wissenschaft und Verkehr* – Case C-81/98

will lead to more red tape and a lack of clarity making the process of compliance more challenging" (p. 135). If Hitchin's comments are correct, the question remaining is, does this make the Audit Commissions cited procurement barrier even more significant? The literature reviewed appears silent about this.

Collins notes the potential impact of the new Procurement Directive⁵, which was adopted by the European Parliament and Council in 2004 and implemented in the UK on the 31st January 2006, by the Public Contracts Regulations (2006). Collins (p. 63) noted that *"this new legislative package consolidates and updates the three existing Directives regulating the procurement of works, supplies and services by the public sector (including RSLs). It also introduces new provisions reflecting developments in public procurement since the existing Directives came in to force"*. Collins emphasises the application to RSLs and goes on to note that the new Regulation brings the need for a further review of procurement systems to ensure compliance with the Directives.

Foster (2002) in his role as Chair of a Government led review panel, cites six main reasons for 'ineffective' procurement. In a hierarchy of importance (i.e. the most disruptive factor leading to ineffective procurement) is the legal complexity of procurement law. Foster (p. 15) notes that *"The EU [law] regime is open to a variety of differing interpretations"*. This perception is formed by a review of twenty-five local authorities involved in procuring services across one hundred and fourteen procurement exercises, as well as a literature review. The report concludes by noting the current stance to procurement needs to change and as a precursor to this it, is likely that contracting authorities require access to *"considerable expertise in the application of putting the EU Directives into practice"* (pg 22).

It is apparent that from a review of the literature there is common agreement that the application of the EU Procurement Directives have had an impact

⁵ Public Contracts Regulations (2006) implementing the Consolidated Procurement Directive (2004/18/EC)

upon the effectiveness of procurement. It is also possible to discern that the majority speak in favour of adopting a policy of strict compliance. Morrish is the exception here and tempers strict adherence with the need for pragmatism. Morrish attempts to legitimise his advocacy of not strictly adhering to the rules by noting that;

“The public sector in the EU spends around £560 billion on supplies, works and services and places thousands of orders and contracts each year. The European Commission views the application of Community Law in Public Procurement as a priority but has only taken action in just over 130 cases of infringement”.

(p. 3)

Regulation and Performance Management

Repairs and maintenance services underpin many of the Regulators statutory performance standards and indicators. It is worthy of noting at the outset that the role of the Housing Corporation, who is both a regulatory and governing body, has changed its focus in recent times. Until 2004, the Housing Corporation undertook regulatory inspections and audits within the housing association sector with the Audit Commission undertaking the same process for local authorities (including ALMOs). The operational regulation and audit is now undertaken by one single body, the Audit Commission.

Morris (2005) stated that repairs and maintenance functions feature in eight of the eleven ‘Best Value’ performance indicators. Morris noted that the *“extent to which social landlords provide an integrated repairs and maintenance service, will have a significant effect on their ability to raise private finance”* (p. 28). A connection is made from being seen to deliver repairs and maintenance services within a best value regime and to the ability to have access to funding from lending institutions.

Morris further notes that with the advent of best value as well as modernised procurement approaches, there is a change in emphasis to assessing where the repairs and maintenance service currently is in terms of performance and where it needs to get to in terms of improving to mirror the performance of peer organisations.

Benchmarking has become a widely used process within the housing sector and particularly within the repairs and maintenance services. Crane (2000), in his role of Chair of *Rethinking Construction*, provided a definition of benchmarking “*this is a systematic process of comparing and measuring the performance of your key business activities against those of others*” (p, 2). Crane further expands upon this by noting having benchmarked “*you can use the lessons learnt from the best to make targeted improvements to your business*” (p, 2). Helpfully, further definition is provided on the theme of benchmarking by Walters (2004, p. 6) who said that the use of “*key performance indicators [KPIs] is a measure of a process that is critical to the success of an organisation, project or service*”. This is helpful in identifying benchmarks and KPIs as it is clear from Parkin’s comments (2005) that there is a temptation to collect benchmarks and KPIs on a plethora of headline and discrete service areas. This is without understanding the value this has in terms of the potential to improve the service. By using the definition offered by Walters, it is evident that the measures reviewed need to be ‘business critical’ in order to have the potential to impact.

Treanor (2003) provided a ‘hierarchy of benchmarks’ to use in the review and performance improvement of repairs and maintenance services within the social housing sector. Treanor advocated the need to synthesize contextual data, such as property ‘types’ with how services are currently delivered. The focus on types was to take account and to acknowledge the fact that historically local authorities and some housing associations who had taken a large scale voluntary stock transfer from a local authority, tend to have a varied stock portfolio to include ‘non-traditional’ forms of construction (e.g. the Wimpey no fines construction). Treanor was of the view that it would be important to take this into consideration when looking at cost drivers and general performance measurements so that statistics were not inadvertently distorted by this. Moreover, the need to assess how the service is delivered was deemed important as the use of a ‘Direct Labour (or Services) Organisation (DLO) is a feature in a number of social landlords. To compare a DLO, which is in effect an in-house repairs and maintenance service provider,

to that of an external contractor has the potential to distort the outcome of the benchmarking.

Williams (2004) noted that in forming a view on the repairs and maintenance services, a *“balanced score card criteria should be adopted”* (p, A-17). Williams draws on the research undertaken by Kaplan and Norton (1996) and identifies with the themes and conclusions of Morris, Crane and Treanor in that measuring performance needs to be output focused and the issue being measured needs to be of significant and not of incidental importance. However, Williams has taken this a stage further by seeking to bring together key performance measures, which have the potential to either counteract each other or where there is no linkage. Williams provides a useful example by seeking to measure both quality and cost aspects on a maintenance project. The example score card identifies some element of tension between the variables of quality and cost and the impact this has to an outcome performance measure. Williams concludes by summarising that a

“balanced score card is a strategic framework for action and that in designing the service for improvement, focus upon just one performance measure is unlikely to generate sustained improvement”.
(p. A-49).

This part of the literature review shows a ‘common thread’ of agreement on what constitutes the service provided and potential obstacles to ‘successful’ performance. This also shows that there is agreement that delivering repairs and maintenance services consistently well is a fundamental and ‘business critical’ issue to the social landlord.

It is evident that there are some areas of divergence of opinions, particularly on the impact of the EU Procurement Directives and the application thereof. Whilst obstacles are noted, there are gaps of understanding as to what is causing the obstacles.

3. MODERN APPROACHES

Procurement

Thomas *et al* (2005) defines procurement within the social housing repairs and maintenance sector as

“encompasses every aspect of the purchasing process from determining the needs for goods, works or services, to buying and delivering in order to help achieve an organisation’s key objectives and outputs.”

(p, 57)

Thomas *et al* further expands upon the definition by stating *“Purchasing is central to the management of any operation, it will require a multi-faceted approach, providing local solutions to local needs”* (p, 61).

Walters (2004) defines the term ‘procurement’ by having a far broader meaning than that of ‘purchasing, buying or commissioning’. *“It is about securing services and products that best meet the needs of users and the local community in its widest possible sense”* (p, 9).

Whilst Thomas *et al* and Walters define ‘procurement’ in a different manner, both see the process of procurement meeting a need or providing a solution to such.

Procurement Strategy

The Audit Commission noted:

“not all organisations inspected by the Audit Commission had a procurement strategy in place which covers responsive and planned repairs. As part of the inspection and self improvement process, the Audit Commission will expect that a housing organisation has an effective procurement strategy in place”.

(2006, 11)

Trimmer (2003, 3) defined procurement as *“procurement in the context of property development, regeneration and maintenance services is the activity by which a housing provider obtains its buildings and properties taking account of price, quality, time and sustainability to deliver overall best value”.*

This is potentially an important definition. It is not only set within the context of construction works within the social housing sector but also identifies the need to achieve best value.

There needs to be a common understanding as to what constitutes an 'effective procurement strategy', as the literature review shows this is a term frequently alluded to. In an attempt to answer this, reference was made to an influential government sponsored review into local government procurement, produced by Sir Ian Byatt. This established what 'elements' should be included in a procurement strategy, as noted in Table 1 below:

Table 1 Elements of a Procurement Strategy

General procurement principles and methods
Updated information on the procurement activities of the organisation
The strategic aims of the organisation and their relevance to the procurement activities
An analysis of key goods and services and their costs
Information of how goods and services are purchased
Details of current contracts with renewal / replacement dates
Recent and planned Best Value / service improvement reviews
Future procurement exercises anticipated by the organisation
The performance of key suppliers
The structure and performance of the procurement function
Skills and training needs
Issues of probity and good governance

(Source: *Delivering Better Services To Citizens* (2002))

Having reviewed what both Byatt and Trimmer state should be integral components of a procurement strategy, it is evident that there is some divergence of opinion. Byatt has defined procurement in a more general and strategic sense whereas Trimmer has applied a more specific and operational perspective. This may well explain the differing emphasis taken.

Lorraine (2002) favoured an approach based on 'smart procurement'. This was defined as having four interrelated stages of initiating options, selecting contractors, implementing the objectives and monitoring. The framework

identified by Loraine is interesting as it appears to adopt a holistic end-to-end review process, as opposed to focusing on the process of identifying the 'business case' and then selection of a contractor(s). Loraine offers, in support of the framework, four models to further expand on the four concepts. Loraine also notes the need to set the entire process within a continuous improvement regime. Whilst many authors mention continuous improvement, Loraine appears to place a greater emphasis upon this and sees this as fundamental to achieving effective procurement.

Pryke (2004) produced a resume of approaches used to model procurement strategies. This noted that there are three principal categories: task dependency, structural analysis and process mapping. Pryke's contention was that the aforementioned models would be used to provide a basis to understanding the procurement approach. The three approaches are further defined in Table two:

Table 2 Empirical approaches to model the Procurement Strategy

Approach	Definition	Researchers
Task dependency	Find out how the systems works, the function of its different parts, their interrelationships with each other, the main centres of control and co-ordination and what information is necessary for this control to be exercised.	Higgin and Jessop 1965 Tavistock Institutes study of the UK Construction Industry
Structural analysis	Places emphasis upon the contractual relationships existing between firms in the project coalition.	Bennett 1991 Masterman 1992 Turner 1997
Process mapping	Cognitive mapping and flow charts have been used to process map differing approaches to procurement.	Jones 1980 Turner 1997 Franks 1999 Walker 2002

Pryke used the work of previous researchers to define the three key areas. However, Pryke is alone in defining the three key criteria as ingredients that a procurement strategy needs to contain in order to deliver its stated objectives.

Hodgkinson (2001, 83) takes the view that *"successful procurement in public sector construction starts with clarity of thought and precise articulation of needs"*. This is further supported by noting that *"management theorists have*

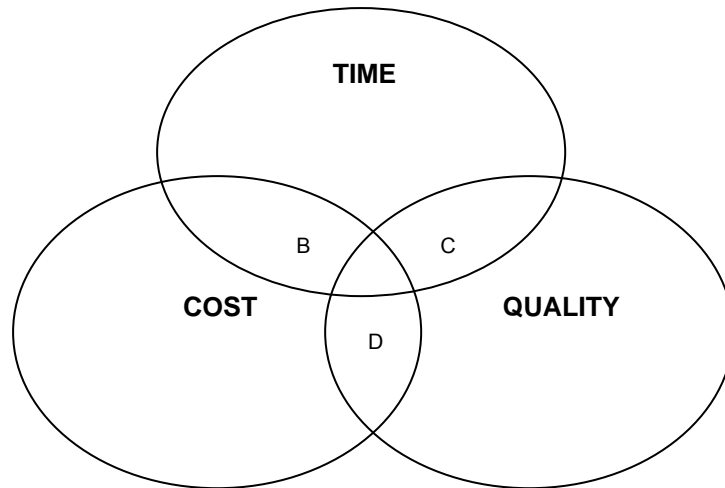
long advocated the necessity of continuous improvement if a business is to survive. Best Value imports this need into the public sector” (p. 83).

Literature suggests that there would appear to be a high emphasis placed on using Best Value to achieving ‘successful procurement’.

A further interesting dimension is noted in the journal paper of Hudson, B. Hardy, B. Henwood, M. Wistow, G. (1999) which debates the value and efficacy of identifying ‘procurement barriers’ within the procurement strategy. The contention is to identify ‘high level barriers’ noted as *“structural, procedural, financial, professional, cultural and matters of status and legitimacy”* (p.239). Whilst many of the potential barriers are self defining, it is not clear as to what ‘matters of status and legitimacy’ means in the context of a procurement strategy. Notwithstanding this, the concept of identifying barriers to ‘successful’ procurement within the strategy has been accepted by many. Notably the Strategic Partnering Task Force (2003), an organisation sponsored by the Office of the Deputy Prime Minister, defines barriers as a key stage of strategy development.

Construction Procurement Primary Variables

Document One noted the apparent tensions of the construction primary procurement variables of time, cost and quality. The Construction Best Practice Forum (2002, 2), debate the *“interdependence of the primary criteria of time, cost and quality”*. They go on to define what time, cost and quality is within a construction context and the tensions that are created by clients wanting *“high quality, built quickly and at a low price”* (p.2). Whilst this is evidently focused on new build construction activity the report debates the potential long term impact of an ineffective balance of the variables, leading to greater maintenance liabilities and reduce life cycles of key components. The report is summarised by noting the optimal balance will alter for each client and will frequently be based on two priorities (*as defined by B, C and D below*), but it still must encapsulate all three key areas, even if one is to a lesser extent:



(Source: *Construction Best Practice, Introduction to Procurement, 'The Interdependence of Primary Criteria'* 2002)

Support for the above was noted by the Scottish Executive (2002, 31) *“most clients have good and bad experiences of a number of procurement options. Time, cost and quality criteria should be prioritised to identify the most relevant procurement route”*.

Baily (2002) provided further focus on the long term implications of a potential imbalance in the primary variables. Baily formed the link of low cost of construction (i.e. a cost focused agenda) to an *“increased maintenance liability of the organisation and increased running costs to residents”* (p. 5). The importance of this statement appears to be the identification of a ‘consequential’ stakeholder due to the desire to drive down costs to a level that long term sustainability is reduced. Baily concludes by endorsing a move to an *“overall value approach”* (p.5). This is intended to avoid too much focus on one variable, to the potential detriment of the others. Mafi took the view that it is circumstance and responding to pressures that can influence this, which supports Baily’s contention. Mafi (2006, 24) commented *“often it can be seen that the delivery of a job starts to run late, so resources are increased. The net result is that time gets reduced but costs go up”*. Mafi goes on to note that in order to provide simultaneous improvement across the variables without the inevitable trade-off, there needs to be *“a continuous flow without any disjointed phases”* (p.24). This is an interesting concept, as the repairs

and maintenance sector is all about doing 'more of the same' but in differing locations. It also raises the potential theory that partnering has more long term value in a repairs and maintenance context than any other sphere of the industry, due to the repetitive nature of the processes.

Procurement Routes

There are a number of established industry recognised procurement routes. These are interchangeably referred to as 'procurement models' or 'contract strategies'. Nicholson (2000) notes that *"there are two types of procurement route, namely, adversarial (established) and co-operative (modern)"* (pp 2-371 to 2-384).

Adversarial – a definition

The adversarial route is also referred to as 'Traditional'. Cox and Clamp (1999) differentiate Traditional from Modern as *"an approach that separates the design from construction that has been used for the best part of two centuries, from around 1800 up to the late 1960's"*. (p, 23). Jones (2001, 15) noted that *"traditional based procurement was much favoured in the social housing sector. It provided a framework that was well understood by the client and even better understood by the contractor. The process was also favoured by the regulator"*.

Perhaps one of the clearest of definitions is that offered by the Royal Institution of Chartered Surveyors (2003) *"traditional [procurement] is when the design by consultants is completed before contracts go out to tender for, then carry out, construction"* (p, 3-1-13).

Co-operative / Modern – a definition

Nicholson (2000) also provides a definition for a 'modernised approach'. *"A very different philosophy underpins co-operative / modern contracts, namely to agree the time and money effects and then to put the work in hand"* (pp 2-372). Christopher (1997) took the view that this was *"the management of upstream and downstream relationships with suppliers, distributors and customers to achieve greater customer value at less cost"* (p, 6)

Jones (2001, 15) stated that *“the move to adopting a more modernised procurement approach has gathered significant momentum within the social housing sector. The early collaboration on key stages enables better and more informed consideration of key factors”*.

Partnering

The literature shows an abundance of references on the concept of ‘partnering’, both in terms of definition and application.

The philosophy of partnering was developed by the US Army Corp in the 1980s as a way of more efficiently and effectively delivering on their engineering projects (Olsson and Espling (2004)).

Despite the length of time since its first use, Olsson and Espling (2004) go on to note that there is no agreed definition of partnering. They cite the definition offered by the Reading Construction Forum, which the literature review would anecdotally appear to be one of the most widely accepted.

“Partnering is a managerial approach used by two or more organizations to achieve specific business objectives by maximizing the effectiveness of each participant’s resources. The approach is based on mutual objectives, an agreed method of problem resolution and active search for continuous measurable improvements.”

Bennett and Jayes (1995, 2)

Barlow (1997, 8) describes partnering as *“a set of processes, which facilitates organizational collaboration and improves performance.”* Alternatively Loraine and Williams (2001: 2) explains that partnering relationships can best be defined as:

“...a relationship between purchasers and providers of goods and services throughout the supply chain. The relationship is designed to achieve specific business objectives by maximizing the effectiveness of each participant’s resources. The relationship is based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements’. Partnering is an attitude of mind based on trust rather than a prescriptive process. However, it is reinforced by a series of procedures that commit the parties to cooperation and avoidance of confrontation.”

The State Supply Commission (1998) takes a slightly differing view by stating that:

“Partnering is one of the most advanced contract management techniques, which embraces joint management, process measurement and improvement tools to achieve enhanced contract performance and customer service”

(p, 1)

The State Supply Commission is also the only organisation encountered in the review that makes reference to ‘the customer’ in their definition.

Whilst the above definitions somewhat differ, it would appear that the differences are ‘variations on a theme’. Common themes transpiring are an approach where client and contractor, taking account of their circumstances, work in a collaborative and interdependent way to achieve a high level of performance.

The ‘drivers’ for the use of partnering in the UK public and social housing sector, was promoted by two influential government commissioned reports:

‘Constructing The Team’ by Sir Michael Latham in 1994, and *‘Rethinking Construction’* by the Construction Task Force, Chaired by Sir John Egan (1998).

The Latham report noted that clients often complain that construction does not offer value for money. Latham explained that this was *“little-wonder, £700 million per annum was spent on lawyers fees, profit margins average 2% of turnover whilst 3% of turnover was wasted on ‘notifiable accidents’⁶, 40% of time is lost on reworking the first operation and as a result 45% of projects are delivered late”*. (p, 31). Considering the Constructing The Team report amounts to 130 pages, the term partnering appears scarcely. Moreover, the adoption of partnering is noted as being *“sought through competitive tendering process and for a specific period of time”* (p, 62). This does appear somewhat out of kilter with the general perception of partnering. The report

⁶ An incident causing an employee absence from work of three or more days (HSE)

adopts a more 'mechanistic' review, focusing on the need to review systems and processes as opposed to a more 'organistic' / philosophising view.

In his opening statements, Egan (1998) said that *"the UK construction industry at its best is excellent, nonetheless, there is deep concern the industry is as a whole under-achieving"* (p,7). Egan went on to further analyse the low profitability, too little capital investment, research and development and training. In forming views on what stance the UK construction should take, as an alternative to the traditional approach, Egan highlighted the 'new criteria for the selection of partners' as:

"This is not about lowest price, but ultimately about best overall value for money. Partnering implies selection on the basis of attitude, to team working, ability to innovate and to offer efficient solutions".

(p,32)

Both of the above reports contain a high degree of synergy. They both call for radical changes in favour of minor modifications. Egan summarises the change needed by saying *"we are not inviting the construction industry to look at what it already does and to do it better: we are asking the industry to join with the Government and with major clients to do it entirely differently"* (p.40).

The Perception of Partnering

In a presentation of research findings, Flanagan (2002) asserted that *"Partnering is not a procurement route, but it is a managerial approach of the supply chain comprising of three essential elements; problem resolution, commitment to mutual objectives and continuous improvement in process"*

Wood (2004) noted that whatever the definition of partnering, the 'aims' of partnering are to *"achieve specific business objectives by maximising the effectiveness of each participant's resources"* (p,7). Wood draws some conclusions from a literature review which notes that:

"much of the literature tends to concentrate on success stories. These are largely anecdotal and focus on the experiences of exemplar organisations. The weakness lies in overlooking the importance of social and psychological issues associated with the application of partnering" (p, 9).

Included in the literature review of Bresnan and Marshall (2002) is the notable conclusion that:

“the literature is replete with case study examples of successful partnerships and alliances. However, there is less critical analysis of sufficient empirical depth examining the nature of partnering in practice and whether the claims made for it are consistently justified”
(p, 497-505)

Bresnan and Marshall go on to state that *“there is an inclination to gloss over the harsh economic realities of commercial buyer / seller relationships”*.

Bresnan and Marshall are not alone in expressing some concerns. Fisher and Green (2000, 58) state that *“the case for partnering can be found in the literature, but more recently concerns have begun to emerge.... The case for partnering is weakened by the lack of rigorous, verifiable evidence to support the claims made”*. This does appear to be a fairly ‘strong’ statement, but it is made in the knowledge of a literature review spanning the first ten years of partnering in the UK construction industry. Mafi (2006) noted that there is an emerging and increasing cynicism into the use of partnering. This was summarised by *“many feel it’s [partnering] an excuse to provide group hugs between the client and the contractor, while at the same time stabbing each other in the back”* (p, 24).

Knowles (2006) takes a slightly differing tack by debating the risk of partnering without a sufficiently robust and binding contract to support this process. Knowles states that *“the arrival of partnering heralded a new dawn. Voices were raised preaching the dogma that partnering is all about relationships and a contract is an unnecessary appendage to the whole process. This is about as sensible as engaging in a game of cricket or football without any rules”* (p, 68).

The literature review indicates that not only is there no universally accepted definition of partnering, there are conflicting views on if this is a form of procurement strategy or just a system of implementing such. Moreover, there is an emerging view that whilst the theory of partnering is both well stated and positive, there is a lack of demonstrable evidence to show that it can achieve

its stated objectives. Wood (2004, 1) makes a further interesting comment by saying “*partnering is considered to be a radical departure from conventional approaches to procurement in the UK construction sector, but may be difficult to integrate within a traditionally adversarial environment*”. Wood forms his view on the basis of semi-structured interviews with ‘senior figures’ from the industry. The findings show that irrespective of ‘systems’ and procedures, it is affecting culture and behavioural change that is required.

Partnering elements

Tsang (2002) recommends the use of performance-focused contracts where, instead of specifying to the contractor when and how maintenance tasks should be performed, the contract specifies the required performance in key areas. Under these contracts it is the responsibility of the external supplier to specify how and what work should be done. These contracts provide performance linked financial incentives to encourage the supplier to undertake investment in their staff, processes and technology and so improve the service. Tsang goes on to state that the contracts should have the following elements:

Use of performance indicators linked to the client’s business plan and regulatory requirements.
The locating of the contractor’s staff and field technicians in the client’s premises (this obviously has implications for the client’s staff that previously carried out these roles).
Shared use of the same maintenance management information technology system to process jobs and financial transactions.
Clauses that reward good performance with contract extension, and penalise continued poor performance with early termination of the contract.”

Tsang (2002, 45)

Barlow (1997) proposed for ‘successful’ partnering that trust between client and contractor(s) is essential due to the interdependence created by the partnering relationship. The failure of trust or absence in the first instance is fatal to the culture required. The ‘right personalities’ who can bring a constructive approach to the partnering exercise and in order for partnering to

succeed it may be necessary to replace individuals who fail to contribute positively. Openness in communication between client and contractor and an organisational culture that encourages learning. Effective team building between client and contractor with the support of senior management in both the client and contractor being prerequisite 'ingredients'.

Cheng and Love (2000) stress the importance of partnering relating to the overall corporate strategy of the client organisation. They go on to state that it is also important for the client to identify potential organisations with which it will partner in order to ensure a 'cultural fit' between the client and contractor, which is necessary for partnering to be effective. It is interesting to note that Cheng and Love specifically avoid using the desired outcome that Barlow does, i.e. 'successful' and replace this with 'effectiveness'. The view here is that effectiveness should be more amenable to objective measurement in terms of outputs; success has a high degree of ambiguity and not as receptive to being measured in the same manner.

Rhodin's (2002) summary of partnering success elements is shown in Table 3.

Table 3: Rhodin's partnering success elements

Process	Structural element
1. Common goals	Partnering charter (goals, norms)
2. Conflict resolution	An established structure for conflict resolution
3. Design construction	An established structure for design integration
4. Evaluation and continued improvements	An established structure
5. Teambuilding	Organisation (roles, relations, leadership, power)
6. Purchasing	Contract conditions
7. Relations and trust	Expectations (norms, roles, relations)

(Source: Olsson and Espling (2004))

Having defined what success is, Rhodin goes on to suggest the following partnering 'process elements':

*An equal flow of information between the client and contractor.
The use of a partnering facilitator to develop the partnering arrangements.*

The use of adequate contract terms that set out the expectations required from the partnering arrangement, equal allocation of risk and profit, and method of conflict resolution.

Formation of a steering group between the client and contractor to oversee the partnering arrangements.

Formation of a cooperation group between the client and contractor.

Formation of a group that will meet every week to review the operation of the partnering agreement.

Continuous relationship and trust building/monitoring between the client and contractor.

Evaluations and continuous improvements of the partnering arrangements.

Olsson and Espling (2004) propose similar success elements to Rhodin (2002) but add:

The commitment of top management.

The development of an agreed partnering charter by the client and contractor.

A strategy for involving all personnel in the client organisation; especially frontline staff.

Sako (1992) contrasts partnering arrangements with traditional 'arms-length' contractual relationships. Sako notes that in traditional contracts problems are resolved with reference to contractual terms, "*where the contract may be insufficient the contractor will use such circumstances as an opportunity to make additional charges to the client*" (1992, 104). In partnering arrangements, Sako states that such situations would be resolved by both parties working together applying a 'fairness code'. Sako describes trust between companies in the following way.

"Trust is a state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually acceptable manner."

Sako (1992, 106)

Sako goes on to differentiate between three kinds of trust:

"Contractual trust – keeping one's promises.

Competence trust – performing to the standard expected.

Goodwill trust – a willingness to do more than what is formally expected".

The author has placed a significant and almost exclusive emphasis on cultural and behavioural factors. This stands out from the other literature reviewed by the sheer degree of emphasis. It is also worthy of noting that Sako's 'Fairness Code' is not found or referenced in any other literature, although this could be due to nothing more than terminology.

Research funded by the Department of Trade and Industry (DTI) and undertaken by the Building Research Establishment in 2005 noted that the 'transaction cost' of undertaking repairs and maintenance is a significant area for improvement. Prior (2005, 8) noted "*the benefits of partnering include the greater efficiencies that come from repeatedly carrying out the comparable maintenance tasks*". The research project claims that out of the total value of all repairs and maintenance work let on a traditional basis, only one third is spent on the actual task of repairing with the other two thirds on administration processes and other transactions. Having identified the transaction cost of a traditional approach and the theory of being able to reduce this by partnering, it is apparent that no cost saving was identified to support this contention. In an attempt to research this area further, I noted the work of Baker. Having assessed a number of case studies from the repairs and maintenance sector of the construction industry, Baker (2002, 19) quantified "*that for every £100 expended in the case studies, £58 of which was for non value adding support services. By including the client costs of administering an invoice, the proportion of the total cost for actually carrying out the repair is only 35%*". This supports the contention made by Prior that in the region of only 33% of total expenditure is spent on the actual repairing function. The review by Baker made an assessment of the potential value of partnering within the same context. Baker noted that "*it should be possible to achieve savings from partnering up to 40% of existing costs*" (p. 21). However, there does not appear to be an evidential base to this 40% figure. There is no rationale as to how it has been arrived at. Accordingly, from the literature review, it remains not possible to robustly quantify the direct or indirect financial value of partnering within repairs and maintenance in terms of reducing transaction costs due to repeat processes.

The context of partnering in repairs and maintenance of the social housing sector

Wood (2006) undertook a research project aiming to quantify, via a 'representative sample', what proportion of the social housing sector procures repairs and maintenance services traditionally or via partnering. The conclusions identified were that 56% of social housing landlords still procure a traditionally tendered procurement route. A further 21% procure services by utilising an agreed rate for time and materials, 11% have a negotiated agreement in place, 6% have no nationally recognised procurement process but maintain a 'historic' approach and 6% have entered into partnering arrangements as a method of procurement.

Interestingly, it is noted that Mathews (2005) believes the 'driving force' is that it is not purely down to regulatory expectations as to why there has been a greater interest in partnering in the social housing sector. The drive for improved quality in all services provided by the social housing sector has led to reviews of how repairs and maintenance services should be provided. As noted previously, housing associations have traditionally outsourced housing maintenance work to external contractors. Tsang (2002, 37) argues that the potential benefits of outsourcing maintenance contracts "*lower costs for the client and more efficient and effective work are rarely realised*". Tsang (2002) attributes this 'non-realisation' to:

"the use of contracts that are task rather than performance focused, an adversarial approach between the client and contractor where each party tries to minimise their respective costs. This leads the client to award contracts to the cheapest contractor and contractors to minimise their investment in their staff, processes and technology in order to keep their costs low. This usually results in a poor service to the client and to the end-user".

(p, 42)

Ford (2003) analyse the economic correlation that organisations have with their suppliers in terms of relationships costs and benefits. This analysis is shown in Table 4 below.

Table 4: Relationships Costs and Benefits

Relationship costs to the organisation	Relationship benefits to the organisation
<ul style="list-style-type: none"> ▪ Direct procurement costs ▪ Direct transaction costs, i.e. costs arising from specific transactions with a supplier. ▪ Relationship handling costs, i.e. the costs of adapting processes etc in order to work with the supplier. ▪ Supply handling costs, e.g. communication links and administrative systems”. 	<ul style="list-style-type: none"> ▪ Cost benefits, i.e. reduction in costs in other areas of its operations than in the relationship with the particular supplier. ▪ Revenue benefits, i.e. the benefits from a supplier that result in an enhancement of the revenue-generating capacity of the firm. For example for housing associations this is synonymous with improved overall tenant satisfaction with their landlord arising from the work of external maintenance contractors

Source: Ford (2003)

Ford cites previous research, which advocated that organisations should adopt a low involvement (in terms of relationship) approach to dealing with suppliers. The arguments for this low involvement are said to be:

*“Low relationship handling costs.
Facilitates the use of a number of suppliers in order to overcome the risk of poor performance by any one supplier.
Prevents the organisation from being ‘locked in’ to one supplier.
Encourages price competition between potential suppliers”.*

Ford (2003, 219 - 221)

The position is further debated that the low involvement approach with suppliers is characterised by an adversarial relationship with suppliers. They explain that the low involvement approach to supplier management is appropriate where the service required from the supplier is clear and when there are a number of potential suppliers available. Holloway (2003) comments that in the case of housing repairs, it is often the case that what the external maintenance contractor is required to do is not clear to the housing association. This is because the need for a specific housing repair is often identified by the tenant, who is unlikely to be technically trained (in terms of housing maintenance).

Ford states that in contrast the high involvement approach to managing suppliers is about generating benefits from these relationships. The

organisation aims to improve its operations in the long-term by working in a more co-ordinated way with suppliers. The parties to a high involvement relationship work collaboratively, making the necessary adaptations to reduce the overall costs of the relationship. Ford warns that high involvement relationships are costly. Therefore and in conclusion, high involvement (and by extension partnering) approach should only be undertaken when the increased relationship costs are outweighed by the potential relationship benefits.

The above analysis offers a differing perspective on partnering than most other authors. The divergence appears to move away from the more traditionally held views by using economic benefits as a means of differentiating cost and benefits to the 'relationship'.

Loraine and Williams (2001) argue for the use of formalised partnering arrangements between housing associations and maintenance contractors. This is against the advice of earlier partnering pioneers in the United States who argued for informal and non-contractual relationships between client and contractors, presumably based on trust and mutual understanding. However, Loraine and Williams argue that the use of contracts provides clarity as to the aims and desired outcomes of the partnering arrangement. They advise that partnering arrangements should normally be based on a partnering charter or partnering agreement overlaying a standard form of contract.

Loraine and Williams (2001, 52) set out the apparent 'value' that the partnering charter should have and sets out the key areas of *"better customer service and improved value-for-money through improved performance management"*. They go on to state that:

"the partnering agreement sets out the amendments to be made to the standard building contracts, communications and information exchange arrangements between the parties, dispute resolution clauses including termination of the contract, specific partnering roles and contract payment and reward (e.g. profit sharing mechanisms)".

Loraine and Williams (2001, 52)

In long-term relationships Loraine and Williams state that “*bespoke partnering contracts*” (p, 54) can be used instead of partnering agreements and standard building contracts. The rationale offered for this is that the use of contracts facilitates the tendering of partnering maintenance contracts in a manner consistent with European Union Procurement Directives.

The emerging issues for this particular piece of research indicate that partnering, as a generally accepted concept of modern procurement, has not ‘enjoyed’ the level of attention that partnering in new build or major refurbishment appears to have done. Simpson (2005, 115) states that “*progression on partnering within repairs and maintenance areas of activity in social housing has been slow*”. The reasons Simpson offers for the assumption are noted in Table 5:

Table 5 Barriers to Partnering in Repairs and Maintenance

Suitability to find suitable contractors – larger contractors seek higher profit margin contracts, smaller contractors are unable to build up organisational capacity to secure contracts;
Meeting the challenging requirements set by finance and internal audit functions – Systems and process work against adopting new procurement routes;
Lack of knowledge of the current contract documentation leading to some apprehension about adopting it – traditional use of a schedule of rates provides for common understanding, concepts of ‘open-book’ and the like are less familiar;
Lack of technical skills to determine the approach – client side capacity and capability is an obstacle to change;
An historic mistrust of contractors – Repairs and maintenance contracting in social housing has suffered some high profile failures that have led to a culture of mistrust

From a review of the social housing sector specifically, it is evident that there is much debate on the theoretical application of partnering. It is equally evident that there are gaps in being able to draw credible conclusions based on robust research of the practicalities of implementation, both positive and negative.

4. THE CLIENT

The Public Sector client

The conclusion from the preliminary literature review in Document One was that the area for review was the 'role of the client' as opposed to merely defining who the client is. The *Rethinking Construction* report is one of many reports to identify the role of the client and to establish 'Drivers for Change', which are "*committed leadership, a focus on the customer, integrated processes and teams, a quality driven agenda and commitment to people*" (pp 16-17). The British Property Federation (1997, 11) survey of major UK clients noted that "*more than a third of major clients are dissatisfied with contractors performance*" although no analysis was undertaken on what role the client has in facilitating the process. Latham (1994, vii) stated in his Executive Summary that "*implementation begins with the clients*". The National Audit Office (2001: 1) stated that "*the client should be at the core of the construction process*". The above signifies that not only is there significant client dissatisfaction but it is the view of some notable industry reviews that the client has to take a lead role in achieving the desired output.

Fisher and Green (2001, 58) note that the culture of the public sector client "*is based upon the idea that one-off competitive tendering is the safest way to get value for public money*". The inference that this client activity is countering the effect and potential value of partnering by the clients apparent desire to tender.

Jackson (2006) noted that many clients claim to have adopted partnering and are keen to show stakeholders that they have adopted best practice. Jackson believes this leads to a 'tick in the box' mentality. This culminates in not embracing the required change in culture and is light-heartedly summarised:

"if the client does not share information on long-term programmes, budgets and initiatives, how can true collaboration take place? All too

often, the client is sticking to the traditional fare of roast pork and pudding while expecting their partners to eat sushi: a recipe for partnering indigestion”.

(p, 11)

Following the ‘*Rethinking Construction*’ report, a follow on review was undertaken, again under the Chair of Sir John Egan. In the resultant report, *Accelerating Change*, it is notable that there is significant emphasis placed upon ‘the client’. In particular, it was noted that 40% of construction clients are from the public sector. Egan noted the need for the client to become more proactive and to adopt a more integral role. In a critique of *Accelerating Change*, Curry (2002, 19) noted that “*partnering principles have caused alarm amongst smaller housing providers. This [Accelerating Change] report will provide further discomfort for some, as it challenges the remote clienting of contracts that is frequently observed*”.

The literature review could potentially be seen to be somewhat contradictory on the role of the client. Sullivan (2006) takes the view that the role of the client needs to be “*tempered by experience, comfort with the concept of partnering including risks and are prepared to invest adequate resources*”. (p. 10). The inference here appears to be based on the need of experience and the lack of this may well mean the client adopts an alternative strategy to partnering. It is hard to see a correlation between Egan and Sullivan on the clients input.

Cantle (2001, 14) notes that “*defining the clients role is not straight forward in local authorities as it is in other construction projects*”. In support of this statement, Cantle notes that “*many apparent clients are client representatives on behalf of a client department*” (p, 14). However, with the advent and legal duty on local authorities to secure ‘Best Value’, Cantle comments that construction clients must be able to demonstrate added value. This may go some way to explaining the differing views. Cantle notes the apparent tensions as well as noting the more recent move to ‘adding value’ to the process.

Reader (2001) noted that the repairs and maintenance sector of social housing had seen a *“significant change in emphasis afforded by the client. Gone are the days of having a checklist approach and a move to becoming part of the delivery process is evident”* (p, 3). Reader takes the view that the change in client role was instigated by the more *“holistic asset management role that [social] housing providers are now undertaking”* (p, 5).

In the UK Government White paper (1995) this states the need for what has become a widely used term of the ‘intelligent client’ (sometimes interchangeably referred to as the ‘informed client’):

“An intelligent client with well defined objectives and needs and a clearly identified project sponsor are critical to success. The possession of relevant skills, particularly for the project sponsor are critical”

(Command 2840 May 1995).

The Office of the Deputy Prime Minister (2006) undertook a piece of research to evaluate the local authority procurement agenda. The conclusions of this noted the need for strong leadership and client commitment. It also noted the lack of client ability to effective procurement as the single biggest cause of concern. This was further expanded upon by the lack of investment in modern procurement systems was linked to lack of staff ability.

Pryke (2004; p 32) summarised key findings of procurement research by noting that *“partnering could lead to inferior value for the client unless it is used as a platform from which rigorous supply chain management takes place, managed by a powerful central actor. This central actor needs to be the client organisation”*. The conclusion was informed by assessing four case studies, both public and private sector clients. Two case studies involved traditional procurement and two involved ‘new’ procurement approaches. This appears to introduce a further ‘barrier’ to the role of the effective client.

The literature review indicates the role of the client is potentially in a state of conflicting priority. Rasmussen and Shove (1996) suggest that there is no

easy solution based on exhortations to act in ways that fly in the face of powerful economic imperatives and well-established traditions.

The Audit Commission (2006) have noted further procurement barriers as that of 'client capacity' and 'organisational culture'. The Commission stated their view that client capacity is a barrier as:

“organisations have not been proactive to develop and resources adequately client the side resulting in unrealistic expectations of improvement, absence of a procurement strategy, unclear objectives and inflexible standing orders. Procurement is a specialised area of expertise yet housing staff can be let to get on with it and acquire the skills as they go”.

(p, 15)

This view appears to be reinforced by Sullivan (2006), who states that in relation to the role of the client, there are three key skills required before client staff should become involved in procurement. These are experience, comfortable with risks involved and prepared to invest adequate resources to manage the project.

Debating the role of the client and some of the perceived issues is not just a recent concept. As far back as in 1944, Sir Ernest Simon issued a report '*The Placing and Management of Building Contracts*'. Whilst this report is no longer in print, a synopsis is available which explores the key issues of the report and alludes to 'obstacles for the client'. Similarly, the reports by Sir Harold Emmerson (1962) and the Banwell Report (1964) cite the 'commission' role as an area for greater consideration.

In '*Accelerating Change*' Sir John Egan noted that clients still need to improve their understanding of how construction can help achieve their business needs. In order to provide sufficient emphasis to this issue, an entire chapter was devoted to the concept of 'Accelerating Client Leadership'. This also notes the negative connotations of a 'deficient' client in "*lack of clarity leading to changes throughout the delivery process resulting in waste, duplication, poor design and dissatisfaction for everyone involved*" (p, 20). This report is interesting to the body of literature because it defines what the authors believe

are the manifestations of an ineffective client role, whereas most, if not all, other texts reviewed refer to the inappropriate role without crystallising what the outcome of the inappropriateness is. *Accelerating Change* makes specific mention of the public sector as a client. Whilst some may debate the point if all social housing providers are public sector organisations, it is undeniable that they are in receipt of public funds, which is spent on construction works as well as many other items. As such and for the purposes of ‘the client’ barriers noted include financial and audit regimes, the ‘divide’ between capital and revenue streams and the lack of leadership skills appear to have application. The report debates the implication of both the EU and UK Procurement rules but doesn’t hold either of these out as a barrier, this does not concur with other notable literature sources. The report notes the need to establish a client’s framework to help foster continuous improvement in a variety of areas. This was provided for in the Confederation of Construction Clients.

Further literature which focuses specifically on the role of the public sector client can be seen in the *Local Government Task Force – Integrating Rethinking Construction* and Chaired by Cattle. In this text, Cattle offers a number of ‘potential barriers’ and ‘barrier removal’ suggestions. The divergence from other texts appears to be on the basis of this report being very much focused on systems and processes. In contrast, numerous other texts tend to offer a wider scope to include more intangible issues such as risk aversion and client culture.

Foster (2002) said that 70% of Local Authorities are having difficulties with competitive procurement and 80% have incomplete procurement strategies. Moreover, Foster goes on to summarise the principal deficiencies as “*legal complexity, risk aversion, lack of client capacity and organisational culture*” (p. 1).

Holder and Turner (2004, 29) noted that there is “*a dearth of skilled staff who actually understand the processes involved*”. They go on to state that “*People with the required skills are in short supply and not apparent in many areas of*

the public sector". Holder and Turner also introduce the need to data share between client and contractor(s) more efficiently so as to reduce process costs and to add value to the client / contractor interface. Whilst data sharing is, in all probability, implicit with other texts reviewed, Holder and Turner see the need to be more explicit in their articulation of the need. Justification for this is based upon case study reviews in which data sharing was claimed to achieve its desired objective of adding value.

A review of the literature shows that there is unanimous agreement from the texts reviewed that the role of the client is important and is often a restraining force to achieving positive outcomes. Two seminal texts; *Rethinking Construction* and *Constructing the Team*, concur that risk exposure and the role of the client are key issues. However, opinion diverges on how best to tackle this. In *Constructing the Team*, Latham is an advocate for the client reducing risk. This perception is grounded on the belief that contractors are better placed to manage and contain risk. Accordingly, the client organisation is encouraged to adopt a contract strategy that transfers risks, as far as is reasonably possible to do so. In contrast, the stance taken in *Rethinking Construction* by Egan is that risk needs to be managed by the most appropriate organisation (e.g. client, contractor, consultant etc.) but on an 'integrated project process basis'.

5. THE MARKET PLACE

Context

In 1996⁷ it was estimated that there was a backlog of repairs and maintenance work in social housing to the value of £19 billion. The Housing Green paper (2000), *Quality and Choice: A decent home for all*, [The 'Decent Homes Standard'] is leading to a substantial investment in the housing stock with the aim to negate the legacy of poor property condition. As part of this literature review and in considering the research questions identified in Document one, there needs to be consideration on if there is a body of knowledge on the potential dysfunctionality between supply and demand. This could be to identify if there is a restraining force for implementing modernised procurement due to the market being over-saturated or, in the alternative, the lack of a 'critical mass' to enable modern procurement approaches within a repairs and maintenance context. *Prima facie* it would appear that with a substantial backlog of repairs and maintenance work and the corresponding funding becoming available, there should be every opportunity to foster such a relationship.

Commercial viability

In 2004, PriceWaterhouseCoopers (PWC) produced a 'market intelligence newsletter' which took a sector wide review of partnering and procurement issues within the public sector. As part of this, a case study of a joint venture initiative with Sheffield Homes (an Arms Length Management Organisation [ALMO] of Sheffield City Council) and the Kier Group was noted. The case study sets the context for the venture along with its objectives. The review notes that the arrangement can evidence a number of significant improvements. It also noted that in order to make the business case commercially viable, the scope of the works was extended beyond repairs and maintenance to include reinvestment (defined by PWC as whole scale internal

⁷ English House Condition Survey 1996 (most recent available)

renewal of key building components). It is apparent that the totality of the work identified stretches beyond the traditional boundaries of repairs and maintenance into component renewal, as defined from literature sources in Chapter One. From this case study and the analysis undertaken by PWC, it was apparent that attempting to adopt a modernised procurement approach was only possible by increasing the scope of the contract. The review is silent upon whether this was a condition precedent to the venture or a condition that made the contract commercially viable.

Further analysis was undertaken by Turnock (2005) by assessing the increase in share dividend of some of the major contractors within the sector. Turnock noted that *“there was clear and irrefutable evidence that the injection of government funding for the [Decent Homes Standard] reinvestment has increased the market value of many of the contractors actively working in this sector”* (p. 8). Turnock went on to say that *“it is apparent that the profit margin attainable from this area of work was often in the region of 8 to 10%. In contrast to this, the profit margin in repairs and maintenance is 2 to 3%”*.

Speaking at a national conference, Hughes (2006) took the view that whilst *“the total volume of repairs and maintenance is financially significant to all of the largest contractors, the inputs required to achieve this exceed the value of the outputs”*. Hughes went on to say that *“national contractors are seldom interested in repairs and maintenance, conversely smaller contractors are struggling to build up organisational capacity, in consequence we have a very restricted supply side in the market”*. This appears to support the view of PWC and indicates that there is the potential for a ‘market tension’ between larger contractors finding potentially more lucrative contracts and smaller contractors not being able to enter the market due to capacity. Gardner (2006) was of a similar view in that market tensions or restrictions have led to the development of alternative ‘delivery models’. Gardner cited the joint venture company, noted above, but also went on to note some more recent developments which appear to be hybrids. The examples included a ‘combined work initiative’, which utilises in-house operatives to undertake the work required but is managed by an external agent and partnering on a

framework agreement with a number of small contractors. The rationale to the latter example is to circumvent the perceived problem that smaller contractors cannot build sufficient organisational capacity and, therefore, are unable to secure such works. Gardner notes that by enabling and forming a framework of a number of smaller contractors, this collectively provides the organisational capacity to resource the contract. Gardner offers this as an alternative to partnering with larger / national contractors or to maintaining an in-house team directly. In support of this contention, Gardner reflects the sentiment of Hughes in that there is a lack of case studies or examples to show utilising large contractors offers a good solution to procuring repairs and maintenance services in the social housing sector. Moreover, further synergies in conclusions concern the efficacy of maintaining an in-house team (i.e. a direct services organisation). Gardner supports this assumption by saying *“we have looked at a large range of [DSO] organisations and we have not seen an effective one yet”* (p, 9).

From the above it can be seen that there are varying approaches adopted by the sector to procure and deliver repairs and maintenance services. Some involve large national contractors whilst others use in-house teams. The gaps in the literature are, if there is an optimal model or is it a case for identifying a solution for each organisation?

Future market

Statistics show there is ongoing and substantial investment into the property stock portfolio via the ‘Decent Homes Programme’. In addressing the research questions it is apparent that some consideration needs to be given to what the future market is. Thomas *et al* (2005) makes an interesting point that owing to the investment into the property stock with substantial new component renewals (e.g. central heating boilers, windows etc.) after a relatively short life cycle, the sector needs to ‘gear-up’ for a substantially increased maintenance liability. In support of this, Thomas *et al* draws on an example of replacing a ‘traditional gas fired back boiler’ and heating system with a modern and efficient ‘combination boiler’. Thomas *et al* notes the efficiency of the new installation but also notes the life cycle renewal is shorter

with a mid life cycle refurbishment. As such, the conclusion drawn is that the overall maintenance liability of social landlords may well reduce in the near future but the trend will not continue and the liability will increase significantly and sharply over a reasonably foreseeable time span. Thomas *et al* appear to be the only literature source that considers the future market needs.

Moreover, Thomas *et al* takes what some may argue a controversial but nonetheless reasoned stance on what this could be. In assuming Thomas *et al* assertions may well crystallise, the impact to the supply side of the market and the demands on the market in the near future have the potential to be significantly higher than they are at present. Whilst Thomas *et al* are alone in this view, there are a number of views (above) that the market in its current state is unable to provide adequate resources to meet the needs of the market. As such, the current investments in the property stock could exacerbate the market tensions to a further level.

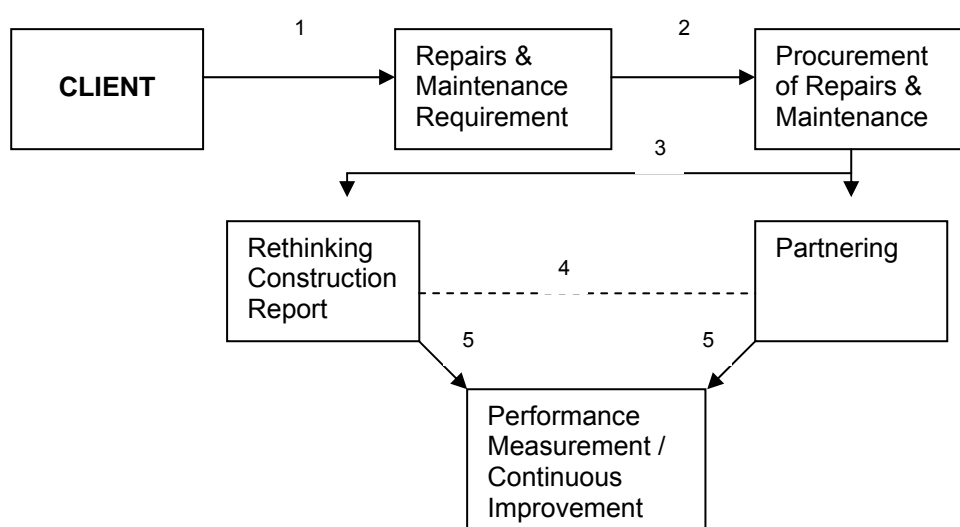
Hillebrandt (1985, 62) noted in relation to the economics of the construction industry that *“the willingness of entrepreneurs to increase their capacity will depend, in addition to expectations of demand, on profits and expectations of profit”*. This indicates that an increase in demand on the market place does not, by default; result in an increase in the market unless the profit margins are considered sufficient to make the investment commercially viable. Noted in a former chapter, are the low profit margins associated with repairs and maintenance contracts. Taking both the view of Thomas *et al* and that of Hillebrandt, the market tension of increasing demand but an already restricted supply side along with low profit potential is indicative that market forces could become a more substantial barrier to procuring repairs and maintenance services in the social housing sector over the next decade.

6. CONCEPTUAL FRAMEWORK

Preliminary Review

Document One undertook a preliminary literature review. This also identified an initial conceptual model, as reproduced below:

Figure two: Initial Conceptual Framework



Key:

1	Social Housing provider 'the client' has a need for repairs and maintenance to its housing portfolio in order to: <ul style="list-style-type: none"> d) Protect its property assets; e) As part of the service for which rental income is charged; f) To fully discharge its legal duties: <ul style="list-style-type: none"> iv) In contract law under the Tenancy Agreement; v) In public law (e.g. health & safety, statutory fitness); vi) In the law of torts under the Duty of Care 'neighbour principle'.
2	A need for repairs and maintenance derives a need to procure a service provider (i.e. a contractor).
3	In considering procurement, all Social landlords are under an obligation to consider using modern procurement approaches by the regulatory bodies.
4	High levels of synergy between the issues noted in the <i>Rethinking Construction</i> Report and that of 'Partnering'.
5	Irrespective of which procurement route is taken, there is a need to measure performance and outcomes. Sector tendency is to capture this as 'continuous improvement'.

Research questions

Having now completed a more thorough view in order to gauge the current body of knowledge as well as to identify gaps, a refined conceptual framework is required. The aim of this is to ensure the revised framework addresses the subject matter more thoroughly and is better positioned and focused to answer the research questions more robustly. However, the review has also highlighted the need to first review and refine some of the research questions.

A common and recurring theme throughout the review is that of 'procurement barriers'. The most notable source emanates from research undertaken by the Audit Commission (2006) who note the six 'barriers' contained within the revised conceptual framework. Whilst my initial research questions note this they are focused on identifying barriers to implementing the *Rethinking Construction* report. Upon reflection and informed by the literature review process, the research would appear to benefit from a more comprehensive assessment of procurement barriers within the field of study. Moreover, whilst procurement barriers are noted, a gap in the current body of knowledge is to identify the cause and effect. Only the effect has currently been studied and there are too many assumptions as to the cause and 'chain of causation' (i.e. the degree of linkage).

Document two raises the potential of market dysfunctionality. These are in the form of market tensions of limited profit maximisation potential and a restricted supply side at the same time as the market shows the potential to grow significantly. As such, the dynamics of the market need to be factored into the framework.

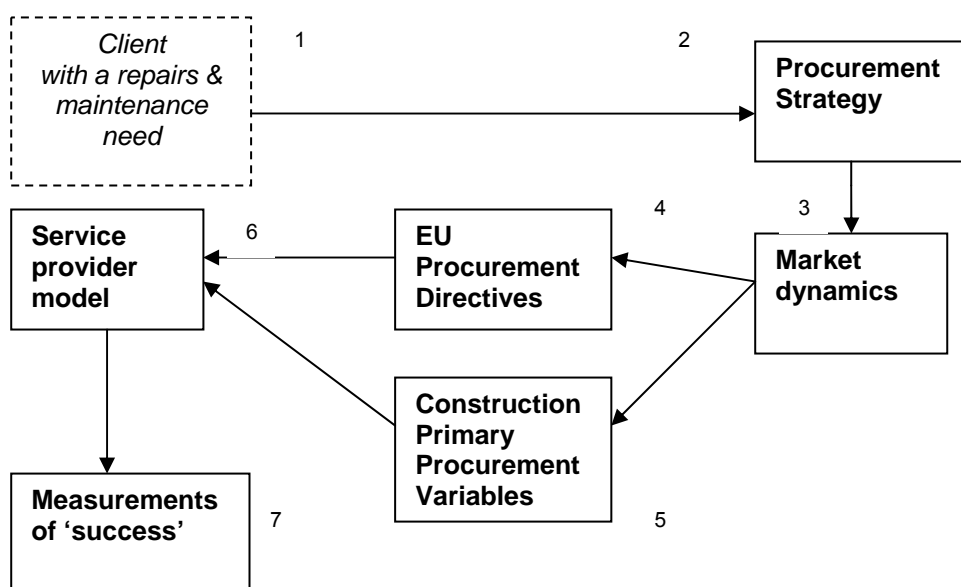
Numerous literature sources have identified the potential impact of the European Union Procurement Directives on the process of procurement. Moreover, it is evident that there is a certain amount of debate on the need or otherwise of contractual formalities. Research questions should explore this further to identify if the barrier is a major issue or if the barrier is more of a perception.

A number of 'delivery models' have been noted. These include traditional external contractors, in-house teams and hybrids thereof. In order to assess the relevance to modernised procurement, these require further research and need to be incorporated into both research questions and the conceptual framework.

Document one noted the performance measurement and continuous improvement as key areas. This review tends to endorse the importance of these factors. It also indicates that the methods of measurement differ between organisations. As such, there would appear to be value in assessing what are the measures of success, with success being defined by the organisation in question.

Revised Conceptual Framework

In order to take full account of the above, a revised conceptual framework has been developed and is shown below. In favour of showing a traditional 'cause and effect', the framework developed shows a 'problem-awareness pattern', as endorsed by Hart in presenting a structure for an 'argument' (1998, 188), and the degree of linkage and inter-dependence of the variables. My rationale for this is that it is for further stages of the research to establish if the linkages are cause and effect or merely incidental:



Key:

1	<p>Social Housing provider ‘the client’ has a need for repairs and maintenance to its housing portfolio in order to:</p> <ul style="list-style-type: none"> a) Protect its property assets; b) As part of the service for which rental income is charged; c) To fully discharge its legal duties. <p>This is the precedent to the process, as without this, there is no requirement for the other areas defined.</p>
2	<p>A need for repairs and maintenance derives a need to procure a service provider (e.g. a contractor). Procurement strategy to consider approach. In considering procurement, all Social landlords are under an obligation to consider using modern procurement approaches by the regulatory bodies.</p>
3	<p>Restricted supply side of market, tensions within the market and barriers to entering the market create market dysfunctionality</p>
4	<p>EU Procurement Directives (Statute and Common Law) require certain protocols</p>
5	<p>Potential conflicting priorities of time, cost and quality variables.</p>
6	<p>Service provider model. External contractor, in-house team, hybrid.</p>
7	<p>How is success defined and measured.</p>

The client organisations have been defined in this document. Whilst this provides the need for an activity i.e. repairs and maintenance to the housing portfolio, it also incorporates the role of the client and the general effectiveness of this. Accordingly, commencing the conceptual framework with the client appears appropriate. With reference to the literature reviewed, numerous recurring comments point to the client being a barrier to the process.

Taking account of the procurement strategy is of crucial importance. The literature review notes a number of sources raising concerns about ineffective procurement strategies. Other sources go on to define what the essential ‘ingredients’ of a procurement strategy should be. There appears to be more of a vacuum of knowledge and common understanding on what the barriers are to an effective procurement strategy. This could take on many forms including cultural dimensions as well as systems. As the social housing sector has been mandated to consider and take account of modern procurement approaches by the regulator, assessing the cause and effect that this has to the process of procurement will enable a sharper focus and greater clarity on tensions.

The review has highlighted the fact that there are market tensions. This is informed by the procurement strategy but also the general attractiveness of the market place, barriers to entry and profit margins. In order to form a view on modern approaches within a repairs and maintenance context, consideration to the market dynamics is of fundamental importance. If the supply side of the market is restricted, the aspirations of the procurement strategy could become impossible to achieve. Accordingly, it is apparent that there is a significant cause and effect relationship between the strategic intent and what the market place is able to provide.

The body of knowledge uncovered by this literature review shows there are competing tensions in relation to the construction primary procurement variables of time, cost and quality. It can be observed that there is common agreement from a range of authors (academic, government and independent) who observe the contention that achieving the optimal balance between the three variables represents a significant challenge for many client organisations. It is noted that this is in no way unique to the public sector housing client but it is also noted from the review that identifying the most appropriate balance is informed by the procurement strategy. To this effect, a high degree of linkage can be seen between the procurement strategy and the emphasis placed on time, cost and quality considerations.

The complexities of both contract law and European Procurement law are noted as barriers. This concept alone has the potential to frustrate the procurement process and to leave the client organisation exposed to claims for breaching Directives. The condition of the market place has the potential to have a 'causal effect'. Whilst the Directives require a minimum number of contractors to be considered, if the market dynamics prevent this, due to a lack of interest, the client organisation appears to be in a situation whereby there is a legal duty to procure contracts in a certain manner but a corresponding tension from the market place that frustrates this.

There is evidence revealed in the review of emergent trends in the service provider model. Some authors were of the view that the traditional contractor

or direct labour provider is migrating to form hybrids of these as well as alternatives. The rationale used for one example quoted was to deal with market tensions as well as to position the repairs service in such a manner that it contributed to pre defined successes (as identified in the invitation to negotiate / contract documents). With reference to the revised conceptual model, it is considered that market dynamics, EU Procurement Directives and construction primary procurement variables all influence this to a greater or lesser degree. Moreover, the diversification of service provider models aims to provide solutions to the aforementioned tensions and aims to link stages 1 to 5 of the model to 'measurements of success'.

Whilst the term measurements of success has been noted, it is not the intention to define what success is. This is clearly an area which is beyond the scope of this study and has the potential to introduce ambiguity into the research. However, in assessing the relevance of modern procurement approaches within the repairs and maintenance sector of social housing, it would appear important to identify what client organisations and other wider stakeholders consider are measures of success and how the adopted delivery model performs against this.

The revised research questions along with the revised conceptual model aim to ensure the research is focused but still broad enough to assess the relevance of modernised procurement and to identify any common 'threads'. The revised model is informed by the literature review and seeks to enable current gaps to be explored by the research process. The conceptual model identifies the degree of linkage as well as cause and effect. The culmination of both the model and research questions will enable the next phases of the research to begin. In Document three a number of research questions which are amenable to a qualitative / interpretivist research style will be used to focus on particular aspects of the conceptual framework. Both the procurement strategy, market dynamics and the EU Procurement Directives would appear to benefit from the application of a qualitative research style. At this stage, I would not wish to exclude either area from further investigation of a quantitative approach. Document three will not only investigate the key

areas, as noted above, but also come to a view and conclusion as to the relative value of further assessment by a quantitative research style.

By the same token, areas that initially would appear to lend themselves to a quantitative research style in Document four are the construction primary procurement variables and measurements of success. Both factors are inherently viewed with reference to comparing and contrasting statistics. However, to consider the relative value of alternative service providers also appears amenable to such a review.

The role of the client will be considered alongside the other six key areas of the model (e.g. the role of the client in developing the procurement strategy and the role of the client in applying the EU Procurement Directives). From a review of the literature, the role of the client appears inextricably linked to the six concepts.

In considering Document five, it is envisaged that following the qualitative and quantitative pieces of research, there will be the opportunity to revisit areas that have emerged as either more significant than others (i.e. they have become prevailing forces in the conceptual framework) or areas that were initially investigated using one research methodology that would also benefit from further investigation using an alternative method. Moreover, in considering the time lapse, it would appear to be crucial to undertake a further literature review in Document five. Evidence to support this contention can be seen by the volume of texts (in whatever format) that have been published over the last twelve months. It would be reasonable to assume that the next twelve months will also produce a number of literature sources that will add to the current body of knowledge.

Hypothesis

In order to give the research a focus, an initial hypothesis has been developed. Verma and Beard (1981) note that many research projects begin with a statement of a hypothesis which is:

“a tentative proposition which is subject to verification through subsequent investigation. It may also be seen as the guide to the researcher in that it depicts and describes the method to be followed in studying the problem. In many cases hypotheses are hunches that the researcher has about the existence of relationship between the variables”.

(p, 184)

The literature review indicates that the repairs and maintenance sector of the construction industry has failed to implement more modernised procurement approaches in comparison to the new build sector. The review also notes a high incidence of the role of the client being considered as a major obstacle. Based on this my initial hypothesis for consideration is that ***‘modernised approaches to property repairs and maintenance procurement have not been substantially adopted due to the ineffective role of the client organisation’.***

In testing this hypothesis care has been taken to avoid utilising the word ‘success’ in favour of ‘adopted’. The measure of success may well be open to differing interpretation and could inadvertently introduce unnecessary ambiguity into the research.

The rationale for the hypothesis is that there are a wide range of reports of improvements being achieved on new building projects as a result of incorporating new procurement practices; however, there is a lack of such reports from the repairs and maintenance sector. As noted above, the social housing sector is obligated to implement modernised procurement methods. Whilst there are many examples of new build projects which have modernised the approach to procurement but few in relation to repairs and maintenance. Moreover, literature reviews included within this review note the theoretical application of modernised procurement and that this should be positive. In a part of the construction industry that has long term relationships based on repeat processes, the repairs and maintenance sector should be best placed to take full advantage of continuous improvement and to foster joint working over a long period.

In particular Bresnan and Marshall (2002), and Fisher and Green (2000) note the absolute lack of depth in the literature of robust evidence to support the claims of 'successful' partnering.

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Document Three

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ABSTRACT

This Document is the first phase of qualitative research in the project. It draws on the experiences of a number of individuals and seeks to identify how the individuals make sense of the research topic by the use of language (i.e. ethnography).

Having undertaken the field work, a grounded theory approach was utilised to explore the language used at three differing levels and to conclude with a theoretical model that will allow the research to both challenge original assumptions and to 'signpost' the next phases.

The culmination of this Document doesn't show the emergence of a new concept but does appear to endorse previously held views. The most significant emergent concept appears to be an inference that the role of the client organisation, within the field of study, often results in sub-optimal procurement of services leading to unexpected (and negative) outcomes.

1 INTRODUCTION & OBJECTIVES

Previous Research

Document two provided substance of considerable value to the research process. Not only was the current body of literature reviewed and established for the research topic, it also enabled the refinement of a conceptual model. The refinement process provided a clearer focus, although it is fully expected that the framework will require further amendment as the research process gets distilled further. The initial attempt followed that model endorsed by Hart (1998, 188) in that it identifies a 'problem-awareness pattern' allowing the cause and effect variables to become clearer from the further stages of research. It has also enabled the identification of an initial 'working' hypothesis and modifications to the research questions, as set out in Document one. Accordingly, an expected outcome from Document three is to develop the conceptual framework into a more robust 'emergent framework' which shows cause and effect along with variables.

Research Questions

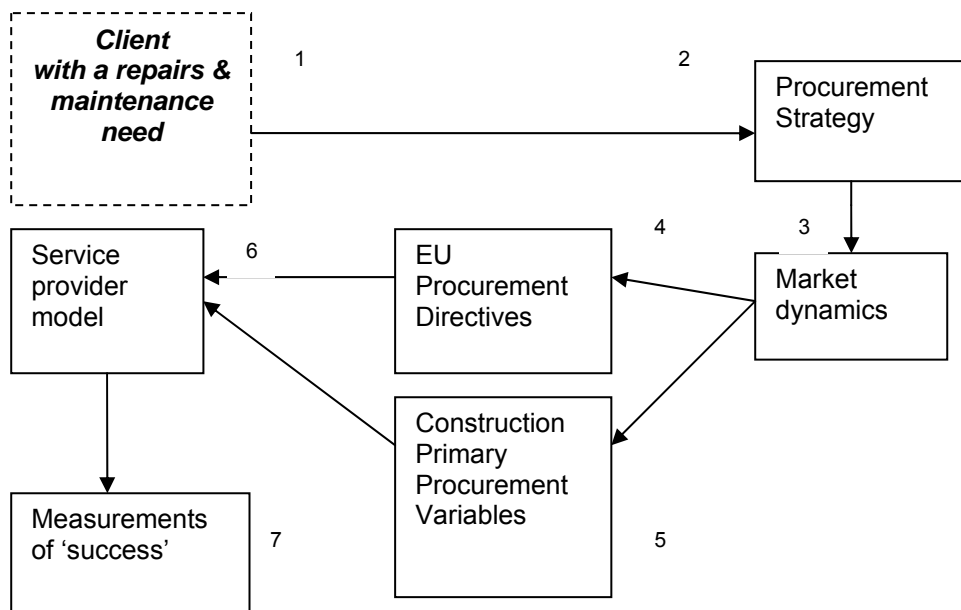
As Document three is a qualitative based piece of research, adopting an interpretivist / ethnographical epistemological stance, it is essential to identify the research questions that would benefit the most from this research approach. Identification of the research questions was also informed by assessing those questions that would either not benefit to the same degree to a positivist or quantitative research style or do not naturally lend themselves to numeric quantification.

A further consideration was to review the merit of answering research questions that appear to apply throughout the procurement process. The rationale to this is to identify questions that have the most 'added value' to the research bearing in mind the limits to Document three in terms of timescale. This will seek to enable broader research in Document five as well as more focused research on concepts that form just one phase of the procurement

process (e.g. the application and impacts of Procurement law to the procurement process).

This was achieved by reference to the conceptual framework. A research question endeavouring to provide a more informed insight into the role of the client may well also provide further insight into other areas of the conceptual framework as the role of the client acts as a ‘trigger’ mechanism for the entire framework:

Conceptual model (with the role of the client highlighted)



With the aforementioned in mind, the research questions for review in Document three are to assess the perceived ‘procurement barriers’ of the role of the client. This is shown in box one above and indicates that it instigates the successive concepts into action. The literature review noted that integral to the procurement barriers is ‘client capacity’. However, the literature review has not analysed what client capacity is i.e. is this related to level of understanding of the client, level of time available to dedicate to procurement or some other variable. As such, Document three seeks to elucidate the role of the client in a more specific and comprehensive manner.

The question noted above does appear to replicate the research considerations in that *prima facie* these would benefit from adopting a qualitative research style.

2. CONTEXT

The Social Housing Sector

Perhaps of even more fundamental importance to establishing the current body of knowledge is that the literature review identified recurring themes. By far the most significant of these themes, in so far as the number of times there was a recurrence, was reference to the role of the client in the procurement process. The role of the client in this context is the role that the social housing provider has in commissioning and administering contracts for construction based repairs and maintenance services. Document two noted a number of literature sources, emanating from journals and government sponsored research that challenged the role of the client in construction procurement for not adding any value.

Moreover, there was a general consensus from the literature reviewed that whilst there is a theoretical benefit from adopting modern procurement methods in the procurement process, there is a lack of robust data to validate this assumption. One notable contention was that from Pryke (2004, p 32) which summarised key findings of procurement research by noting that *“partnering could lead to inferior value for the client unless it is used as a platform from which rigorous supply chain management takes place, managed by a powerful central actor. This central actor needs to be the client organisation”*.

The Audit Commission (2006, 15) went some way in trying to identify why there is sub-optimal procurement as opposed to merely observing the tension. It was their view that:

“organisations have not been proactive to develop and resource adequately the client side resulting in unrealistic expectations of improvement, absence of a procurement strategy, unclear objectives and inflexible standing orders. Procurement is a specialised area of expertise yet housing staff can be let to get on with it and acquire the skills as they go”.

A cause for concern is that reports going back as far as 1944 (The Sir Ernest Simon report) note the perceived inadequacy that the construction client has. A further cause for concern is one of a more practical matter in that the role of the client impacts upon every stage of the process i.e. pre and post contract. As such, the role of the client in the procurement process appears to be fundamental to the outcomes of the procurement process.

Relevance to Document three

In attempting to at least in part answer the research question, or as a minimum to help 'signpost' and focus the research to be undertaken in Document 5, the qualitative research was carried out by identifying concepts of what a client needs to do to procure and then asking questions on these concepts. The concepts all directly relate to the role of the client and, therefore, the research question. In so doing it was hoped that this would provide a framework to avoid going off at a tangent and to ensure, when it comes to research analysis, the texts being analysed could be compared and contrasted. As someone who is reasonably experienced at undertaking interviews as part of a management consultancy role, it was important to recognise the significant risk of interview 'divergence' and the need to provide a focus for those being interviewed.

The three concepts, all of which emanate from the literature review under the broad heading of the role of the client are:

- Criteria for selecting a procurement strategy;
- The desired outcome of implementing the procurement strategy;
- Definition on what clienting / commissioning techniques are required.

These were to form the basis to the semi-structured interviews. Consideration was given beforehand on if these themes were 'reliably testable' and to ensure against ambiguity. This was achieved by means of a 'trial interview'⁸, which afforded the opportunity to refine the concepts before undertaking the research. A further benefit from adopting a semi-structured approach is that it

⁸ See Research Approach chapter

facilitated the opportunity to challenge assumptions. Neither the concepts nor the definitions were 'closed', they were concepts and associated definitions informed from the literature review but were all amenable to be challenged by the interviewees.

The conclusion of this enabled a more refined set of concepts to explore at the interviews. These were:

Concept	Definition of the concept
Criteria for selecting a procurement strategy	Traditional procurement; Management contracting; Partnering / modernised approach; Key ingredients of the procurement strategy.
The desired outcome of implementing the procurement strategy	How is this assessed? What evaluation is involved? What was the 'business case'? Consideration of the Construction primary variables (i.e. time, cost and quality).
Definition on what clienting / commissioning techniques are required	What are the operational / functional processes? Are the processes linear, simplistic or deterministic in relationship terms (i.e. the level of interdependence – if any) Perceived obstacles to the desired outcome due to client commissioning.

It is evident from the above that the 'measurement of success', noted in the conceptual framework in Document Two, has been replaced by 'desired outcome'. It was thought that the latter is more definable and ultimately more reliably testable in contrast to success which contains a greater potential for ambiguity and greater potential for the research to become diverted off the preliminary topic.

3. METHODOLOGY

Suitability

An interpretivist / qualitative research methodology will enable the research process to be enriched by adopting a research style that enables data that is not readily quantifiable to be considered and also to allow the research questions to be considered to a greater degree of depth. For this stage of the research, it was intended to undertake a number of semi-structured interviews. Being able to explore issues at greater depth can potentially be more readily incorporated in this methodology.

By adopting an ethnographers approach, I'm trying to understand how people make sense of the research questions and topic in relation to their understanding and their perceptions. This style of research does not lend itself to a questionnaire style of research but more of an evolving discussion followed by some form of narrative analysis to compare and contrast the transcripts in order to form a view on the research findings. Brewer (2000, 10) defined ethnography as *"studying people in their naturally occurring settings or 'fields' by means of methods which capture their social meanings and ordinary activities, involving the researcher participating directly in the study"*. The approach seeks to capture the definition and interpretation that is made through talk and interaction.

In considering which research style to adopt under the broad headings of interpretivist / qualitative, much time was spent not only identifying the styles available but also finding the optimal style that will enable credible conclusions to be formed. Silverman (2005) makes an interesting comment on options for research style. He makes the observation that the researchers analytical position needs to be appropriate to the researchers practical concerns. Silverman goes on to note that some research styles may not only be over-ambitious but may even 'cloud' the issue. In particular, Silverman identifies hermeneutics and discourse analysis to approaches that are most

suited to more complex issues and makes the implication that these are not best suited to the less experienced researcher.

Grounded Theory

I wanted to consider which approaches 'fit' my natural research style. By this I mean which styles lend themselves more towards an objective ontological stance as opposed to a more subjective style. In being objective I had a desire to identify a methodology that would not constrain me from the outset, enabling my research to evolve and shape over a period of time.

By adopting a 'Grounded Theory' based style, as espoused by Glaser and Strauss (as well as Strauss and Corbin) *prima facie* appeared to offer the most beneficial approach. This would allow the researcher to enter the research 'field' without a pre-determined number of interviews but the ability to decipher the sample size of the research based on emergent findings. The view here appears to be to undertake research to a level that not only produces research findings but, having undertaken a number of interviews, to recognise that after a un-determined number of interviews and analysis thereof, no new emergent trends of concepts are transpiring. This appears to be a very pragmatic and objective stance.

Grounded theory is an inductive form of qualitative research, where data collection and analysis are conducted together. Constant comparison and theoretical sampling are used to support the systematic discovery of theory from the data. Thus theories remain 'grounded' in the observations rather than generated in the abstract. Sampling of cases, settings or respondents is guided by the need to test the limits of developing explanations which are constantly grounded in the data being analysed. Grounded theory is an approach that develops the theory from the data collected, rather than applying a theory to the data. As such it is envisaged that this is an objective research style, enabling the robust generation of a theoretical model.

Codes

Strauss and Corbin (1996, 3) suggest there are three stages in the analysis of grounded theory: open coding, axial coding and selective coding. Coding was defined by the same as *“the analytical processes through which data are fractured, conceptualised and integrated to form theory”* and a *“dynamic and fluid process”*.

During open coding the researcher reads the text and asks questions to identify codes that are theoretical or analytical. What is going on behind what the person being interviewed says rather than just coding literally what is said.

Axial coding examines each category of code to determine pre-conditions, the context of its emergence, actions and interactional strategies and the consequences. The category is related to a ‘sub-category’.

Selective coding involves the integration of categorized material into a theory which accounts for the phenomenon being researched. It is at this stage that core issues emerge which go on to identify the theoretical model.

Prior to any of the above three coding techniques is a process of ‘microanalysis’. This has been defined as the detailed line-by-line analysis necessary at the beginning of a study in order to generate initial categories and to suggest relationships amongst categories. Strauss and Corbin make the point that the process of microanalysis is a combination of open and axial coding.

Constant comparison involves various methods and replicates the approach of Comparative Analysis. Previously coded text also needs to be checked to see if the new codes created are relevant. Constant comparison is a central part of grounded theory. Newly gathered data are continually compared with previously collected data and their coding in order to refine the development of theoretical categories. The purpose is to test emerging ideas that might take the research in new and productive directions.

The analysis has been concluded by taking notes at the time of the interview, transcribing these and applying a manual coding process within a form. By undertaking this coding on the same themes of the research question, it will facilitate the commencement of the 'theorising' of the responses to the questions. Having concluded the coding of data, the mechanism for synthesising and collecting the outputs was utilised. This was achieved by the use of matrices. The value of using these is endorsed by Miles and Huberman (1994) and enables more generalised conclusions to be developed and considered, leading to a 'theoretical model'.

In considering the intended approach, there was a need to be mindful that it was likely that some if not all interviews would be one-to-one (interviewee and researcher), in contrast to a larger interviewee sample or focus group. This was not perceived as a barrier. Indeed, there could be significant advantages in encouraging openness by a one-to-one approach. However, in adopting a grounded theory style there was a need to ensure a broader – deeper understanding of the text (i.e. the transcribed interview). The three tier level of coding analysis in relation to grounded theory offers a 'filtering mechanism' enabling data to be coded at different levels so as to crystallise more succinctly the emergent theoretical framework. Rouse (1994) notes that such an approach allows the researcher to ground their theory on the data and to verify and test 'linkages'. This approach appears compatible with the sense-making approach offered by Weick. It also replicates the 'noticing, collecting and thinking' model offered by Seidel, who likens the process to solving a jigsaw puzzle. Noticing interesting things in the data and assigning 'codes' to them, based on topic or theme, potentially breaks the data into fragments. Codes which have been applied to the data then act as sorting and collection devices.

As an inductive, grounded theory based approach, allowing codes to emerge via the 'noticing' process of analysis appears beneficial.

Lewins *et al* note that it may not be necessary to analyse everything the interviewee said or everything they said in the same level of detail. It is further

advocated that this will keep the researcher focused on the 'bigger picture' and avoid the potential to become distracted or overwhelmed by insignificant detail. The potential disadvantages include that the transcribed parts can be out of context and be difficult to interpret without constant reference back to the tape. Also, what I think is significant at the time of transcribing may not be what I think later on in the analysis, particularly bearing in mind the grounded theory 'emergent' style of the research. To counter the potential impact of this, semi-transcription was undertaken along with retaining the original full recording so that future reference can be made if required.

Questions

Section two of this document debates the broad concepts under consideration and transpiring from the literature review (Document two). However, in order to ensure their suitability for the qualitative research process, there is a need to transform these into questions that will be capable of analysis. Whilst this may at first appear an almost obvious process requiring only brief mention, Strauss (1978, 76) notes that "*central to any research investigation is the asking of questions along with the pursuit of the answers*".

In achieving this task, Strauss advocates that a four tier questioning strategy needs to be adopted. The first is to develop 'sensitising' questions. What is going on, who are the actors and how do they define the situation? Secondly, the 'theoretical' questions which help the researcher to make connections between concepts. These take the form of what is the relationship of one concept to another, what would happen if...? How do events and actions change over a period of time? What are the larger structural or dimensional issues and how do these events affect how the interviewee sees things? The third tier is concerned with the 'practical' issues. These help to develop the structure of the evolving / emergent theory. Questions centre on which concepts are well developed and which are not (i.e. what is the 'norm'). Finally, the fourth tier of questions are 'guiding'. These questions will change over the course of the research process, being informed and enriched by the former stages. These tend to be reasonably specific and may link concepts.

The matrix of questions under each of the four headings (above) is contained in the appendices to this document.

Validity, reliability and generalisability

The robustness of the research and objectivity in findings is essential not only for academic purposes but also in forming the linkage between Documents four and five.

Mays and Pope make the point that no research is completely objective and reflexivity cannot to some extent be avoided:

“specifying and applying such criteria and procedures [validity, reliability and generalisability] is no simple matter, because social researchers and their views, presuppositions, predilections and biases, inevitably reflect the social milieu they inhabit. Reflexivity is the recognition that a researcher’s background and prior knowledge have an unavoidable influence on the research they are conducting”.
(2000, 50)

Gibbs (2005) defines validity, reliability and generalisability as:

Validity refers to the idea that the account truly reflects what actually happened, or put simply, that it is accurate.

Reliability means that the results of the analysis would also be obtained if different researchers repeated the research and analysis on another occasion. The respondents or participants involved may be different from those in the original research though they will be similar and be doing similar things.

Generalisability means that the results of the research and analysis apply to a wider group of people, social situations and settings than just the ones investigated in the original study.

In consideration of the above and taking advantage of the fact that the interviews occurred over a number of weeks, the opportunity to adopt a ‘constant comparative method’ was taken. This allowed me to test hypothesis of those interviewed in the earlier stages with those interviewed in the latter stage. This is hoped to also add depth to the research and is reflective of the

grounded, emergent theory style of the research. Glaser and Strauss endorse the inspection and comparison of data 'fragments' gathered from the field data.

Methodological Triangulation

A number of researchers advocate using a 'triangulation' process as a means to authenticating and corroborating validity, reliability and promoting generalisability by way of obtaining research findings by convergence of differing perspectives. The point at which convergence occurs is seen as a representation of 'reality'. Smith (1975) made the point that several management studies have now used triangulation to resolve difficulties in interpretation and theory building. Denzin (1970, 298) makes the contention that "*a triangulation approach combines several research methodologies to study the same phenomenon*". Similarly Jack (2006, 345) states that "*the fundamental tenet of triangulation is the application of several method appropriate strategies for assessing the same phenomenon*". The process is value adding to the validity criteria in that it appears to manage potential or actual deficiencies in one research approach by counterbalancing with the strengths of another complementary approach. The process also has a value and applicability for generalisability of the research findings.

As Document three is part of an integrated research project, it is proposed to return to qualitative research in document five and by using multiple and differing sources of data (e.g. focus groups) as well as additional interviews, a triangulation process will provide a more accurate representation of the phenomena.

For the purposes of triangulation for Document three, the research strategy collects data from two differing research samples in order to provide a greater insight into the issues. This provides the ability to compare and contrast the findings; one from a 'client' and the other from a 'contracting' perspective.

Limitations - General

Most if not all research processes have limitations of some form or another. As such, it is essential to recognise the value of the intended approach alongside its limitations. Silverman (2005, 47) noted that *“the assembly of narratives in interviews is always a two-way process. Therefore, we must treat the interviewer’s questions not as (possibly distorted) gateways to the authentic account but as part of the process through which a narrative is collectively assembled”*.

Notwithstanding the pre-interview intention not to establish a definitive number of interviewees, for a variety of reasons, Document three has a limitation in terms of sample size due to the time horizon. Whilst a natural sample size presented itself based on both representation of the social housing sector in terms of the value of expenditure on repairs and maintenance, and recurring themes showing little potential to reveal something hitherto encountered by extending the sample size, this could never be discounted.

Mention has already been given to the potential advantage of having one-to-one interviews / meetings as it is hoped this will encourage openness. However, this precludes the ability to hold a wider debate on the research questions that could be facilitated in a meeting of more than one interviewee and/or from a focus group. This could be especially helpful in forming a view on particular areas of the research for which there are either opposing observations or areas where it can be seen that opinion is still forming and it is hard to get a definitive observation that could be representative.

The approach set out above does not afford the ability to facilitate ‘analytic induction’. Fellows and Lui (1998) noted that this is a process whereby a series of iterations and consequent evaluation leads to more refined conclusions. Notwithstanding this limitation in Document three, the opportunity to revisit the approach in Document five can be made. This will enable data and conclusions formed in Documents three to be reassessed and challenged with the intent of forming more rigorous findings along with the potential to identify solutions and further future research.

Other limitations of the data collection centre on logistical matters. By this I am referring to the fact that as a researcher external to the organisations I am researching generates the potential to receive distorted answers to questions. Previous experience has shown that the manner in which a question is asked can alter the response. Moreover, as I will not have an already established rapport with the interviewees, as I would have if I was internal to the organisations, this has the potential to create 'barriers'.

In order to try and overcome this, introductions were made on the basis that I am a researcher and not a management consultant or student. The former has the potential to encourage answers to be those that would generally be 'acceptable', on the basis that the research findings may be made available to the organisations management and the latter categorisation could imply inexperience on my part and more fundamentally harder to engage in the process due to the more academic nature of the process. As such, Researcher was deemed the most appropriate 'title'.

Limitations – Grounded Theory

Having defined the more general limitations (above), it is important to give some further consideration to the limitations on the methodology used. Bulmer made an interesting challenge to the approach by questioning whether researchers could suspend their awareness of relevant theories and concepts until a later stage in the process. Commenting on key issues of the grounded theory, Bulmer said (1979, 652) *"business researchers are typically sensitive to the conceptual armoury of their disciplines and it seems unlikely that this awareness can be set aside"*. Having made this statement, an immediate qualification was made in that *"Indeed, nowadays it is rarely accepted that theory-neutral observation is feasible"*. Accordingly, it would appear that by using the grounded theory, I am not exposing the research to a great propensity to be influenced by my already held views than any other research method.

Bryman and Bell note that there can be practical difficulties associated to this approach. These appear to be logistical in nature and centre on the amount of

time available to transcribe, analyse and code the data bearing in mind the more iterative and emergent processes that are required and the differing levels of coding.

One of the most challenging 'indictments' on the approach is that of whether it does lead to the generation of a theory or merely the generation of concepts. Whilst there may appear to be a 'fine line' between the two variables, this could prove to be an insurmountable issue if Document three was a 'stand alone' piece of research and not one of an evolving research process. Accordingly, if the claim of only being able to generate concepts is accepted, this does not remove the usefulness of the Document providing it can be seen to add some value to future documents.

Coffey and Atkinson hold the view that the approach, which calls for data analysis to be fragmented into 'chunks' in order to generate concepts and/or theories, has a diminutive impact on the broader and wider context of the data being analysed. By coding and generating concepts it breaks the wider meaning of the narrative. It is hard to form a firm view on the impact of removing salient pieces of data from surrounding data in order to form theories. In attempting to address this, it appears that it is something to be aware of as opposed to discrediting the method in its entirety.

There appears to be an element of 'academic debate' on precisely how the grounded theory as an approach should be implemented. Charmaz raises what appear to be significant and fundamental challenges to the approaches espoused by Glaser, Strauss and Corbin. Without wishing to appear to disregard this potential challenge, Bryman and Bell (2003, 435) note that *"grounded theory probably represents the most influential general strategy for conducting qualitative data analysis"*. This is further qualified by Richards and Richards, as reproduced in Bryman and Bell (2003, 435) in that *"many of the computer-based software programmes have often been written with grounded theory in mind"*. The implication appears to be, if grounded theory was a discredited approach or at least limited in application in contrast to other qualitative methodologies, why would the approach have been so influential?

Having considered the limitations, there does not appear to be any that would render the approach ineffective to the needs of Document three, although remaining aware of the potential limitations is essential.

4. RESEARCH APPROACH

Data collection

For the purposes of Document three, data collection was undertaken by semi-structured interviews. Noted above is the broad framework adopted for this and it was intended that the semi-structured nature would provide sufficient scope and focus to the interviews, ensure consistency of the subject matter under consideration but also to allow latitude for interviewees to expand on their responses without being constrained to a more structured interview comprising of predominantly 'closed' questions.

Bearing in mind the already declared intention to revisit qualitative research in Document five, the approach undertaken in this Document was incremental in nature in so far as being capable of being returned to at a future point in time to either extend the scope and/or to take on alternative qualitative research approach.

Adopting a Grounded Theory research style requires a flexible and emergent concept of sample size of the field work. Notwithstanding this, for practical reasons, some early consideration of sample size was required to enable the logistics of the research to be considered. Whilst there are just under two thousand recorded 'registered' social landlords⁹ in England and Wales, in consideration of the size of property stock holding, only eighty landlords hold a property stock of above 1,500 units.

Out of the aforementioned eighty landlords it was important to identify those who have what would be considered a significant and recurring property repairs and maintenance expenditure pattern. This is an important consideration. A number of landlords manage properties on behalf of others i.e. they are managing agents. Furthermore, due to the funding regime of

⁹ Registration is a formal process undertaken by the Housing Corporation, who is a Government Agency of the Department of Communities and Local Government.

registered social landlords, there was a significant 'new build' programme in the late 1970's and early 1980's. This could distort the findings as the need to property stock investment in repairs and maintenance will be significant influenced by the nature and fundamental condition of the stock.

Further to the above, there are a total of 356 local authorities and Arms Length Management Organisations (ALMOs), who hold property stock. It is not possible to definitively discern the number of each of the two categories as some local authorities provide only an enablement role to housing needs and do not provide housing directly.

In consideration of the above, I was keen to identify those landlords that had a reasonable property portfolio, by which I am using a figure of 10,000 units or above, who have a mixed property portfolio including an aged stock profile (i.e. a mixture of recently built property and significantly older stock).

In order to commence the process, it was decided to target four landlords that meet the selection criteria. Two of which from local authorities (including ALMOs) and two from housing associations. Following this initial sample, the research would be expanded in line with the principles of the Grounded Theory. To supplement the above and as part of the triangulation strategy, two additional interviews were held with contractors who are prominent in the social housing sector.

Prior to the field work beginning, there was a need to test out the interview concepts and themes by means of a trial interview. This was undertaken solely on the basis to review and challenge the defined methodology and approach and not to use the data for analysis purposes.

Ethical considerations

Essentially, the concern here is one of confidentiality. Document two has noted a number of criticisms with the construction client. In order to encourage openness there needs to be absolute confidentiality.

The social housing sector is arguably one of the most heavily regulated. It could be argued that this creates 'healthy' competition, it could also be argued in the alternative in that it creates a climate of fear and anything that is not deemed to be 'acceptable', however this is defined, could attract unwanted attention. The implications are immense. The funding regime for reinvestment programmes are based on how effective the organisation is. Many millions of pounds are at stake here, with the repairs and maintenance service of the landlord being used by the Regulator as a primary indicator of the quality of the entire service. Furthermore, ineffective governance can have a detrimental impact on the funding of social landlords new build programmes. As effective procurement is a key criterion, again it is clear that there are significant sensitivities that have the potential to distort answers to questions so as to provide an answer that is palatable irrespective of if this represents reality.

Likewise, confidentiality with those contracting organisations interviewed was of fundamental importance.

In order to give some context to the anonymised research sample, they have been referred to as either an ALMO or Housing Association along with their approximate location. As the organisations are dominant within their locations, due to the criteria used for selection as noted above, care has been taken to ensure that there is more than one organisation that could fit the criteria (e.g. *ALMO North London*, there is more than one ALMOs in North London with a property stock holding of over 10,000 units).

Memos and Matrices

Chapter three of this document notes the processes utilised for coding. In order to manage the process and to begin the theory generation both memos and matrices were used.

Forms or memos, the terms being used interchangeably, are recommended as an effective process of binding together findings in order to recognise trends and patterns. Miles and Huberman (1994, 72) note that "*memos are*

primarily conceptual in intent. They don't just report data; they tie together differing pieces of data into a recognisable cluster. They [memos] are one of the most useful and powerful sense-making tools at hand". Glasser (1978, 87) takes the view that "memoing helps the analyst move easily from empirical data to a conceptual level".

Gibbs (2002, pp.88-9) focuses on the practical application of memos i.e. why use a memo? Gibbs defined a memo as:

"A document containing commentary on the primary data or nodes of the project. This way of writing originates from grounded theory who in order to remain grounded in the data keep their notes separate from the data. It involves writing your thoughts and comments as you code. This helps to remind you why you made the decisions you made during the coding process and is helpful for writing up final reports. As with field notes memos are written throughout the research project and do not have to be seen by anybody".

In consideration of the above, it would appear that defining a memo format that readily enables codes and their relationships to be recorded and subsequently analysed is of significant importance. However, there does not appear to be any one particular format, the recommendation would appear to be to arrive at a memo 'system' that works for the researcher. Strauss and Corbin (1996) note the particular usefulness of memos when commencing the three tier analysis associated to the grounded theory. The memo will help synthesis and consolidate the coded transcripts into a general reflection and observation.

Having concluded the field work, transcription, coding and memoing there is a need to crystallise key issues and to identify the variables that exist. Noted above is the fact that the interviews are being undertaken on three differing samples; local authorities, housing associations and contractors. In order to identify the research findings the matrix will show common threads and factors having an influence on the procurement process. Whilst anonymity is essential, it is helpful to identify the organisations in general terms and to cross-reference to the common factors. This will enable consideration to be given to any differences of opinion between the groups as well as to common agreement across all.

In order to achieve this, a basic conceptually ordered matrix has been utilised. This plots the participant organisations on one axis and the emergence concepts on the other axis. Miles and Huberman (1994, 127) note the outcome of this achieves “*conceptual coherence*” which is a desired outcome for Document three, enabling this to be returned to and taken to another level of analysis in Document five.

Setting the scene – who I interviewed and what was the context

Approaching organisations to which I do not already have a rapport causes issues for access. What is in it for them? As such, for the first part of my ethnographic research, I targeted individuals who I knew. This in itself is not without risk. Being aware of individuals and the organisations they represent would inevitably mean that I already have a preconceived view on how they procure their services and how effective they are in this. In an attempt to remove this potential bias / preconception, the questions assume no prior knowledge. Indeed, they provide the opportunity for me to challenge my existing assumptions by enabling me to revisit processes and procedures and to explore issues from a differing dimension (i.e. as a researcher and not as a management consultant).

The objective of the interview was explained and clarified where necessary as was the confidentiality. I felt it was essential that I could offer something in return for their investment of time. Having undertaken research previously, there is the potential to share research findings with those interviewed. However, this still didn't feel like sufficient reciprocation. In order to identify the optimal solution, I started each meeting not only by covering the ground rules of time span, confidentiality and the like but also by asking what the interviewee wants to get out of this meeting. As could be anticipated, there were requests for an analysis of the findings but to my surprise, many of those just wanted the opportunity to debate how they do things, how this differs from their peers and how they could improve their stance to procurement in the future. Upon a little further exploration, the rationale to this appears to be to evidence to the Audit Commission (their Regulatory body) that either they are

emulating good practice in procurement now or can see where they need to get to in the future. One interviewee complained bitterly that he never has quality time to take stock of what they are doing and if it can be improved upon. At least the interview would enable an opportunity to reflect on the process.

Unsurprisingly, the two contracting organisations interviewed had different motives. There was a real tension about 'telling it as it is' and running the risk of 'biting off the hand that feeds them'. Despite knowing both interviewees over a number of years, it was evident that there was a credibility issue here for me. One inadvertent comment from me on how contractors perceive the social housing market could be significant and damaging. Having dealt with the sensitivities, there was no great 'appetite' for a copy of the findings. There was an interest in understanding how other contracting organisations approach the market and offer alternative approaches to procurement and a desire to understand where the market is heading. The social housing market has for the previous seven years been very lucrative due to the injection of funds from the Exchequer to address the Decent Homes Standard. This is due to elapse in 2010 although there is debate about this being extended by a further two years. Both contractors hold a view that the social housing market will 'cool' from its current buoyant position and were keen to know if their clients were looking at longer term approaches to procurement in the medium to long term.

All interviews were undertaken between November 2006 to January 2007. Initially I had a real concern about the ability to access the contracting organisations. By nature, contractors are fluid and base themselves wherever the contracts are being delivered. I was concerned as to if I would need to hold any interviews over the phone and what impact this would have on the analysis and findings. Fortunately, this problem didn't materialise and all interviews were held 'face-to-face'.

An undertaking was given that the interview would last no longer than one hour, unless the interviewee wished to debate the topics in more detail. As it

happens, every meeting went over the one hour target, although none of the interviewees was concerned about this. The final purpose of the meeting, save for thanking them, was to gauge their interest in undertaking a further stage of research. This could conceivably be participating in the quantitative survey based research (Document 4) and/or further participation in qualitative research for Document 5 in the form of focus groups or enabling me to 'shadow' them. As such, this process was seen as the initial lead-in phase.

ALMO – North London

One of the biggest ALMOs in London (in terms of the numbers of housing units in management), having well in excess of 20,000 units (precise number withheld to prevent identification). My contact 'B', who is also a current and long standing client on mine, heads the repairs and maintenance service. B is responsible for an annual budget of £28.2m. This comprises of general repairs and maintenance to the building 'fabric' as well as more specialised works to mechanical and electrical (M&E) services (e.g. passenger lifts, communal heating systems etc.).

The ALMO became into being and became 'arms length' from its London Borough Council in 2003. The ALMO is effectively a managing agent and is wholly owned subsidiary of the London Borough. It doesn't own any property assets but manages the assets on behalf of its owner. This also raises an interesting dimension in that whilst it is spending many millions of pounds per annum, it has no contractual relations with suppliers. The contractual undertakings are between the supplier and the London Borough.

B has occupied a senior position for several years, originally being directly employed by the London Borough and transferring with the ALMO in 2003. B, by his own admission, does not represent a typical profile of someone in his position. He is not from a technical background. Moreover, B holds the view that this has advantages. B is able to challenge things from a differing perspective and feels that he is more able to anticipate what the customer requires more readily than someone from a technical background.

B was to be my first interviewee, as the trial interview held before this one was purely for testing out the questions and relating these back to the research questions. The interview was held on site at B's office and could be said to be fairly typical of most inner London clients office (cramped, small, often shared and frequently too hot). However, for the purposes of our meeting, we at least had the room to ourselves.

The offices generally were impersonal. All six floors had the same, rather bland, colour scheme. Any personalisation would commonly be a photograph of a relative / pet etc. It was the first time that I had consciously thought about the environment. I had been here many times before, sometimes I had spent complete weeks working on-site from this office but had never consciously noted the fairly hostile environment. I wasn't sure as to what impact this has if any on how the services are delivered from this office but in trying to understand how people make sense of things, the setting may have some bearing.

The interview was professional but relaxed. B is the kind of person that even if you have only known him briefly, he is pleasant and approachable. The interview started by me giving a position statement as to where I am with the research, what the stages are and what happens next. I felt that there was genuine interest but I also felt I need to be careful not to go into details as to what pointers have emerged from the literature review, as there is always the potential to distort the answers to the questions by being seen to conforming to the 'norm'.

The meeting lasted for just over one hour ten minutes with the offer being made for me to return if I wished to further explore anything. Bearing in mind this was the first interview, this offer was much appreciated (although ultimately not taken up).

ALMO – North East

As with the above, one of the biggest ALMOs in the North East, having well in excess of 15,000 units in management. My contact 'C', who is also a previous but not current client of mine, directs the repairs and maintenance service.

The ALMO became into being and became 'arms length' from its Council in 2004. The same scenario exists as for ALMO – North London in that it doesn't own any property assets directly and it is not a contracting party with the services provider. The ALMO spends a surprisingly similar amount, i.e. £29m which is formed by undertaking a staggering 221,000 individual responsive repairs to the housing stock.

C has occupied a senior position for several years, having spent his entire working life in the employment of the local authority and then transferring to the ALMO. C trained as an Architectural Technician originally although he hasn't undertaken this role for many years. C has, by his own admission, a reputation for asking awkward questions. So much so, his previous Chief Executive had C's department moved to another building just to provide some 'breathing space'. C finds this story amusing and I got the impression that he entertains most people he encounters with this at some stage.

The interview was held on site in C's office. A further story was provided by C making me aware that I should ignore the clock on the wall, as this was purposely set ten minutes fast. The rationale to this was C claimed to be a poor time keeper. By setting the clock to ten minutes ahead of the correct time, he could ensure he arrived at meetings on time.

The offices enjoy a good and imposing view of a large North East city, being on the seventh floor. The walls of the office are decorated with architects drawings and aerial photography of major housing projects. It was readily apparent that there is a camaraderie between the construction professionals sharing the office. They wanted visitors to see their work and were proud to display this for all to see.

The atmosphere in the general office was relaxed.

The interview was professional but C required more prompting than the previous interview. C would talk at length on some occasions and provide very succinct answers on others. The interview was disrupted on several occasions. C's PA would come in and ask for something to be signed, often requiring C to get up and go and find an accompanying document. Slightly frustratingly was the fact that C kept his mobile phone turned on throughout the interview. When it rang, as it did do with annoying frequency, C would take the call and again would go off in search of something in connection with the phone call. When returning, C would need to be 'reminded' of where we were at in terms of the questions. C also showed the ability to go off on a tangent and debate some rather obscure and unrelated topics. He would use body language to exemplify his points and spoke at speed. He gave the impression that he was always in a rush – hence the ten minute time delay on the clock?

The meeting lasted for just over one hour. Whilst I feel it unprofessional for the researcher to blame the interviewee for this, had we not been interrupted so frequently via a variety of mediums, I do believe we would have finished ahead of schedule. Irrespective of the aforementioned 'challenges' the interview was rich with views, some potentially quite controversial and all very informative. C did extend the invitation for me to contact him again, although he felt this would be better managed on the phone. I wasn't sure whether this was a polite way of saying he didn't wish to be contacted again or if genuinely he does prefer phone calls. Considering the volume of calls taken in the interview, the latter may well be the case.

Housing Association - National

Most housing associations are based locally, i.e. in a particular geographical area. In selecting the sample, I wished to select one locally based Association and one of the relative few who are either regionally or nationally based. This would enable me to compare and contrast any differing variables which may have an impact upon either. Housing Association - National, having in excess of 16,000 units in management with four concentrations of property stock

(London, Midlands, North-West and Scotland). This is a 'traditional' Association in that it has built all of its property stock and not transferred this from a local voluntary stock transfer (LVST), as have a considerable number of peer groups. My contact 'N', is someone I have known for many years. N manages the repairs and maintenance service and would be generally classed as occupying a 'middle management' role.

The Association came into being just after the end of the Second World War. Indeed, it was the War that created the housing need in the East End of London that inspired the creator of the Association to establish the organisation. Another interesting 'twist' to the scene setting is that throughout the Associations existence, it has enjoyed very strong linkage with the Catholic Church. The majority of its property portfolio is built on ex-church land, which was transferred to the Association at nominal cost. The relevance is that having acquired the land at well beneath market value, the organisation could afford to build to a higher specification level than peer groups and, in theory, have a lower demand on reactive maintenance as a result of this. In the region of £11m p/a is expended on responsive repairs to the housing stock.

N has occupied a senior position for ten years. N trained as a Carpenter originally although retrained to become a Surveyor. N is seen by both his managers and staff as a 'safe pair of hands', he doesn't welcome change unless he can be convinced of the business case. N remains a complete sceptic of modern methods of procurement for the repairs service and likes to retain a schedule of rates¹⁰ as he feels reassured by this.

The interview was held on site in N's office. This is an open plan office, although only occupied by N and I for the interview. The office looked 'busy' and cluttered. This appeared to reflect N's management style.

¹⁰ A system of defining a maintenance task by both material and labour content and then agreeing a price (rate) for the duration of the contract, subject to annual inflation increase only.

The atmosphere in the office was very relaxed and friendly.

The interview was very open in terms of N expressing his views on the approach to procurement, the challenges and issues that are associated to this. An interesting dimension soon appeared. N, being based in Birmingham, line managed from the North-West office and having a head office function in West London gave examples of differing stances adopted to modern procurement. There was ‘the official line’ from head office that exposed the apparent virtues of modern approaches, the Egan Agenda and, in the words of N, *“any other sound bite that the Housing Corporation is shouting about”*. N appeared to show not only a lack of confidence for his head office colleagues, but also for his Association’s Regulator.

The meeting lasted for nearly one and a half hours. I checked with N that he was happy to continue, having just gone over the time allotted, to which he confirmed he was. N also appeared to value the chance to discuss the issues, there appeared a slight frustration and this was the chance for N to have his say. N was happy to participate further and was keen to have the analysis of outcomes.

Housing Association - London

In stark contrast to the previous Housing Association, my London sample operated only in one area, albeit Greater London. The organisation is one of the oldest Associations in the Country and has a large legacy of Victorian property as well as 1940 – 50’s ‘flatted’ estates. There are just over 15,000 properties owned by the Association with an annual expenditure profile on repairs and maintenance of just under £1m. This is partly influenced by the fact that they have a directly employed maintenance workforce, a ‘DLO¹¹’. The organisation was historically known for its design innovation and ‘architectural flare’. My contact ‘D’, who is someone I have known for a number of years, holds the post of Director on a temporary basis. D states that this is due to significant regulatory issues over the last few years leading

¹¹ Direct Labour Organisation

to a new management team being put in place. One of the key issues was the lack of maintenance due to the concentration of new build. D trained as a Teacher, but in his career has turned his hand to a number of different jobs. The last fifteen years D has been employed as a Management Consultant, specialising in advising the social housing sector on asset management issues, including repairs and maintenance of property assets.

D remains open-minded to the concepts of modern procurement methods but does find some of the issues to be intangible. He cited some organisations that have been held out by the Regulator as best practice and then noted that their performance is poor or mediocre in some areas.

The interview was held on site in D's office. This is an individual office. The atmosphere in the office was positive and professional, stopping short of relaxed.

The interview was a little disjointed in parts. D required some prompting on occasions but did show a sound grasp of how procurement is managed in his organisation, the strengths and weaknesses of the approaches adopted and the role of the DLO in this equation.

The meeting lasted for just over an hour, focused by the fact that D had a Board meeting to attend later that day and time was needed to prepare. D was happy to either reconvene the meeting or to participate further.

Contractor 1

As part of the approach to triangulation of the research findings, Contractor 1 was interviewed and is one of the most dominant contractors in the social housing sector. The organisation has an annual turnover of £1.8 billion¹² and has a specific division that undertakes repairs, maintenance and improvement work to social landlords.

¹² 2005/06 financial year

My contact, M, is on the Board of Directors. I have known M for five years or so, he is well respected by clients and has the reputation for making his managers and business units deliver in terms of both financial projections and customer 'delight'. M also has the reputation of trouble-shooter, an image he appears to enjoy.

His organisation was expanded by the taking over of a number of smaller contracting companies (i.e. vertical integration) who specialised in repairs and maintenance. M holds the view that there are many advantages of doing this and his market share validates this approach.

M adopts a flexible approach to modern procurement; he sees the advantage to the business, which includes increased profit margins from circa 2% on traditional contracting to circa 8% by partnering. He also detects frustrations and client apathy which tend to manifest in all involved retrenching to their traditional roles when things go wrong or the momentum of change dwindles.

M is well placed to comment on the application of modern methods of procurement. He cites examples of where it has exceeded expectations, - which has been endorsed by one of his examples being held out as best practice by the Regulator. M also cites examples where it has been a very 'painful' experience and not achieved what was formerly intended.

The interview was held on site in the Board room. This was very palatial, with the walls being decorated with certificates and awards along with photographs of key events.

The interview was very relaxed considering the formality of the surroundings. M spoke at length on his perception of how the social housing sector manages procurement and embraces (or not) modern methods of procurement. M's answers were rich with anecdotal examples of where things had worked and where things had gone astray.

The meeting lasted for just over an hour. M was not only happy but keen to contribute and participate further. There appeared to be a commercial value to M to understand the market and its approach to modernised procurement further.

Contractor 2

Contractor 2 is a prominent contractor in the social housing sector but restricts its activities to the London and South East market. The organisation believes its focus on one market as opposed to several is a unique selling point and makes it a contractor of choice.

My contact, N, is a Director, although he does not sit on the Board Directors. I have known N for three years and one of the key decisions of targeting N is the fact that he has worked for both contractor and 'client side'. N making the joke that this has made him turn from "*game keeper turned poacher*" (as opposed to the phrase of 'poacher turned game keeper').

His organisation has expanded rapidly and contracts with a significant number of the thirty-three London Boroughs as well as the large London based Housing Associations.

N has recently been a 'critical friend' to one medium sized (c.5000 property units) housing association. His role was to challenge the intended strategy for repairs and maintenance (as well as investment). By overlaying his contracting experience, N was able to provide an insight into what the market could provide and how this correlated to the intended procurement strategy. N feels that this was genuinely a useful process. It has enabled him to more fully understand some of the tensions of the housing association in question and provided an insight for his company of where the social housing market is evolving to.

N sees the advantages of modernised procurement. He also sees that there is a significant amount of tokenism and 'lip-service' to this by all involved. Anecdotes of partnering stops with contractors when it gets to paying sub-

contractors on time. Whilst this was said in jest, the phrase of ‘many a true word said in jest’ immediately came to mind.

N was able to draw on his experiences as a contractor and as a client. He commented that should he ever return to “the other side of the fence” he would be able to take a more holistic perspective and to understand the issues that a contracting organisation has. N noted that clients take the view that contractors are there to ‘rip them off’. N stated that as a commercial organisation, they exist to make a profit for their shareholders and they are not charitable organisations that the social housing sector is. N raised the interesting view that do these variables make the two types of organisation incompatible.

The above was indicating to me that N has a real passion for his work and enjoys debating the complexities of the situation.

The interview was held in a well known Coffee house. Whilst this was undesirable for a number of reasons, I had to respond to N’s constraints in terms of his availability and location. Notwithstanding this less than customary setting, the meeting was very relaxed and uninterrupted.

The meeting lasted for an hour and ten minutes. N was happy to contribute and participate further, suggesting that some colleagues of his who would also be valuable to the research.

5. FINDINGS & ANALYSIS

Analysing the transcripts

By adopting a Grounded theory approach to the research requires that the codes be allowed to transpire from the research, as opposed to developing the codes before transcription and analysis. Charmaz (1995, pp27-49) suggests that the following concepts form the basis to codes:

"What is going on?"

What are people doing?

What is the person saying?

What do these actions and statements take for granted?

How do structure and context serve to support, maintain, impede or change these actions and statements?"

This level of questioning is further distilled by Ryan and Bernard (2003, 85) in which they offer a number of ways in which researchers coding transcripts can discover new themes in their data. Drawing significantly on Strauss and Corbin (1990) they suggest these include:

"Word repetitions – look for commonly used words and words whose close repetition may indicate emotions

Indigenous categories (what the grounded theorists refer to as in vivo codes) – terms used by respondents with a particular meaning and significance in their setting.

Key-words-in-context – look for the range of uses of key terms in the phrases and sentences in which they occur.

Compare and contrast – essentially the grounded theory idea of constant comparison. Ask, 'what is this about?' and 'how does it differ from the preceding or following statements?'

Social science queries – introduce social science explanations and theories, for example, to explain the conditions, actions, interaction and consequences of phenomena.

Searching for missing information – essentially try to get an idea of what is not being done or talked out, but which you would have expected to find.

Metaphors and analogies – people often use metaphor to indicate something about their key, central beliefs about things and these may indicate the way they feel about things too.

Transitions – one of the discursive elements in speech which includes turn-taking in conversation as well as the more poetic and narrative use of story structures.

Connectors – connections between terms such as causal ('since', 'because', 'as' etc) or logical ('implies', 'means', 'is one of' etc.)

Unmarked text – examine the text that has not been coded at a theme or even not at all.

Pawing (i.e. handling) – marking the text and eyeballing or scanning the text. Circle words, underline, use coloured highlighters, run coloured lines down the margins to indicate different meanings and coding. Then look for patterns and significances.

Cutting and sorting – the traditional technique of cutting up transcripts and collecting all those coded the same way into piles, envelopes or folders or pasting them onto cards. Laying out all these scraps and re-reading them, together, is an essential part of the process of analysis”.

Having developed a general framework for the codes to be developed from, as outlined above, the transcripts were analysed and an initial attempt at coding was undertaken. This was on the basis of a 'hierarchical coding structure', enabling me to identify the broad concepts and principles endorsed by Charmaz (above) and then to apply a 'filtering mechanism' by relating the concepts of Ryan and Bernard as sub-codes.

ALMO - North London

Outcome from open coding

Criteria for selecting a procurement strategy

Having utilised a stratified questioning technique, as defined in Chapter three and shown in the appendices, by coding and extracting what appeared to be key or important concepts, reference is made back to the broad concepts, all of which emanating from the literature review:

- Criteria for selecting a procurement strategy;
- The desired outcome of implementing the procurement strategy;
- Definition on what clienting / commissioning techniques are required.

B noted the divergence between the theoretical applications of a modernised procurement approach with the practical application of *“essentially, we do what we have always done. We have a standard approach to the contracts that we use. We don’t sit down and set out what we want to achieve and then work back from that. We dig out the old contract docs [abbreviation for documents] change the dates and reissue”*.

B noted that there is a need to have some form of assessment to gauge effectiveness of the procurement strategy. He noted that the strategy is *“so broad that it is meaningless”* and *“is there to satisfy a purpose – a tick in the box for the Audit Commission”*. He made reference to what a strategy should do in practice by *“assessing what worked well last time and what didn’t and to modify accordingly”*.

B gave an account of traditional procurement and a modernised version by saying *“for me it is about getting the right people to do the right job”*. He did not exemplify any other options or possibilities. When asked to differentiate between partnering and modern methods of procurement, B took the view that they are one of the same.

Desired outcome of implementing the procurement strategy

B saw real tensions between the strategy *per se* and the application of this. He noted how *“every man and his dog get involved in the interesting (not*

defined) *aspects of the procurement process. This is no bad thing but it can drag out the process*".

B held the view that the assessment process is not linked to the procurement strategy. The business case is often not in place to gauge 'success' and if there is such a document, it is very general and unspecific and lacking in practicalities.

When trying to arrive at an effective balance between time, cost and quality (the construction primary procurement variables¹³), B contended that the focus is always cost/price. *"We cannot say that we consider time, cost and quality. We apply a standard 60/40 ratio [quality/price respectively] because that's what the AC [frequently used abbreviation for the Audit Commission] wants to see. After that it is a purely cost driven agenda. We have to, we have limited resources and we are publicly funded"*.

Definition of client / commissioning techniques and issues

B saw the process to be *"mechanistic"*. The European Procurement Law process is followed with no divergence. This would appear to imply that the process at ALMO-North London is both linear and deterministic with a high level of dependency of the interrelated processes.

B took the view that in-house skills are a significant problem, *"we do have major skills shortages. This isn't just an issue for us it applies across the entire sector. We cannot get 'good' staff, so we have to either rely on consultants or to pick it up as we go. Speaking personally, whilst I head Maintenance Services, I have no relevant qualifications, I actually qualified as a Social Worker and I have no prior experience. My surveying staff come from a mixed background, mainly ex-trades but they have not gone on to train and qualify as a Surveyor"*.

¹³ See Document two for a detailed description on the inter-relationships

“Contractors see through this, they know we do not have good client skills in-house, some exploit this, others help us make client decisions”.

When questioned on what B perceived as the biggest barriers, he noted that the supply side of the market is constrained, *“we get cheap and cheerful – sometimes we just get cheap!”*. Also, B reverted to client capacity, *“We are pushed down the partnering route but we are still finding our feet. There appears to be so many ways to adopt partnering, we are often overwhelmed and find it hard to make a decision. As we do what we have always done, it is hard to break out of our comfort zone”.*

Outcome from axial coding

Axial coding examines each category of code to determine pre-conditions, the context of its emergence and the consequences. The category is related to the ‘sub-categories’, as noted by Ryan and Bernard.

Criteria for selecting a procurement strategy

The transcription of B’s interview is rich with word repetitions and indigenous categories (as defined by Ryan and Bernard). A review of the memo and coding shows an interesting trend of using abbreviations, alien to anyone outside of the sector but everyday language for those within it.

B commented on *“the views of the AC”*. The context for this appears that the views of the Audit Commission (the AC) have a significant bearing on the criteria for selecting a procurement strategy, not for the sake of ‘effective’ procurement but for *“keeping the AC happy so that we get the 3 stars¹⁴”*. A pre-condition to the code on procurement strategy is that of the Audit Commission.

The key ingredients of the procurement strategy were again influenced on the pre-conditions of what was expected by the Audit Commission. An interesting dimension appears here in that there is an ‘official’ set of key ingredients and

¹⁴ 3 Stars is the highest award the Audit Commission, as Regulator, can award and is a reflection of an excellent service with excellent prospects for the future, as defined in the Key Lines of Enquiry.

an unofficial set, the latter of which was used in practice whilst the former was for the benefit of others.

Desired outcome of implementing the procurement strategy

There appears to be some similarity between how B's organisation assesses the outcomes of implementing the procurement strategy and the lack of a business case. Connecting the perceived deficiencies in both appears to form some linkage between the codes.

The theoretical stance of selecting quality in favour of price but in reality selecting on a cost driven agenda underpins a great deal of B's comments. The reference by implication of a reversion to a traditional approach to procurement appears "*we always do what we have always done*" and, therefore, the outcome of implementing a modernised procurement approach not delivering what was originally intended.

Definition of client / commissioning techniques and issues

B spoke a great deal about the 'challenges' that he has as a senior manager to commissioning and clienting contracts due to a lack of in-house skills and abilities. This can be linked to the code on a restricted supply side i.e. a lack of in-house skills is compounded by a lack of suppliers "*cheap and cheerful*".

B used terms which included being "*overwhelmed*" and taken "*out of their comfort zone*", both in relation to the client team being expected to implement a modernised approach to procurement. B concluded by saying "*the risks of procuring differently (i.e. a modernised approach) provide the reason for not doing it*". The perception here appears to link back to skills and market capacity gaps with a tension between what the Regulator wants to see and what in practice the organisation has the capacity and capability to deliver.

ALMO - North East

Outcome for open coding

Criteria for selecting a procurement strategy

C spoke at length of the value he could see in modernised procurement approaches in contrast to those that would be considered traditional. He took the view that the procurement strategy is a 'Board level' document and didn't see the operational linkage to how procurement is managed. C shared views of the other respondents in that the strategy is there to serve a "*tick in the box*" purpose with the Regulator.

C felt that traditional procurement approaches still do have a place and in particular felt this could be relevant to procuring repairs and maintenance contracts. This was supported by the view that it is hard to specify precisely what all the inputs and outcomes of such a contract are. C likened this to "*a hospital service, you don't know what's coming in next, you just have to respond. As such, a traditional SoR (Schedule of Rates) contract manages this well. You know what your costs are and you know how to deal with poor performance. If you use one of these new open book contracts, you don't know what your expenditure is until the bill comes in*".

C appeared to be expressing a certain amount of pride in the manner in which he procures his services and seeks to justify his approach when this differs from the 'norm'.

Desired outcome of implementing the procurement strategy

With reference to the transcript, C again appeared to want to differentiate the theory from reality. He also appeared to contradict himself from his earlier general views of acceptance of modern procurement methods. "*I'm fed up of seeing just about every new report titled Rethinking something or other (reference to the Rethinking Construction report). If Egan (Chair of the aforementioned report) had it all sorted, we would have certainty of cost, agreed quality standards and always achieve our target timescales. As it is, we don't achieve any consistently*".

C appeared to be trying to understand the issue at two levels; at one level, he could see the apparent advantages of a modern procurement approach and at another all he could perceive, or at least articulate, challenges to this.

C held the view that the assessment process and the outcome were more based on who you were as opposed to generally accepted outcomes. C noted that the in-house contractor (the DLO) had *“real problems in understanding how this would all work and what the outcomes should be and if they could achieve these”*. He expressed a preference for external contractors and their claimed ability to produce better outcomes of the procurement strategy, although this appeared very anecdotal. C appeared to enjoy debating in the abstract and theoretical detail.

When debating the balance between time, cost and quality, C confirmed that contracts were awarded on a price / quality ratio but significantly geared to price (cost). C qualified this by saying that this is what is expected *“towing of the corporate line”*.

Definition of client / commissioning techniques and issues

C took the opportunity to set out just how poor everyone else at ALMO-North East is on client and commissioning techniques and why he needed to get involved. There appeared to be an emerging professional ethics thought process behind this.

C was very critical on the skills and abilities that the organisation had and noted that *“if it wasn't for me and a handful of my colleagues, there would be real problems”*.

C acknowledged that there is a skills shortage throughout the sector and commented that a number of approaches had to be utilised to overcome this. Taking a differing perspective again, C felt that contractors were no better off in terms of skill sets, *“whilst we don't always get it right, neither do contractors”*. C named a number of national (one international) contractors

that in C's view had no latitude to criticise client and commissioning skills due to the volume of shortcomings that they had.

C took a very defensive stance, keen to criticise colleagues outside of his team as well as contractors. This was notable in particular when debating any potential procurement barriers. C offered a host of issues including internal rules (standing orders), the stance that the Regulator takes, working within a public sector environment and the need for probity to the level that it is counter-productive (C claimed additional costs were spent in pursuit of this) along with the *"need to suffer a DLO"*. The universal panacea to C appeared very straight forward but the practical application appeared to cut across this.

Outcome from axial coding

The open coding highlighted a number of key issues, but it also appeared to show contradictions of views. As such, a review of the context of the open codes would hopefully help explain the 'root cause' of this.

Criteria for selecting a procurement strategy

The transcription of C's interview revealed that when he criticised the criteria for selecting a procurement strategy it was associated to having to pursue a strategy that C didn't concur with. As such, the opportunity to discredit this was taken.

C commented on the lack of ability to influence things directly, despite his senior position within the organisation.

It was also illuminating to understand the context of when C was talking either theoretically or hypothetically. When in this 'mode', C appeared more open-minded to the criteria for selecting a procurement strategy. It also brought in the professional views of what the key ingredients should be and how these differ in practice.

Any debate from general practice to actual practice at ALMO-North East saw a change in approach. C could appear defensive at times and adopt a blame

culture at other times on the criteria adopted, especially the time, cost and quality balance.

Desired outcome of implementing the procurement strategy

Again, C operated at two levels. C debated the potential or actual benefits of having a carefully crafted business case that sets clear and measurable outcomes. This should enable the procurement strategy to be assessed and improved upon. When bringing in a localised context, C protested that there is no business case. *“We measure a very basic range of indicators but this is far short of a business case. If you ask my Chief Executive about the need to develop this, he would dismiss this as an unnecessary process and a ‘rod for our own back’”.*

C similarly discredited the evaluation process. When prompted on this, the reason emerged that assessment, evaluation and ultimate appointment of contractors is undertaken by people who are not all from a technical background. The inference here appears to be only those from such a background have the capability of making value judgements on the process.

Definition of client / commissioning techniques and issues

C spoke at length about frustrating influences on the processes used. Several references were made to ‘red tape’ and bureaucracy. The theme emerging from this is that the operating environment overly constrains the process, cramps innovation and frustrates the recommendation of notable reports on what the construction client is expected to do in relation to procurement.

C did hold similar views to others in that the process is formed around that of compliance with the European Procurement Directives. This was not perceived as an obstacle but merely a framework in which to operate.

The context of a client issues did debate skills shortages but also introduced a hitherto new dimension of perceived inappropriate staff becoming involved. This was explained by C in that only construction professionals should manage the process. Involving the end user / customer or other colleagues

did not have a value commensurate to that of C's construction staff. Indeed the contention was more of a devaluing of the role and ultimately the function.

Housing Association - National

Outcome from open coding

Criteria for selecting a procurement strategy

N stated that he was compelled to use modern procurement methods. He appeared uncomfortable with the approach and explained that this was due to the more *"woolly nature"* of the process. N said that *"I have used a traditional JCT¹⁵ form for many years. At the end of the day, I don't see what extra I'm going to get from using these new partnering contracts. For me it is more for less – more profit, less work"*.

Drawing on experience in the sector, N noted that there had been some "significant failures" (as defined by N) on modernised approaches. When prompted to consider 'successes' (broad concept) N said he had read articles of a number of peer organisations that had claimed this, yet by his own experience he light heartedly summarised the same organisations to be *"complete basket cases"*.

Irrespective of the precise procurement route, N noted a number of key ingredients that are required to define the strategy. N noted that whilst in his organisation there is only a procurement strategy for new build activity and not for major reinvestment or responsive maintenance, this didn't mean that critical phases and processes were not used. N, like many others interviewed, did not see a procurement strategy as a 'management tool'. N described what he considered to be critical, based on technicalities and how to manage the process if anything went astray.

¹⁵ Reference to a widely used standard form of building contract, as issued / published by the Joint Contracts Tribunal and often associated, although not exclusively, with traditional / adversarial procurement.

Desired outcome of implementing the procurement strategy

N thought that one of the issues for him and his team is that they are expected to assess and evaluate tenders and bids, emanating from a procurement exercise utilising modern methods of procurement. The key issues here appeared to be the lack of training and induction into a significantly different process than previous.

N commented that a business case was set out in the tender strategy, which was reported to the Board of Directors. Whilst this was more of a permission seeking document, to accept tenders and commit to the associated expenditure but it also did *“put the meat on the bones”* and had a useful section titled *“why do it?”*. N did not think that the objectives set out were measurable in terms of being specific enough.

In relation to time, cost and quality considerations, N felt that these were defined in the tender documents and could be seen as compensating for a lack of detail in the business case. N perceived that these operated at two levels; strategy and operations, and it was appropriate to confine the more routine performance data to the documents that contractors would tender on.

Definition of client / commissioning techniques and issues

N commented that *“there is a procedure for just about everything we do. We have a set out policy and procedures, which includes procurement, a further set of financial regulations, which includes procurement along with a section of the QC¹⁶ manual that has an entire section on procurement. If you can think of any that we have missed, please let us know”*. Whilst this was light hearted it also showed a little of N’s exasperation on being constrained and controlled by official processes. The final ‘twist’ to this story is that when questioned further, neither N nor his staff have read the documents. When amendments are produced and distributed, N boasted that his admin staff *“promptly files them in the requisite folder”*.

¹⁶ QC – abbreviation used for Quality Control manual

N felt that the skills shortage experienced within the sector had impacted upon his team. He said that there is *“a dearth of technical client skills and that this was not brought about by changing how we procure, it is symptomatic of too many people playing with computers instead of getting their hands dirty on a building site”*. N expanded on this by remarking on his own career commencing as a Carpenter and Joiner, progressing to a Surveyor having retrained. He takes the view that he needs people from the construction industry, he does not need ‘pen pushers’.

“I need to field people who can see through the smoke and mirrors that we get from contractors. That comes from years of experience and often from having worked on site for a contractor. If I send someone with no or limited experience, it makes us look like a joke and they cannot assess what we are getting for our money”.

N did not feel that they as a construction client are affected adversely by the fact that it is social housing (a contention made by others). N remarked upon the buoyant state of the construction industry and that whilst this is a barrier it is something that has to be managed. N explained that the management was possible, especially by having a DLO. N claims that this scenario *“provides a market buffer, if the tender is too high, I give the work to the lads (reference to the DLO operatives)”*. N went on to note that he would not like to be without a DLO as it would leave him fully exposed to the prevailing market forces in terms of capacity, quality and cost.

Outcome from axial coding

Criteria for selecting a procurement strategy

The transcription showed N comparing and contrasting the perceived added value of differing approaches within a procurement strategy. The context for his views was rich in anecdotes from experience in the sector. When prompted for empirical or statistical evidence or when challenging his assumptions by offering examples of ‘successful’ (not defined) modern approaches, he was quick to try and undermine these or to be dismissive. A

good example of this was a case study that I provided of a modernised procurement approach. This has been held out by the Regulator as good / best practice but was dismissed by N by the fact that the Regulator was, in his opinion, not able to discern what good practice was.

N identified the key ingredients of the procurement strategy and took a more pragmatic view on how this should be managed. The context of his transcription on several occasions alluded to an over-emphasis on process control and formality, without in N's opinion, adequate justification.

Desired outcome of implementing the procurement strategy

On a number of occasions, N made the link from a theoretical context to practical application. An example of this sense-making was in the discussion on how time, cost and quality can be 'balanced' and how adopting a quality driven agenda in practice could result to paying more for the same or even a lower level of service. N made the point that he understood the concept of awarding a contract predominantly based on quality, so that although the cost may be more, in value for money terms it was a better balance. In practice N searched for practical examples to see this operating. No examples were identified.

In understanding the context, N made reference to how he thought peer groups operated in contrast to his organisation. In particular, the issue of the business case. N was seeking to justify the absence of such, or at least the absence of a document named as such, by the fact (in N's opinion) that this gap would exist in any peer group. This appeared to be N's attempt at legitimising the situation.

Definition of client / commissioning techniques and issues

The context in which N defined the in-house skills gap was explained with reference to the sector as a whole. Again, it appears to be a 'legitimation' tactic – being beyond N's control or ability to influence. Therefore, N noted the perceived deficiency, had decided he could do nothing about this and accepted it.

The context of N's transcription, based on the axial coding, showed significant similarities to ALMO-North London. In particular, words were used to describe the change in procurement strategy to being "pushed into something". The inference was not only one of compulsion but also of not being convinced of the need to change in the first instance. I wanted to challenge this by using a frequently quoted phrase of Sir Michael Latham¹⁷, who was reported to have said "*if you always do what you have always done, you will always get what you always got*" (conference speech, National Housing Federation, June 1998). This has been generally taken to assume historical 'poor' performance on time, cost and quality in the construction industry will continue in perpetuity if no one challenges and changes the process. N accepted that "*its not a perfect world, traditional cost based tendering always needed to be 'policed' well, but at least we knew how to do this and the games that contractors play. In this lot* (reference to modernised procurement) *it seems that you make it up as you go*". N's choice of language noted a degree of uncomfortableness with a process that is more flexible and not clearly and fully articulated from the outset.

Housing Association - London

Outcome from open coding

From the outset, D's interview and resultant transcript differed in comparison to the other respondents. D's thought process appeared to operate at a different level in that more consideration was given to strategy and resultant implications to the corporate organisation by the work of D's team was given.

A further observation from the coding was the use of 'connectors', as defined at the beginning of this chapter. D would make a number of references to issues that have a degree of linkage (in D's opinion) or have a 'chain of causation'. This underpinned the feeling of a strategist, trying to not only understand the environment but to understand how and why it works in the manner it does.

¹⁷ Sir Michael chaired the Constructing the Team report in 1994 and is often perceived to be a

Criteria for selecting a procurement strategy

As with other respondents, D was invited to tell me a story about the procurement processes employed at his organisation. D immediately took me through the holistic 'picture' of the pressures from central government office (Department of Communities and Local Government) and how this had an implication (*connector*) for the stance the industry Regulator took as well as the Governing body¹⁸. In further exemplifying D's differing perception, he took a totally different interpretation of how this impacted upon how procurement was administered. For D, his preferences for particular procurement routes were seen as irrelevant. He likened working in the social housing sector to "A club. When you join, you have to play by the rules irrespective of whether you like them or not. The way I see it, if those above me have taken a view that modernised procurement approaches are the best fit, then it is my job to turn that into reality. My view doesn't matter".

D spoke eloquently and at some considerable detail about what he saw were the key ingredients. In contrast to former interviews, he placed significant emphasis on process control and proactive risk management. "We are spending big bucks here, we need to ensure we manage risk and mitigate it whenever possible to do so. I see the procurement strategy as formalising the process and laying down the ground rules for good practice".

D held the view that the strategy needs to have a balance of long term "how we're going to buy things and managing the process".

An area of synergy with other respondents was his views on maintaining a DLO. When asked the question, D's immediate response was "the decision to make or buy". I was interested in this choice of terminology as it was a phrase frequently observed during the literature review stage of the research. "Having an in-house team allows me more flexibility. I had a contractor 'go bump' (cease trading) on me last year. Without the DLO I would not have been able

pre-cursor report to that of the Construction Task Force, Rethinking Construction in 1998.

¹⁸ Regulator is the Audit Commission, Governing body is the Housing Corporation; both of which are quasi-autonomous nongovernmental organisations 'QUANGO's.

to offer a service. Also, it is the low value / high frequency jobs that cost me an 'arm and a leg' to get done by external contractors. So I use the DLO and to be honest, that's what they're good at. They have real problems managing anything much bigger than a couple of days work at one location".

Desired outcome of implementing the procurement strategy

As one would expect, like all other respondents, D factored in the EU Procurement Directives to assessing and evaluation procurement episodes. However, D used this as part of the process rather than the primary focus that other respondents this far had indicated.

D did see linkage from the strategy to the outcomes of implementation. This was by having a 'procurement toolkit' appended to the strategy which set out what processes need to be followed in order to enable the procurement strategy to deliver its objectives. When questioned on this, D felt this was a good framework to operate within. Whilst it did not guarantee the optimal balance of time, cost and quality, it helped and encouraged this as much as possible. Moreover and somewhat in isolation, D was a strong advocate of not having a fixed and pre-determined ratio of cost to quality. D gave anecdotal examples of where if he had used a 60 (quality) / 40 (cost) ratio, as appears to be common practice, this would have "meant paying more for the same thing. Some routine and repetitive repairs and maintenance processes do not lend themselves to paying a premium for". When prompted to think of the added value that could be expected if paying a higher cost base, D replied "*there are basic standards that we all have come to expect as minimum. We expect contractors and our DLO to be polite and courteous to our customers, we expect them to tidy up after themselves, we expect the contractor to have an efficient administration and co-ordination process. So why pay a premium for what you and I would think is normal if we called a contractor to our own home out of the Yellow Pages?"*

D did have a comprehensive business case which he said “set out ‘SMART¹⁹, objectives, which were revisited and audited to make our business planning process dynamic”.

Definition of client / commissioning techniques and issues

D felt there is a need to segregate client and commissioning techniques to “fit with the business. I don’t need a Chartered Surveyor to administer the procurement process of a responsive maintenance contract. I need a small team of people who are going to deliver the contract and not leave us just as the work starts. But I do need expertise to procure large scale investment projects; it is a matter of ‘horses for courses”.

D felt that by being based in central London, the skills gaps that he had within the client / commissioning team were severe. This was influenced by the highly buoyant market place for construction professionals generally, which D feels is even more buoyant in London. “We have to rely on temps (a reference to temporarily employed staff). They come and go, some are good, others are dire and all cost a fortune. I’m lucky that I do have a core of staff that have been here a while but the level of understanding of all types of procurement and how to administer the process is low, sometimes almost non-existent”.

I asked D to give me some practical examples of how this scenario manifested itself. “we have breached the OJEU (reference to the EU Procurement rules) process on more than one occasion. This was not done to ‘cut corners’ but out of ignorance. I’m also well aware that we are not a good client in so far as not maintaining a regular dialogue with contractors, so apathy and blame creeps in when things go wrong. That said, I don’t believe we are any different to other HAs (housing associations) in fact I would say we compare well against most. I could tell you some horror stories about XYZ Association (anonymised as this is an opinion and not a matter of fact) and the mess they are in”.

¹⁹ SMART – Specific, Measurable, Achievable, Realistic, Timed

D appeared to want to legitimise some of the inherent problems and shortcomings his team have. He did this by comparing and contrasting to peer groups. This tended to be negative on the basis of 'if you think we're bad, look at XYZ'.

Outcome from axial coding

Criteria for selecting a procurement strategy

The transcription of D's interview showed not only the 'connectors', as referred to above, but also 'key-words-in-context'. By looking at the broader context of what was said, the axial coding notes the use of specific terminology as well as phrases used.

D had a perception of the 'bigger picture' of procurement and the sector in which he operates. He did not see that there is a generic right or wrong approach to procurement, it is more a matter of appropriateness to the individual circumstance.

The key ingredients of the procurement strategy also divergence of opinion to other respondents. D likened the key ingredients to being 'part of a jigsaw' and understood this to be part of a linear and deterministic process in implementing procurement.

Desired outcome of implementing the procurement strategy

D could see a "*golden thread*" emanating from the business case, to the procurement strategy to the actual implementation phase. He did not see these as distinct or disjointed but more of a series of discrete refinement and stratification of turning corporate objectives into reality.

D took a more pragmatic stance on balancing the construction primary procurement variables. He also had an aversion to adopting a prescribed ratio between the variables and applying this to every procurement episode. D saw the need to tailor the ratio according to the complexity and added value to the expected outcomes.

Definition of client / commissioning techniques and issues

As with the entire interview, D took a more analytical understanding of what client and commissioning skills are required and any gap in practice. He observed market tensions in which he had to compete for a scarce resource. His judgements were reasoned and often qualified. A good example of this was to note a deficiency within D's organisation and then seek to qualify this by finding a peer organisation that in D's opinion performed to a lower standard.

Contractor 1

Due to the inherent differences in background i.e. both Contractor 1 and 2 are not representing registered social landlords but are employed by such to assist in the delivery of one of the core services i.e. repairs and maintenance to the housing property portfolio, some of the wording of questions had to be slightly amended to make the questions and consequential answers meaningful. Notwithstanding this, the concepts and definitions adopted remained the same.

Outcome from open coding

Criteria for selecting a procurement strategy

M did not see any evidence that would lead him to assume that there is a thought process that goes into selecting a criterion for a procurement strategy. *"Before Egan's 'lot', it was the cheapest that got the job, simple as that. These days cost still has a big part to play but there is more consideration of quality, which we feel does 'level the playing fields' a bit better"*.

When questioned about the motives for the change, M took the view that this was enforced change. Some organisations had accepted this, others struggled. M said that this could be seen across a number of our clients, *"You can tell whether they agree with using a modernised procurement route or not fairly quickly. We went away with a client on a 'partnering workshop'²⁰, we all*

²⁰ An event that brings all parties together (client, contractor, consultants) at the pre-delivery stage of the contract with the intention of agreeing goals and objectives and/or particular risks before commencing the delivery phase (Source: Croner's Management of Construction Projects 1999, 2-361).

sat around and said nice things about each other until it came to discussion on how the AMP²¹ will operate. The atmosphere instantly changed and we were back to being the 'sharks' we always have been – apparently”.

M took the view that there is limited understanding on other forms of procurement and noted that it is traditional or a partnering based approach. No consideration appears to be given to what other sectors are doing. M gave examples of management contracting, whereby the contractor undertakes a 'facilities management' function and is incentivised to keep reactive maintenance to a minimum and planned / preventative maintenance to a maximum. M noted that *“we have mentioned this to numerous clients in the sector, we have even offered to facilitate a joint meeting to discuss this. Unless the 'Corpy' (Housing Corporation) see the merits in this and encourage it, no one is going to take up the initiative. It is a better solution for us and for the client but we hit a brick wall every time”.*

M could not see evidence that the clients knew what the key ingredients of a procurement strategy should be or that they could use these in a meaningful way.

Desired outcome of implementing the procurement strategy

M thought that the assessment and evaluation phase is generally clear and unambiguous. The clients adopted a standardised approach, most involve the service users (tenants and residents) and often utilise external consultancy support to analyse the tenders.

In relation to a business case, M could not think of a client that had specific strategy but he did acknowledge this is not necessarily something contractors would encounter. M did note that assuming a business case does exist, they and other contractors would welcome the chance to input into this. *“All too often we get asked to price contracts which do not represent the best solution. We can bring something to the table in terms of both 'buildability', value for*

²¹ Agreed Maximum Price

money and knowing what the market 'appetite' is. This can help to avoid wasting time and money in pursuing a route that isn't the best fit. We do from time to time get asked to comment but this tends to be for a 'tick in the box SMT'²².

Definition of client / commissioning techniques and issues

M was particularly critical on client and commission skills. He drew on a number of examples to justify his stance. M could see examples of modernised procurement approaches being frustrated by client culture and skills gaps. M noting *"when we have a problem, Egan says you sit down and discuss it, agree who is going to deal with it and move on. In practice, we don't sit down, we get shouted at down the phone and we end up dealing with it regardless of fault"*.

M also noted the longer term apathy and propensity to migrate back into the traditional roles. This was a point also transpiring from the literature review. M said *"if you follow text book modern procurement, there is a world of difference. At the start, it is at best quasi-partnering, doing some of the issues but not all. After contract commencement, you would be hard-pushed to see what is different between traditional and a modernised procurement process"*.

This appeared to indicate that in trying to understand the context of the operating environment, M was comparing his social landlord clients with those clients from other sections. M did not see any discernable difference between the differing 'segments' of the social landlord market (i.e. local authority, ALMO or housing associations) with the possible exception that local authority and ALMO clients have more bureaucratic processes and systems.

Outcome from axial coding

To a significant extent, M appeared to look for evidence from the sector to form his views. He would frequently cite organisations for which his organisation contracted with in order to bring out anecdotes on performance,

²² Soft Market Test – a strategic market engagement tactic used by construction clients with contractors stopping short of a formal tender episode

positive or negative. M was also able to draw on experience from working for other construction clients from differing sectors (e.g. private sector developers) and those in the public sector but in a different field (e.g. Defence Estates, representing the Ministry of Defence). This appeared to influence the way M understood things and provide both a more rounded – possibly grounded? view and to challenge assumptions on why issues could apparently work effectively in one sector but not in another.

Criteria for selecting a procurement strategy

M's contention was that his clients from this sector procure in the manner they do because this is what is expected from their Regulator and Governing body.

Despite offering alternative procurement options the client base had exhibited reluctance to M to modify their approach. M did note a small number of exceptions to this. Having debated these further it appears to be when the circumstances are significantly different. Both examples involve the development of a Joint Venture Company 'a JVC'. This was formed out of a loss making DLO that needed significant forwarded funded investment 'stream' to survive and to pay for new information technology, fleet and the like. The dynamics of this were such that the client body no longer had the advantage of being able to select a procurement strategy but was in need for sustainable solutions from the private sector.

Desired outcome of implementing the procurement strategy

M did not detect any issues of concern or, in the alternative, areas of good practice in assessing and evaluation of the procurement process by measurement of outcomes. The context of M's transcript gave the impression of adopting a set 'style' and then implementing this on all occasions, irrespective of relevance.

M does see the move towards procuring and commissioning on a more balanced time, cost and quality regime. M made several word repetitions to 'value for money' in contrast to just cost. M sees this as a market "*whose mind is evolving on you pay for what you get*".

Definition of client / commissioning techniques and issues

Whilst noting similarities with other respondents in relation to clienting skills and abilities, M looked for a deeper motive to the outcome. He perceived that cultural dynamics and tension was still fostering a blame culture from the client. This was compounded by a lack of accountability and unwillingness to change. M does not see any change in this, some thirteen years after the publication of the *Constructing the Team* report (the Latham report) and nine years after the *Rethinking Construction* report (the Egan report). Both of which challenged both the contractor and client to modify their approach to procurement, amongst other issues.

Contractor 2

N, drew both on his experiences working in 'client based' organisations and from his current position as a director with a regional contractor.

Outcome from open coding

Criteria for selecting a procurement strategy

The coding of N's transcript showed that he was able to generalise on how the social housing sector is selecting criteria for a procurement strategy and sought to endorse this with anecdotal examples from his client base. N demonstrated that he had a firm grasp on what he perceived were the key criteria and variables for selecting a strategy. Having done this, N made reference to the "*complete void*" that exists in his clients thinking through what they need to achieve from a procurement strategy and, therefore, what the prevailing criteria need to be.

"They know traditional procurement because that is what they have always done, although not well. They think they know partnering, but this tends to be partnering on their terms and not a generally accepted view. You have seen the EPS definition²³ on the sector. Well I agree with it. Its all take on the client side but they are the worlds worst client".

²³ Reference to a light-hearted view from a contractor on partnering and how social housing clients adopt this, published in the Audit Commission (2006) Partnering in Responsive and Planned Repairs – Efficiency pack.

N held the view that modern procurement in the social housing sector was “*tick box partnering*”. N felt the client is more comfortable with the adversarial style of traditional procurement and interestingly was trying to make systems, processes and protocols from original procurement approaches ‘fit’ modernised procurement. “*By nature, they [the social housing client] is risk averse, entirely process driven and see us all [reference to contractors] as sharks. Against this setting, it is hard to see how a more collaborative, risk sharing approach to procurement can work*”.

Desired outcome of implementing the procurement strategy

In relation to the evaluation and assessment process, N holding parallel views to that of M (Contractor 1) thought the process is robust but this was attributable to using consultants as opposed to having the inherent skill base.

By way of example, N noted that one of the positive experiences he had enjoyed with the client base whilst using a modern approach to procurement, was when a business case (although not actually named as such) was used to gauge success. The measures of success were pre-agreed and linked to required outcomes. From N’s perspective, the disappointment was that this related to a project undertaken in 2001, when it could be argued that modern procurement approaches were very much at an embryonic stage in the sector. N confirmed he had worked for the same client subsequently and no business case was in place. He also noted that the impact of this could be felt if not measured.

Definition of client / commissioning techniques and issues

The open coding of N’s transcription showed numerous examples of perceived failings in client side capacity. In pursuing this point N took the view that this was due to capability.

“We have one guy who administers the main contract for repairs and maintenance that we won a couple of years ago. Time and time again he shows us just how incapable he is in basic contract administration. When it comes to applying open book accounting, to be honest, I’m confident that we

could put in virtually any claim and he would pay it". N noted that the client employs too many temporary staff which disjoints the learning process and has no added value.

On balance, N thought that ALMO's are more proficient in administering the contract and have a higher degree of technical ability than those clients from a housing association background.

Outcome from axial coding

The context of N's interview and transcript appeared to show frustrations and tensions from what should happen to what actually happens.

Criteria for selecting a procurement strategy

N noted that when he was working for a social housing provider, he was overly constrained in his approach by alleged needless systems and processes. He could also see a 'cultural divergence' from what is expected from the regulator i.e. the social housing is fully expected to adopt modernised procurement routes and the reality of the situation is somewhat different.

Desired outcome of implementing the procurement strategy

In common with most other respondents, N did not have any concerns for how the evaluation and assessment process operated. However, he did note an example of where the process did operate as he would expect and then contrasted this against 'the norm', which was significantly different.

The view that cost consideration still override the decision making process prevailed on a number of occasions and was frequently linked to being risk adverse.

Definition of client / commissioning techniques and issues

Again a common thread throughout the interview was the apparent reluctance and inability to change traditional systems and process. As such, this was seen in N's view to frustrate the process. The context appears to be one of a reluctance to let go of a process that the social housing sector feels works well and is fully understood with a new system that is more 'fluid' in nature, despite both their regulator and governing body telling them that they must.

The result is a tension between old and new systems with a less than satisfactory outcome on the principal considerations of time, cost and quality.

Selective Coding

Having transcribed all of the interviews by bringing these together in the format of a memo and ultimately into a conceptually clustered matrix enables both the integration and categorisation of themes. This was of considerable assistance when embarking on the selective coding phase. Rouse and Dick (1994) note that *“the outcome of the selective coding will account for the phenomenon being researched. The integration is done by selecting a ‘core category’ or ‘story line’ around which the rest of the categories are organised”* p. 54.

With reference to the matrix, there is a ‘central theme’ prevailing through all of the interviews which questions the role of the client for effectiveness. Some respondents cite perceived failures in systems and process, i.e. a ‘mechanistic’ failure whilst others cite perceived failures in culture and behaviour patterns which would appear to be more of an ‘organistic’ issue. There is insufficient evidence gathered to be determinant upon this, but the key issue for document three is the identification of the core theme.

In an attempt to provide further justification for the selection of the core theme, this is endorsed by attempting to link peripheral themes and concepts. An example of this is the recurring perception that procurement in the social housing sector does not generally develop a business case despite spending many millions of pounds on this activity and that there is a low appreciation of alternative methods of procurement. Both of these concepts are traditionally held client activities. With reference to a number of notable sources on procurement, neither of the above issues would be considered good practice. Accordingly, with reference back to the core theme an inference of questionable client practices can be linked to client effectiveness (lack of).

It is accepted that at this stage these are nothing more than inferences. However, the outcome of the selective coding shows strong similarities to the

key issues noted in the Literature Review. Moreover, the value of selective coding was further endorsed by the fact that it enabled detection of one of the sample who held differing views to the others. Whilst these were not of a magnitude that would lead to the assumption that the views are contradictory or diametrically opposing, an element of divergence can be seen in so far that the core concept remains but differing views are held on how and why the concept has manifested itself.

Three broad concepts were explored with the respondents. Despite making no direct reference to the input of the client on some of these, client effectiveness was noted in all areas. For example, the first concept explored criteria for selecting a procurement strategy. Many respondents noted gaps in the clients ability to identify alternative procurement routes and a perceived inability to identify 'key ingredients' for the strategy. Accordingly, a common thread can be seen which will help 'signpost' Document five.

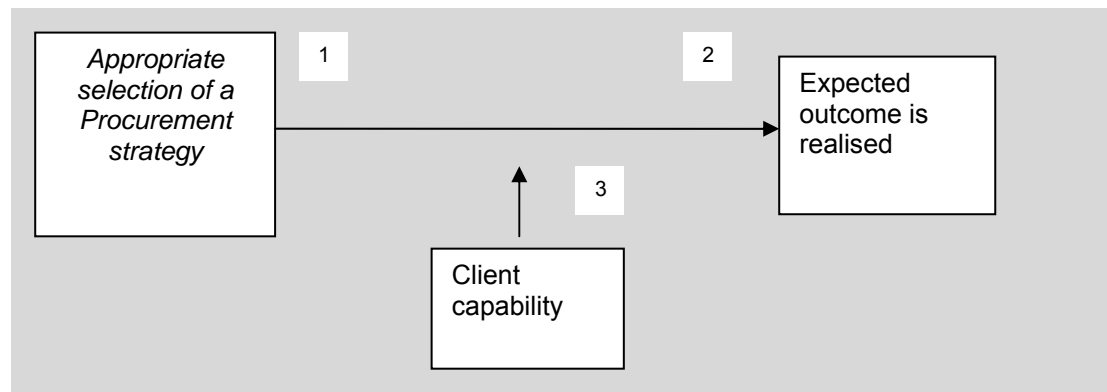
6. CONCLUSION

Adopting a grounded theory approach to the qualitative research appears to have added value to the research project. This has fundamentally challenged my initial assumptions on the conceptual framework, as developed in Document Two (as noted below). Moreover, the grounded theory enables a process of ‘filtration’ enabling the researcher to return to key concepts from a differing perspective and ultimately crystallising the outcome based on generating the theory directly from the ‘field’ as opposed to a pre-determined hypothesis testing style. Whilst some researchers take the view that it is not possible to undertake the research without any preconceptions (as noted in Chapter three), it does afford the opportunity to allow hitherto ‘silent’ concepts to emerge as well as the potential to challenge preconceived concepts.

Theoretical Model

The conceptual model originally developed is called into question by the outcomes of Document three. The linkages whilst still appearing valid, are diluted to the extent that they are more of a ‘flow’ diagram. The cause and effect inter-relationships are limiting in some cases and with reference to the material gathered for this study it may be possible to remove some of the concepts without fundamentally altering the ‘dynamics’ of the model.

In recognition of the above, a more refined model has been developed:



Key (Table one):

1	Appropriate selection of a procurement strategy:
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	Consider a number of strategies including traditional, management contracting, construction management, facilities management, adversarial, collaborative
2	Expected outcome: Measured with reference to the construction procurement primary variables of time, cost and quality – all articulated in the business case and measured with key performance indicators
3	Client capacity: Client organisation understands and adopts the appropriate client role, dependent upon which procurement route is selected

Inference from outcome of Document three

Having refined the conceptual model, it is logical to apply the outcomes of Document three. Those interviewed had a degree of commonality in contending either a non-existent procurement strategy or one that is ineffectively focused. The absence of a business case to gauge the effectiveness of the process was also considered an area deficient. However, the most significant area of concern was the capability of the client organisation to evaluate and articulate time, cost and quality considerations. The interviews noted a range of ‘tensions’ for this and used an array of anecdotes to exemplify this concern.

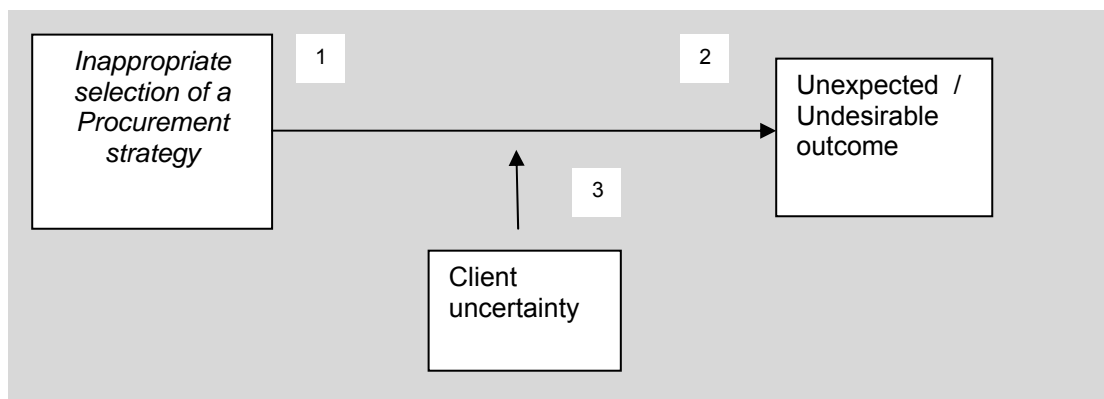
Document two noted a number of significant concerns, especially on the capability of the client. Literature from both professional and academic sources cite concerns of the public sector construction client. Most notably, the Audit Commission (2005) and the empirical research of Jackson (2006). The latter draws on the findings of a number of prior research findings, so going as far back as the 1940’s in which the construction client was encouraged to take a more proactive role in the procurement process.

Holder and Turner (2004) comment on the apparent failing of the public sector construction client and attribute the lack of skilled staff leading to inadequate ‘clienting’ systems and processes. Throughout the interviews for Document three, significant and numerous skills gaps were cited which have presented a barrier to ‘successful’ procurement. Those interviewed contend that this inherent deficit manifests itself in a number of ways, many of which require management intervention to negate or to control this weakness. Examples provided by the interviewees in support of this note an over-reliance upon management consultants, which creates an additional cost. This was

frequently perceived as a ‘price worth paying’, presumably as the alternative outcome was thought less desirable than the additional cost of employing consultants.

It is illuminating to note that the claimed deficiencies have previously led to a number of government sponsored reports, which individually draw on both academic and professional practice. The most notable of these all emanate from the Office of the Deputy Prime Minister (or it’s previous form of the Department of the Environment); *Constructing the Team, Rethinking Construction* and *Accelerating Change*. A number of sources have quoted these to be seminal reports and a key feature is learning from the research and then applying this in practice. In spite of this, there is little if any robust testable evidence to suggest that there has been any change in the outcome i.e. the role of the client does not appear to have adopted the recommendations.

By accepting the above observations, the conceptual framework can be adapted and depicted in such a manner to show the contrasting position:



Key (Table two):

1	Inappropriate selection of a procurement strategy: Construction client fails to consider all procurement options available and may select an inappropriate strategy
2	Unexpected outcome: Not measured with reference to the construction procurement primary variables of time, cost and quality or measures are too few. No business case showing linkage of strategy to outcome
3	Client uncertainty: Client organisation fails to adopt the appropriate client role, dependent upon which procurement route is selected, based on systemic (mechanistic) and/or attitudinal (organistic) deficiencies

Limitations and next stages

Notwithstanding the above, the outcome is restricted and somewhat limited by sample size. It doesn't reveal anything new in terms of the procurement strategy, but tends to reinforce concepts and observations from both professional and academic sources. Whilst to an extent this is reassuring, the sample size prohibits wider inferences being made.

On the basis of the aforementioned, potentially the principal consideration and contention is that the role of the construction client within the repairs and maintenance sector of social housing often results in sub-optimal procurement. In accepting this, the next most logical phase would be to extend the sample size to enhance credibility but also to utilise other qualitative research methods to 'tease out' common themes as well as potential solutions. *Prima facie* this process would appear to lend itself to a focus group approach, allowing a series of iterations throughout the meeting to help provide a conclusion and to enable further research in the future.

This phase of the research did interestingly raise the prospect that the delivery model employed to deliver the service can have impacts for time, cost and quality considerations. The delivery model in this sense is whether a large national contractor, small contractor (e.g. regionally based) or an in-house team (i.e. a Direct Labour Organisation 'DLO'). In theory, the model should have no differing impact on the outcomes. The specification sets the required standard for the service which has no regards to what delivery model provides this. However, out of those interviewed, there were a number of views expressed upon how the service provider can influence the outcome to a significant extent. It is intended to explore this potential further in the next phase of the research. This is on the basis that subjecting time, cost and quality data to quantitative analysis, introducing a further variable of the delivery model may well reveal a trend on a much wider sample.

7. REFLECTIVE OBSERVATION

What appeared to work effectively

The benefit of using the grounded theory and in particular axial and selective coding was considerable. Having looked at the wider context and being able to detect when the 'tone' of the interview changed enabled me to understand why there were some apparent contradictions of opinions, potentially distorting the outcome due to current issues. Moreover, in generating theory, the culmination of the field work into a memo initially and a conceptually clustered matrix ultimately enabled a core theme to be discerned along with peripheral issues to the extent that it fundamentally challenged the original conceptual model to the extent that a new model was developed.

A review of the memo and especially the matrix shows divergence of opinion of one of the sample respondents. In order to inform theory generation, it would appear to be a prerequisite to identify research findings that do not concur with the majority so that these can be explored further.

What could be improved upon

The sample size has inherent limitations. As such, I perceive this to be more of a lead-in process of establishing the most appropriate research methodologies, applying these to a small sample before extending these in Document Five.

Selecting the most appropriate respondents is always a key issue and is impacted upon by access and availability. One of the respondents, whilst initially appearing content to participate appeared to become less so as the process emerged. Selecting a larger sample by default increases the opportunity for this. In response to this, it is intended to issue a more detailed brief of what the research is and what is expected of participants in terms of access and input to help negate any participation issues.

The added value of Document Three

The added value of Document Three appears to be gaining greater clarity on the conceptual and theoretical models. Before undertaking this research, the model was broad and adopted the problem awareness pattern, endorsed by Hart. Having completed this stage of the research, the revised model adopts a cause and effect measure. It also has relegated some of the original concepts to being more peripheral in nature.

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Appendices

Interview question areas

<p>Sensitising questions</p> <p><i>What is going on, who are the actors and how do they define the situation?</i></p> <ul style="list-style-type: none"> ▪ Tell me about how procurement is approached here? ▪ Tell me a story that portrays who leads on the procurement process and how they define which strategy to employ. ▪ Tell me how you see the procurement process being managed 	<p>Theoretical questions</p> <p><i>What is the relationship of one concept to another, what would happen if...? How do events and actions change over a period of time? What are the larger structural or dimensional issues and how do these events affect how the interviewee sees things?</i></p> <ul style="list-style-type: none"> ▪ Tell me your views on traditional procurement –v- modernised? ▪ Has there been a change over the last few years, if so why?
<p>Practical questions.</p> <p><i>Questions centre on which concepts are well developed and which are not (i.e. what is the ‘norm’).</i></p> <ul style="list-style-type: none"> ▪ Take me through how the business case for procurement is developed ▪ Tell me how time, cost and quality is considered ▪ Tell me about the assessment and evaluation process 	<p>Guiding questions</p> <p><i>These questions will change over the course of the research process, being informed and enriched by the former stages. These tend to be reasonably specific and may link concepts</i></p> <ul style="list-style-type: none"> ▪ Tell me how and if you feel the criticisms on social housing clients is relevant and any impacts ▪ Tell me about the in-house skills and capacity to commission and client projects ▪ Tell me what do you consider are the biggest barriers to an effective procurement process. Are there external barriers as well?

Document Four

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ABSTRACT

This Document seeks to measure outcomes on the construction primary procurement variables of time, cost and quality factors. It does so by comparing and contrasting statistical performance of organisations using modern methods of procurement and those that are utilising traditional approaches. The culmination of which is to draw inferences from the sample and apply this to the sample frame.

The conclusion of this piece of the research is that, with reference to the aforementioned, there is no difference between the outcomes of the two variables modern and traditional procurement. However, a significant outcome from this phase is the emergence of the importance of what 'type' of organisation delivers the repairs service. By this it is meant whether a large national contractor is used, a small regional contractor or an in-house team. From the data analysed, there are indications that cost considerations and outcomes are significantly higher from those using large national contractors without commensurate improvements on time and quality criteria.

1 INTRODUCTION & OBJECTIVES

Previous Research

Document Three provided a greater insight to how procurement is approached within the social housing market for repairs and maintenance as well as debating some of the apparent tensions and barriers to a greater degree of effectiveness, achieved through qualitative research.

With this in mind and the move to quantitative research, the focus of this Document is to look at what measurements are applied to the process as well as the results. Document Two noted from the literature review the propensity to measure outcomes within the construction industry on the construction primary procurement variables. This consists of three variables with the optimum solution being the most appropriate balance of the three, which are: time, cost and quality considerations. Accordingly, for this Document it is intended to undertake research on the construction primary variables and compare and contrast the outcomes of these from adopting a modernised procurement approach in contrast to the outcomes when utilising a traditional approach.

The justification for the above choice is one of measurement. The three concepts are all aspects that have previously been subject to numerical quantification. Notwithstanding the fact that the quality criteria is by nature more subjective, by referring back to the business case for the procurement exercise and assessing what quality considerations were desired, outcomes can be more easily defined. As such, the measurements of time, cost and quality are not criteria that the researcher has prescribed, but criteria that the organisations involved in the research have themselves defined before embarking upon the process and returned to at a later date to measure outcomes against.

Document Three concluded by drawing an inference that client effectiveness was a major issue. This led to the fundamental reappraisal and redefinition of the conceptual framework. As time, cost and quality criteria are defined by the client, it is appropriate to attempt to disaggregate the client processes further. This will assess if the time, cost and quality variables are a contributory factor to client effectiveness / ineffectiveness. In doing this care is taken to not assume a mono-causal problem. There may be a number of impacts, as yet undefined leading to multi-causal issues, only one of which may be measuring time, cost and quality.

Document Four will also conclude the methodological triangulation of the research, prior to the broader focused Document five. As such it acts as a 'filtering' process enabling a clearer focus on issues and concepts. The culmination of all documents to date will also help focus the research for Document Five in so far as a refined and robust conceptual framework / theoretical model, underpinned via both qualitative and quantitative research and identification of the early stages of research within Document Five.

Objectives

This part of the study will look to identify what time, costs and quality measures are used and how do the outcomes compare to the outcomes achieved under a traditionally procured process. This will not necessarily lead to a confirmation that one process is better than another, but it will assess how robust the process of measurement is and identifying patterns in the data that may lead to inferences on effectiveness.

The intent at the beginning of this process was to seek to scale the differential of those organisations that have adopted modernised procurement and contrast this with their historical performance on the same variables but when using a traditional method of procurement. The early phases of research did not reveal a data set that would enable the above comparison. As such, the focus of the research was changed to compare and contrast performance between organisations who are currently using modern methods and to those who are not. This was to be achieved by using data sets from peer groups of

Arms Length Management Organisations (ALMOs) for which a wealth of validated data sets exists. The researcher chose ALMOs in favour of housing associations on the basis of data availability. As such, conclusions drawn from this research will not necessarily replicate to housing associations. This is a potential area of further research for Document five.

As part of identifying those organisations who *prima facie*, have a higher level of achievement on time, cost and quality to peer organisations, it is central to the research project to understand why this is, or to at least draw reasoned inferences to be subject to further research. Accordingly, having identified 'effective' organisations on the above measures, it will then be necessary to attempt to find commonality between these. An example of this could relate to the prominence of a particular contractor in the market place or many other such issues. As such, one of the research questions seeks to explore what business model was deployed.

2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Construction primary variables

Noted above is the intention to undertake some form of assessment on time, cost and quality considerations. Before embarking on this particular part of the research, it was necessary to identify if there is any additional literature on this particular issue, extra to that noted in Document Two.

Hall and Holt (2003, p 263) noted that *“protocols have been introduced to construction procurement focusing on ‘behavioural implications”*. The emphasis was to seek to measure ‘good management’ processes and to link these to time, cost and quality indicators by way of benchmarking to peer groups who had not developed and implemented. This is of particular interest as the research correlated ‘good management’ with the primary variables and the degree of effectiveness. The management process was that of the client organisation or their representatives.

Duc, Ng and Swee (2003) debate the lack of structure and procedures to the procurement process inhibits the opportunity for clients to choose an effective procurement strategy. Their empirical research notes the need for the client to select a criterion of procurement parameters based on the business case articulating the needs of the project. The authors debate the interrelationships of parameters, including time, cost and quality and that these must form the core of the selection process. Young (2004) follows on from Duc, Ng and Swee and cites their research as informing Young’s observation. In using time, cost and quality variables, the author debates how a client needs to have objective criteria to inform the order of preference of the variables. Mention is made that there is a tension that exists between them and that it is not possible to achieve absolute best quality, time and cost and a ‘compensating factor’ needs to act as a moderating force to arrive at an

optimal balance between the variables. Young notes that such a balance will be influenced by the imperative that drives the need to procure. As such, as the imperative may alter between projects (e.g. some may have more of a cost imperative, others may have a time imperative) this needs to influence which of the three criteria takes preference. Young seeks to endorse this view by making reference to how the Ministry of Defence have altered the preference of time, cost and quality criteria to suit. Further debate centres on why most construction clients imperatives change depending upon circumstance, many do not adjust their stance to procurement but have an expectation that the procured contract will deliver a differing expectation, based upon their revised imperative. This is of particular interest in relation to the conceptual framework. Document three significantly revised this in light of research findings in that document. The model infers that the appropriate / desired outcome is premised on the basis that there is an appropriate procurement strategy (or business case). Taking account of Young's contention of the need to adjust the imperatives to suit the needs of the project, the appropriate selection of a procurement strategy (as shown in the conceptual framework) may be considered a critical success factor in achieving the desired outcome.

Holt and Jennings (2001) contend that the principal criteria for procurement should not be a cost driven agenda. A multi-criteria approach is offered and is based upon research with both clients and contractors in order to determine an equitable manner of weighting time, cost and quality considerations and the objectivity of the evaluation process.

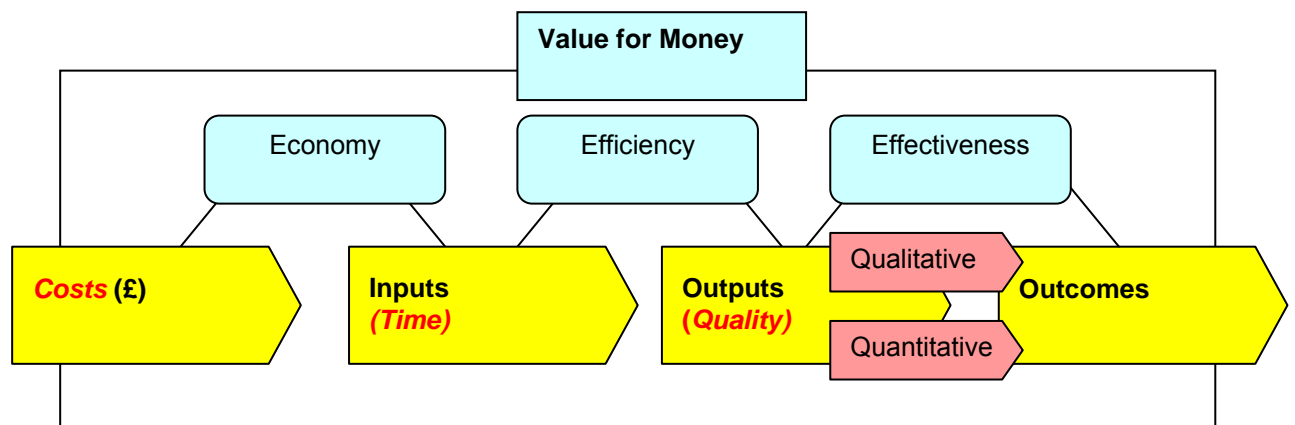
The above research projects are of interest as all three see a link between client effectiveness and the ability to robustly assess time, cost and quality considerations. Of particular importance is the need to benchmark this. This is a point that Hall and Holt make in applying management processes and protocols.

Hawkins (2007) contends that not only do construction clients need to become more effective but they need to exhibit enhanced commercial skills

including taking a more robust line on 'value for money'. This concept has been seen to link time, cost and quality together to arrive at the optimum solution.

Childers (2007) contended that relationship management is a critical area. Justification was offered for this by citing examples of perceived ineffective procurement and linking this back to poor relationship management. The relevance of this literature to Document four specifically is that Childers defines poor relationship management as the inability to hold contractors to account for their performance in terms of satisfaction, cost and time.

One of the most commonly referred to sources for defining value for money from within this sector is that offered by the Audit Commission (2005), who produced a 'value chain':



(Source: Audit Commission (Housing Inspectorate) Key Lines of Enquiry 32)

All three measures of time, cost and quality can be seen on the model, although time has been classified as 'inputs'. The model also proposes that the assessment is made on the basis of both qualitative and quantitative review.

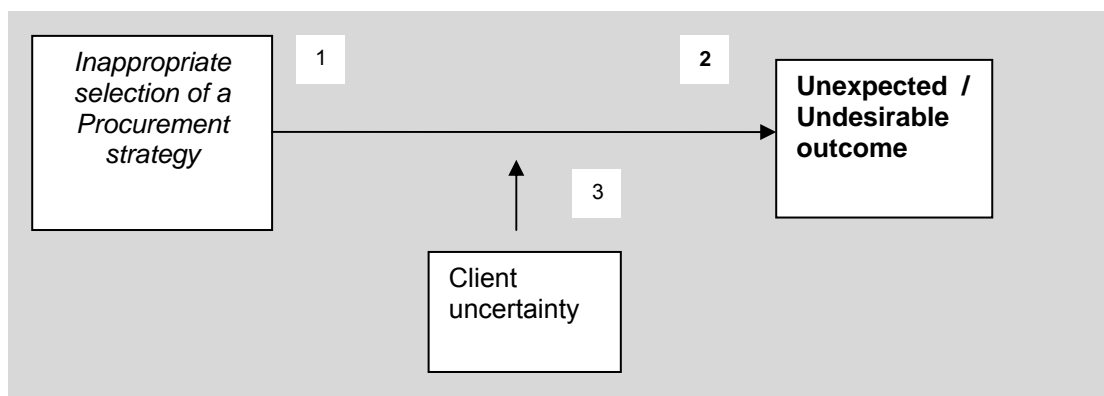
Woolliscroft and Foley (2007) contend that client organisations should undertake a 'procurement capability review' at the outset of a project. Having undertaken such a review and if a deficit in capability is highlighted, an independent client advisor should be appointed. They take the view that appointing such a person will enable deeper consideration and attention to

value for money, efficiency savings potential, sustainability and continuous improvements. The authors appear to take recognition of the aforementioned value chain and develop this one stage further. However, by way of challenging the assumptions made, there is scarce review of materials and the conclusions drawn are not 'anchored-back' to previous empirical research. Whilst the journal article has an element of common sense to the conclusions, it is hard to see what evidential basis has helped to form these.

Having conducted a literature review specific to the construction primary variables, it is noted that there are some gaps in the current body of literature, in particular a lack of focus on the variables and how they relate to the repairs and maintenance sector although there are considerably more articles for new build construction activity. The sentiment set out in Document three by those interviewed on questionable client side skills, poorly focused procurement strategies and absent business cases appears to replicate in some of the literature reviewed.

Conceptual Framework

Document three redesigned the conceptual framework substantially. As part of assessing cause and effect, the attempt to measure time, cost and quality considerations will challenge or support the inference of 'unexpected / undesirable outcome' (as reproduced below). This is measured by a business case taking account of time, cost and quality considerations.



By focusing on one aspect of the framework for the purposes of Document four i.e. 'unexpected / undesirable outcomes', it is hoped that this will enable

greater focus in Document five as well as 'signposting' subsequent areas of research for the future.

3. RESEARCH DESIGN AND HYPOTHESIS

Approach

By adopting a realist epistemology stance to Document four, the researcher has identified a hypothesis and a series of research questions aimed to provide answers to this. Verma and Beard (1981) note that many research projects begin with a statement of a hypothesis which is;

“a tentative proposition which is subject to verification through subsequent investigation. It may also be seen as the guide to the researcher in that it depicts and describes the method to be followed in studying the problem. In many cases hypotheses are hunches that the researcher has about the existence of relationship between the variables”.

(p, 184)

Hypothesis (null)

Modern procurement approaches within the social housing sector with specific regard to repairs and maintenance do not have a positive impact on time, cost and quality measures.

Rationale

Neither the literature review nor the qualitative research undertaken within this study have identified robust ‘testable’ evidence to show or at least create a strong inference that modern procurement approaches will lead to improved outcomes of time, cost and quality. The optimal outcome is measured with reference to the business case that established the procurement project. Therefore, a ‘null hypothesis’ has been developed which suggests at the outset that there is no relationship between two (or more) variables i.e. performance on time, costs and quality considerations are not influenced by a modernised procurement route. The null hypothesis would suggest that any relationship that does exist is merely coincidental and not dependant or contingent.

Research Questions

In order to test the hypothesis, a number of questions have been devised. The research would appear to lend itself to a mixture of empirical, normative and conceptual style questions. As this is the first stage of quantitative research, it is noted that future research questions may be more specifically targeted. In recognition of this fact, the research questions shown below adopt a broad focus.

- Are time indicators higher for organisations utilising modern methods of procurement in comparison to those that are not?
- Are cost indicators better for organisations utilising modern methods of procurement in comparison to those that are not?
- Are quality indicators higher for organisations utilising modern methods of procurement in comparison to those that are not?
- Identification of the business delivery model²⁴

Justification for identifying the above is on the basis that a variety of measures exist for a range of time, cost and quality considerations and the fact that these have a high degree of relationship to testing the hypothesis. The researcher is aware of the propensity for a 'control variable' to distort the findings. With reference to Document three, the greatest potential for a further variable beyond a measure of time, cost and quality would appear to be that of the delivery model. This is the only other readily identifiable variable that has the potential to significantly differentiate performance.

The culmination of this will enable the identification of upper quartile performing organisations along with the basis to how this was procured (i.e. modern or traditional) and what characteristics the contractor delivering the

²⁴ What type of contractor is employed (e.g. large national, small local, internal trading organisation or mixed economy)

service has. This will enable generalisability to the sample frame as well as helping to focus the research approach for Document Five.

Primarily, the researcher at this stage is looking for evidence of a relationship as opposed to causality. This is reflected in the focus of the research questions. The exception to this is the final research question, which seeks to understand the business model that contributes to a 'successful' outcome. This is to identify if there is a 'chain of causation'.

4. METHODOLOGY AND APPROACH

Epistemological Realism

This document is structured and quantitative in nature and thus adopts a positivist / realist epistemological stance. The research will be structured in contrast to open i.e. phenomenological. Johnson and Duberley (2000, p151) note that *“Epistemological realism is the belief that the structure of the real world is cognitively accessible to those who investigate it”*. Fisher (2004, p218) further defines the above by saying *“not only does the world have an objective existence, but it is also possible for people to know about it objectively”*. Bryman and Bell (2003) draw distinctions between positivism and realism by noting;

“Realism shares two features with positivism: a belief that the natural and social sciences can and should apply the same kinds of approach to the collection of data and to explanation, and a commitment to the view that there is an external reality to which scientists direct their attention”.
(p. 15)

Bryman and Bell go on to note the two forms of realism; ‘Empirical Realism and Critical Realism’. With reference to the latter, they go on to state that;

“positivists take the view that scientist’s conceptualisation of reality actually directly reflects that reality, [critical] realists argue that the scientists conceptualisation is simply a way of knowing that reality”.
(p. 15)

The above succinctly helps to define the differing approach taken. However, Realist research is not without its critics or limitations. Robson (2002) noted that whilst we can develop and test theories about the world, this knowledge will be imperfect and probabilistic. Similarly, Tilley (1980, 429) commented that *“we don’t have laws which we claim to be true, we have conjectures, all knowledge is temporary and conditional”*. Oppenheim (1992) took the view that structured research cannot identify proof of causation, although it may

lead to strong inferences. Oppenheim also saw the need to differentiate between identifying an association between data and proof that the association is attributable to either mono or multi causal effects.

Miles and Hubberman (1994) provide one of the most illuminating and useful summaries of the concept of realist research;

*“We thought of ourselves as realists...but “realism” has come to mean many things. We think that social phenomena exist not only in the mind but also in the objective world – and that some lawful and reasonably stable relationship exists between them...From these patterns we can derive constructs that underlie individual and social life. The fact that most of these constructs are invisible to the human eye does not make them invalid. We do not use covering laws.... we look for an individual or social process, a mechanism, a structure at the core of events that can be captured to provide a **causal description [emphasis added]** of the forces at work”.*
(p. 4)

The above commentary places the context most usefully on the outcome of structured research by stating that this is a ‘causal description’ that appears to epitomise realist research.

By using a hypethetico-deductive method, linkage can be seen from the conceptual framework to the development of testable hypothesis. The former shows cause and effect, the latter draws inferences from this in such a manner that will enable research to be conducted by measuring the variables.

Data collection

The use of datasets was influenced in part by the acceptance of a number of academic sources that response rates to questionnaires can be lower than required for statistical credibility. Moreover, having access to readily established datasets gave access to data which measured time, cost and quality variables within the context of the research area. In essence, this phase of the research project will undertake secondary analysis of statistics collected by others. Dale, Arber and Proctor (1988) define this as

“analysis of data by researchers who will probably have not been involved in the collection of the data and in likelihood will be using the data for purposes for which it was not envisaged by those who did collect the data”. (p. 212)

Bryman and Bell contend that the use of secondary analysis offers a number of benefits but has a number of shortcomings. These are summarised below:

Perceived Advantages	Perceived Disadvantages
Cost and time	Lack of familiarity with the data
High-quality data	Complexity of the data
Opportunity for longitudinal analysis	No control over data quality
Subgroup or subset analysis	Absence of key variables
Opportunity for cross-cultural analysis	
More time for data analysis	
Reanalysis may offer new interpretations	

(Source: Bryman and Bell, 2003 pp. 213-220)

The datasets reviewed are provided by ‘Checkmate’. This is a national database specifically developed to enable social housing providers to benchmark their performance against representative peer groups. Checkmate, in contrast to many other benchmarking organisations, focuses only on repairs and maintenance activities and uses a wide range of measures to plot each organisation in comparison to a representative peer group. It has a membership of 120 organisations. A further database, HouseMark, was also assessed as it has in excess of 580 organisations participating annually in their benchmarking activity. The latter includes repairs and maintenance activities amongst others although not to the extent of Checkmate. It is important to note that not all members of the aforementioned benchmarking clubs are ALMOs. Moreover, not all organisations submitting an annual dataset return provide a fully comprehensive return.

In determining what the sample should be, it was decided that ALMOs would be the focus of this study. The justification is in part due to access of data but also in recognition that the 72 ALMOs that exist (National Federation of ALMOs, May 2007 – most recent data available) represent collectively in

excess of 1 million social housing properties (no definitive figure is available). In contrast to this, whilst just fewer than 2,000 housing associations are registered with the Regulator, they collectively represent two million homes. As such, whilst there are fewer ALMOs in number, they proportionately represent more social housing stock than housing associations.

Lorraine and Williams (2001:83) note the significance that *“the majority of construction related repairs and maintenance activity procured within the social housing sector is done so by local authorities”*. In contrast, they go on to note that *“the majority of major refurbishment is undertaken by housing associations”*. It is noteworthy that this publication predates the development of ALMOs, who the Office of the Deputy Prime Minister (2003) note, were specifically established to enable access to funding for housing stock investment, for which the local authority providers were unable to access. In consequence, proportionately more repairs and maintenance ‘activities’ are undertaken by ALMOs in contrast to housing associations. The concept of ALMOs was established in the Housing Green paper 2000: Quality and Choice: A decent home for all. This was reaffirmed in the Sustainable Communities plan in 2003 and afforded financial commitment in the 2004 Spending Review.

An ALMO can only access funding after it has successfully passed the regulators requirements to be awarded a ‘two-star’ status. Central to this is how the ALMO ‘delivers’ repairs and maintenance services to the housing stock. In contrast to housing associations where there is no such need to access funding, ALMOs can only continue to exist if they are effective in their role. Therefore, there is a potential for ALMOs to be more effective in delivering repairs and maintenance services due to this additional requirement. As such it may be reasonable to assume at the outset that in assessing the relevance of modern procurement approaches, the better potential examples that would lend themselves to further research for Document four, is that of ALMOs.

Both datasets considered for the purposes of this document represent the financial year 2006/07 (ending March 2007). Accordingly, the chances of the data and ultimately the findings being distorted by time lapse are negligible. Even by using a research approach utilising a questionnaire it is probable that for consistency that the reference point would be the last financial year (ie. 2006/07).

Sample

It is neither necessary nor practical to seek to canvass the view of every ALMO. Moreover, as the researcher has elected to use secondary data and analysis, the sample size has already been decided. Notwithstanding this, there would appear to be little merit in using datasets that do not contain statistically credible samples or a database that contains a significant risk of bias.

The Checkmate dataset under consideration contained a sample size of 55. The HouseMark dataset contained a sample size of 21, both over the same period (i.e. financial year 2006/07). Both datasets, whilst seeking to evaluate performance on repairs and maintenance services, utilise differing variables to measure this. Both datasets contain an amalgamation of organisations that have elected to not be identified and those that have. It is encouraging to note that the vast majority of participants are uniquely identified. This will enable further specific research, if required. Consideration was given to excluding anonymous responses. This was on the basis of there being no potential to interrogate data or pursue a line of enquiry directly due to the anonymity.

However, both datasets are subject to independent validation (i.e. independent from that of Checkmate or HouseMark). As such the answers to questions appear to be no less credible to those obtained directly from a questionnaire. Indeed, as the data has been independently validated, it could be argued that the robustness of the data is potentially higher than that collected from a questionnaire as the variable being measured has been subjected to external scrutiny.

The risk of using two datasets over the same period is twofold. The actual sample size of both databases is impossible for a third party to determine due to the anonymity and the potential to 'double count' anonymous organisations that exist in both datasets. The secondary risk is whether both datasets apply a uniform approach in analysing the variables. Again, this is impossible for a third party to determine. As a consequence and in recognition of the aforementioned risks, the decision to use only the dataset from Checkmate was taken. This was informed by the larger sample and the fact that this database has a specific and core focus on measuring the delivery and effectiveness of repairs and maintenance services as opposed to the more generic nature of those contained in HouseMark.

In order to consider issues of generalisability and representation, there is a need to consider the potential for sample error. In this context this is the propensity for the sample selected to differ from the sample frame. Even by using a probability sample, which is the basis to the method of collection of the datasets i.e. random, sample error could still occur. The risk could manifest by using the 55 ALMOs data to draw inferences about the sample frame of 72. There is always the potential for the said 55 ALMOs to be the top performing ALMOs. In consequence any inferences drawn from these would only have generalisation potential to other top quartile organisations. It is for this factor that the research has included all of the anonymous data entries, identified in the 2006/07 Checkmate dataset. Not only does this provide a wider sample but it also helps guard against sample error, albeit a residual risk does remain.

Bryman and Bell (2003) note that the sample error that is most commonly used by employing the statistic 'sample error of the mean' with a 95% confidence interval. To this effect, by identifying the sample mean of specific answers, half of the sample will be above the population mean and the other half will be below the population mean, both to within a defined tolerance to which we can have 95% confidence in.

Despite the relatively high confidence interval, the ability to generalise can only be to the sample frame (i.e. ALMOs) and not any further beyond this. Noted above are the 'tensions' for ensuring that generalisation to the sample frame will be truly representative due to the anonymity of some.

Buglear (2005) in relation to the potential for bias in sampling comments

“The point of selecting a sample from a population is to study it and use the results to understand the population. To be effective a sample should therefore reflect the population as a whole. However, there is no guarantee that the elements of the population that are chosen for the sample will collectively reflect the population. Even if the population is quite small there will be an enormous number of combinations of elements that you could select in a sample. Inevitably some of these samples will represent the entire population better than others”.
(pp 467-468)

In consideration of bias, as the sample represents 75% (reduced to 73.6% as a result of having to exclude one data sample) of the sample frame, the risk of bias is reduced to the lowest level possible to do so in this exercise whilst still maintaining access to all of the data required. Accordingly, whilst the potential cannot be totally eradicated it has been minimised to a level that the results should not be disproportionately unrepresentative of the sample frame.

Type of data

The choice of research instruments depends to some extent on the format of data being analysed. Data can be classified by 'scale of measurement', of which there are four scales (Nominal, Ordinal, Interval or Ratio). Nominal data provides 'labels' of difference e.g. male, female but does not provide a rank or order between the data. Ordinal data not only provides labels but does provide a position of difference. Interval data provides ranked data which can be differentiated between each observation. Finally, Ratio data mirrors the characteristics of Interval data but contrasts data within the context of where the value zero is inherently defined within that scale (e.g. time, distance, weight – all have a zero measure).

Ordinal data was described by Lincoln (2007) as qualitative. By this it is meant that the data can either be numeric or non-numeric. As some of the research

questions focus on data that is not easily amenable to quantification (e.g. quality), this is an important consideration.

With reference to the datasets it is evident that outcomes have been ranked in position. As such, by seeking to assess variables which can be ranked into categories but do not have equal distances between each category, the variables are 'ordinal' in nature. The analysis provides a demarcation of difference but not a measurement of difference – a subtle but important difference. Buglear (2005) likens ordinal data to that of a race in that the finishing positions are clear but the differential between the finishing positions is not. This is appropriate for the analysis of benchmarking that is constructed by the development of quartile comparisons (i.e. upper, median and lower quartile to a peer group dataset). The research questions and hypothesis are looking for evidence of improved outcomes but not the scale of improvement.

Notwithstanding the above, taking account that Document Four is just part of a wider research project, some of the databases referred to above do have the potential to be disaggregated from ordinal level data to that of interval. This will enable the magnitude of difference to be identified as well as the position of difference in some but not all instances. As such, Document Four will use data that has both ordinal and interval qualities, where this is appropriate and 'value-adding' to do so.

Research instruments

The outcome of the research needs to apply a systematic process to enable the research questions and hypothesis to be considered. This requires a three-pronged strategy of adopting the most appropriate research instrument(s), utilising datasets that are appropriate to the research questions and bringing both of these together to ensure best use of both data and instruments i.e. to achieve effective synthesis. As such, the data requires organising in such a manner that will enable this, depicting the data in order to identify the labels, enable propositions to be made by summarising, enable aggregation of data in order to 'connect' the outcomes and to generalise to the sample frame.

Both differential and inferential methods will be used in describing the pattern from the datasets and inferring findings to the wider sample frame.

To achieve this, a stratified process of collecting and reviewing data has been adopted. Buglear (2005) refers to 'Levels' ranging from raw data in level 1, descriptive data in level 2 to level 3 summary measures. Level 1 is a process of data assembly whereas level 2 starts to draw out the degree of divergence within the data sets allowing level 3 to crystallise the mean and standard deviations in order that findings can be understood in the context of the sample.

By using some ordinal data it is a key factor in this is to acknowledge identifying averages has no discernable value as the data does not plot differences between the positions. However, standard deviation will show the 'spread' and by using quartiles (upper, median, lower), understanding the scale of the proliferation of data will be informative to the research questions. Standard deviation is informative in measuring the degree of 'risk' in the data. The extent of deviation from the mean 'return' will conceptualise the spread of normal distribution plus or minus a given factor. The deviation is the measure of difference from the arithmetical mean of the sample under consideration.

Contingency tables will be developed to tabulate and define the outcomes of the sample. This will help to identify patterns within the datasets and show what variable is contingent upon another. Initial views of utilising the Chi-square test (χ^2), that would enable the consideration of generalisability were discounted due to the small sample size. In favour of this, the Fishers Exact test was utilised, which does not require the depth of data that the Chi-square test does in order to generate valid results. The data taken from the 55 entries was dichotomised into a two-by-two matrix. This enables performance on the research questions to be considered on the basis of those utilising a modern method of procurement and those adopting a traditional route. The culmination of the aforementioned will capture the data in such a manner that it will test for association between the factors / variables and enable the null

hypothesis to be tested. The above approach will also use both parametric and non parametric methods in order to ensure robustness.

For interval data, correlation and regression analysis will take the process a stage further by endeavouring to understand the leverage and linkage of any relationship between variables (as opposed to merely understanding that a relationship does exist). The correlation coefficient will enable the scale of interdependency to be identified.

Bivariate Analysis

Central to this research has to be the consideration as to how many variables are to be analysed. This is guided by the research questions and ultimately the hypothesis. Whilst the hypothesis takes a more overarching view, the research questions look at particular aspects. This brings in the need to conduct analysis on two variables in order to understand if the variables are inter-related or independent. It is noted that Bivariate research looks for evidence of relationships and not causality.

The two variables can be summarised as time, cost and quality outcomes achieved by using a modern method of procurement; and time, cost and quality outcomes achieved using a traditional method of procurement. The time, cost and quality are the 'measures of the outcomes' and are not variables, they are a constant / static measure applied to all of the sample / sample frame irrespective of the procurement route. The variables are modern versus traditional procurement.

Test of Statistical Significance

In order to have confidence in the results derived from the study, there is a need to apply a test of significance. This will confirm confidence in the findings, although it does not mean the findings are important or substantively significant.

The null hypothesis takes the stance that two variables are not related i.e. modern procurement approaches (one variable) are not intrinsically related to

impacts on time, cost and quality measures (second variable). Having established this and the level of statistical significance required, the Fishers Exact test has been applied to establish confidence in the relationships of the variables within the population. This process has been achieved by using SPSS research software.

Further disaggregating of the datasets has provided the ability to analyse of individual time, cost and quality measures. The outcome of this process is to enable correlations to be observed between the two differing procurement approaches in relation to the three primary measures, or not as the case may be.

Data quality

In using secondary data and in accepting the inherent risks identified by previously (above) has, there is a need to validate the robustness of the measures used on the datasets. This will establish if the dimensions used actually measure what is being claimed that they measure i.e. to challenge assumptions.

To achieve this, a pilot study has been undertaken to look for evidence of consistency and uniformity of understanding and applying the concepts and variables used.

5. ANALYSIS & FINDINGS

Pilot Study

The sole purpose of the pilot study is not to look for additional data or evidence but to validate the robustness of the datasets used (i.e. to seek to test out the secondary data for accuracy), as well as to achieve familiarity with the research instruments deployed in preparation for more extensive research. Even within a relatively small sample and sample frame (54 and 72 respectively) there is a potential for differing interpretations to have been placed on the questions posed. As such the dataset has the potential to have been populated on differing measures of variables. To summarise this, the researcher is looking for evidence of consistency in interpretation of the measurements used so that the margin of error is within tolerance deemed acceptable.

The pilot study will evaluate time, cost and quality performance of a small number of ALMOs based in the London Boroughs. The rationale for selecting these is the unique ability to perform a reliability test on the data emanating from the secondary data source. This was achieved by the ability to use a further externally validated data source to cross-reference to that of the secondary data. This process is used to ensure consistency and reliability of the data by 'overlaying' data that is reported annually to the regulator. Any areas of divergence can also be directly investigated with the ALMOs in question. Whilst this process cannot categorically rule out the potential for all datasets reviewed to be distorted and/or manipulated, the potential is considerably reduced. Moreover, the data reported to the regulator is subject to scrutiny by audit sampling and 'field work' tests of raw data by the regulator. As such, the potential to over estimate performance on the areas tested carries a significant risk to the ALMOs. Under reporting of performance would be counter productive to achieving government funded grant

allocations. As such, the need to report accurately is promoted by a robust regulatory framework.

The ALMOs selected for the pilot study were:

- CityWest Homes (City of Westminster);
- H&F Homes (London Borough of Hammersmith & Fulham)
- Homes for Islington (London Borough of Islington)
- Kensington and Chelsea TMO (Royal Borough of Kensington and Chelsea)
- Hackney Homes (London Borough of Hackney)
- Homes for Tower Hamlets (London Borough of Tower Hamlets)

The above six ALMOs are all ‘inner’ London ALMOs. In order to ensure any data reviewed contains a full years worth of statistics in the 2006/07 dataset, cross reference was made to the date of establishment of each ALMO. A dataset submitted by Homes for Tower Hamlets was removed for this reason, having been established more recently. The remaining sample of 54 was also cross checked for the same purpose with no further exclusions being required.

In assessing time, cost and quality measures, the areas under review for the pilot study were:

Time	Cost	Quality
Percentage of appoints made and kept	Average cost per responsive job	Satisfaction level
Void repair time	Planned to Responsive ratio	Level of rework
Emergency order completion time	Emergency order cost	‘Successful’ post inspections
Urgent order completion time	Urgent order cost	Right first time
Routine order completion time	Routine order cost	

	Void cost	
	Cost of 40 most commonly used items	
	Productive output of workforce	
	Average costs of management and support costs (as %)	

These were contrasted to the regulatory statistical return submitted by each of the five ALMOs.

Preliminary findings

Two issues transpired from this, although all measures utilised appear to have been done so in a reasonably uniform manner. The first of which is that two of the five utilise a ‘calendar’ day measurement whilst the other three utilise a ‘working’ day measure. Uniformity within the sample can be created by converting the working day measurement into a calendar day basis, the latter being the most commonly used. The second issue related to the calculation of unit costs and ‘job’ costs. The former is defined by the Department of Communities and Local Government as total cost divided across the entire portfolio (e.g. £XXXXX expended across 6,500 units in management = a unit cost). The latter is not defined but is generally accepted as being the average cost of undertaking a particular task (e.g. xxx replacement components costing £XXXX = an average job cost of £XXX).

This dilemma applies to one of the sample under consideration. Rectification was achieved by measuring both unit and job cost. If it was not possible from the dataset to measure both on each occasion, one would be omitted. The impact of this is marginal in that it only applies to two measures.

All other datasets contained within the Checkmate dataset 2006/07 that could be validated mirror those contained within the statistical return for the same period.

Data Matrix

Having undertaken the preliminary review, this exposed the need to validate the raw data in order to embed uniformity throughout the data sets, in particular on the issue of calendar versus working days method of measurements.

In order to frame the research process, both the sample and the variables being measured, a data matrix was produced. This provides an overview of all data entries and is shown in the appendices to this document. This will enable any further data gaps to be considered.

One of the most significant criteria of the matrix is to define which of the ALMOs are utilising modern procurement approaches and which are using a traditional method. A total of 28 out of the total sample of 54 are using modern procurement methods and 26 maintain a traditional stance. Whilst this is not an exact equal segregation, it is a reasonably balanced representation without the need for further moderation of the sample.

The preliminary review also indicated that the list of variables was too narrowly focused and would benefit from further expansion. In consequence, the following variables were assessed:

Measure	Time / cost / quality indicator
Using modern procurement method (Yes = 1, No = 2)	To compare and contrast between the two differing procurement options
Percentage of appointments made and kept (%)	Both a time and quality indicator
Void repair time (ave no. of calendar days)	Time and cost indicator.
Emergency order completion time (% of all orders achieving 100% kpi)	Time indicator
Urgent order completion time (% of all orders	Time indicator

achieving 100% kpi)	
Routine order completion time (% of all orders achieving 100% kpi)	Time indicator
Average cost per responsive job (cost / no. of jobs)	Cost indicator
Overhead costs (per unit)	Cost / efficiency indicator
Planned to Responsive ratio (responsive%)	Quality and cost indicator
Emergency order cost (average)	Cost indicator
Urgent order cost (average)	Cost indicator
Routine order cost (average)	Cost indicator
Void cost (per unit)	Cost indicator
Sub contractor cost (as % of total costs)	Cost / efficiency indicator
Material cost (as % of total cost)	Cost / efficiency indicator
Average cost per unit (total spend / stock no.)	Cost / efficiency indicator
Level of variation (estimate versus actual as %)	Cost indicator
Cost of 40 most commonly used items (cost of using each item once, exc. Vat)	Cost indicator
Productive output of workforce (average jobs per day across the trades)	Time and cost indicator
Average costs of management and support costs (as %)	Cost / efficiency indicator
Satisfaction level (end user as a score out of 1-10, 10 being most satisfactory)	Quality indicator
Level of rework (as %)	Quality and cost indicator
'Successful' post inspections (as %)	Quality indicator
Right first time (as %)	Quality / time indicator
Business model: 1=DLO, 2 =National Contractor, 3=Regional / small contractor	Understanding what 'type' of organisation delivers the service

The importance of the measures

All documents to date (i.e. One to Four) have noted the importance of the construction primary procurement variables; time, cost and quality. In order to consider the relative value and efficacy of differing procurement approaches to these factors, it is beneficial to the research to have a clear understanding of not only what is being measured and levels of performance against these but also what is the value. This is particularly important when assessing the approach to procurement as some of the measure would be classified of

greater 'value' than others. Accordingly, prior to conducting the analysis, a review of the importance of the measures is essential in order to provide robust answers to the research questions.

Percentage of appointments made and kept (%)

This is both a time and quality measure. ALMOs are required to report annually to their regulator on this criteria and their performance over the last twelve months against this. A definition of this would be the number of all repairs that could be undertaken by a fixed appointment (and the appointment kept) as set against the actual level of performance. A tension can frequently be observed by having a high / good level of achievement of appointments kept but a low percentage of appointments offered. This measure would be considered of significant importance due to the requirement to report on performance against this to the regulator.

Void repair time (ave no. of **calendar** days)

Both a time and cost measure. The period of time that a contractor takes to repair and return a void (empty) property and ready for reletting has a direct cost implication to the loss of rental income. The longer the average time span the contractor takes to complete the work, the more significant the loss of rental income. This is a significant indicator.

Emergency order completion time (% of all orders achieving 100% kpi)

Emergency orders relate to defects in a property that require immediate rectification to prevent a risk to the inhabitant and/or further consequential damage to the property. This would be classed as a significant indicator.

Urgent order completion time (% of all orders achieving 100% kpi)

Similar to the above, but focused towards defects to a property that are not injurious or prejudicial to the health and safety of the occupants. However, this measure also requires an annual return on performance to be made and as such is significant to the ALMO.

Routine order completion time (% of all orders achieving 100% kpi)

As with the two measures above, this measure scales the general level of competency in terms of time of the ALMO and its repairs provider to undertake any non urgent works within an acceptable time span. The period of acceptability has been defined by the Audit Commission as 28 calendar days. This measure has a lower level of importance but not to the extent that it would be considered marginal.

Average cost per responsive job (cost / no. of jobs)

Frequently considered a primary measure in which to assess the competitiveness of the repairs provider. A basic calculation of dividing the total aggregate spend per annum by the total number of repairs tasks undertaken. This measure is prominent in most benchmarking clubs in the sector and as such would be perceived highly influential.

Overhead costs (per unit)

The overhead costs indicator is a cost / efficiency measure and often used as a means of secondary analysis if the average cost per job is high. The importance of this measure has increased considerably with modern methods of procurement owing to the adoption of price frameworks that enable repairs providers to charge on an open book²⁵ basis. Traditional procurement approaches require the absorption of overheads into fixed rates / prices, as such the need to understand the level of overhead is less important in this procurement approach. In comparing and contrasting modern and traditional procurement, understanding if there is any divergence between overhead levels is very informative for the purposes of answering the research questions and hypothesis.

Planned to Responsive ratio (responsive%)

The Audit Commission measure effectiveness in a number of ways including what proportion of work is unstructured maintenance (i.e. responsive) and what proportion is planned / preventative. This is on the assumption that due to the very nature of responsive maintenance it is inherently inefficient and

²⁵ A process of the repairs provider / contractor charging the ALMO for all in/direct costs plus overheads and profit.

'drives' a higher unit cost. It is not the focus of this research to validate this assumption, but as the measure is regarded as significant by the regulator it is beneficial to identify any correlations between those ALMOs using modern procurement approaches and those using traditional.

Emergency, Urgent and Routine order cost (average)

All of the above (measured separately) are highly significant cost indicators and provide a frequent basis to benchmarking analysis. Both the *Constructing the Team* and *Rethinking Construction* reports refer to the ability to incrementally reduce costs. By measuring the average costs and then contrasting this between modern and traditional approaches will be highly significant to the research questions.

Void costs (per unit)

This is a broadly comparable measure to the Emergency, Urgent and Routine order cost, outlined directly above. The area of divergence is the measure divides the annual level of expenditure across the entire property stock as opposed to dividing the level of expenditure into the total number of tasks. The value of such an approach is the ability to readily benchmark the outcome cost against any other ALMO, irrespective of the number tasks. The cost focus of this measure is informative to the research.

Sub contractor cost (as % of total costs)

The regulator holds the view that if the costs of sub-contracting tasks as, opposed to undertaking the work directly, exceeds 30% of the total costs of the works, there is a significant potential for the efficiency of the repairs provider to be distorted by this. Moreover, whilst the construction industry has always placed a heavy reliance upon the usage of sub-contractors, this requires a strong emphasis of management time within the repairs provider to manage effectively. Generally, within the social housing sector, sub-contracting is perceived as something that should be avoided as far as it is possible to do so, unless this is for specific or specialised tasks. The final consideration relates to costs. Pricing frameworks in modern procurement approaches commonly permit the main contractor to pass on the costs of sub-

contractors and to apply an 'on-cost'. In consequence, if the level of sub-contracting is high, the cost of the work will also be higher. As with a number of the above measures, this is frequently used as a method of assessment in endeavouring to understand high unit costs. As such, it is an important measure to utilise in the research.

The above scenario has equal application to measuring material costs.

Average cost per unit (total spend / total stock)

This measure is a high / 'global' level indicator. It is informative although rather broad and unspecific to enable any detailed analysis (i.e. if the average cost to an ALMO is high, the measure provides no further ability to disaggregate to understand which particular cost drivers are higher than expectations).

Level of variation (estimate versus actual as %)

The vast majority of contracts held by ALMOs, irrespective of modern or traditional, will have been secured in open competition in the market place. Even direct labour organisations would have been subject to external competition at some stage due to the legal requirements of compulsive competitive tendering (CCT). Whilst the legislation that provided for CCT has now been repealed, the requirement remained in place for some 16 years and in consequence all direct providers would have been subject to this at some point in time. The relevance of this to the above measure is that the tendered cost rarely if ever reflects the actual cost. There are a multitude of reasons for this including unforeseen additional works. There has also long been a view that some repairs providers are willing to put in a lower tender price on the basis that they will recover any deficit via variations. As a response to this, the above measure was developed and is commonly used in attempting to identify the actual cost as set against the tendered cost. This is a highly beneficial cost measure and one that is used extensively throughout the sector.

Cost of 40 most commonly used items (cost of using each item once, exc. Vat).

Noted above are a range of measures that assess average task or unit costs. In an attempt to conceptualise what the costs of the repairs service is in one ALMO to another, a 'basket of goods' was developed which included the 40 most commonly undertaken repairs by both ALMOs and housing associations. Having arrived at this, each organisation is able to input their 40 rates so as to compare against lower, median and upper quartile ranges. The significant issues with this approach is ensuring uniformity of data entry. Examples can include inserting tendered rates, actual costs rates and differences in including or excluding VAT costs. As such the data can be useful as a cost measure but has to be treated with a certain amount of circumspect.

Productive output of the workforce (average jobs per day across the trades)
Productivity is commonly used in a variety of situations to assess efficiency. An approach that has developed in the sector is to measure the number of jobs / tasks completed by productive operatives in order to arrive at an average rate. This is a commonly used time and cost measure. Notwithstanding this, it has the same traits as benchmarking the 40 most commonly used rates in that having arrived at a benchmark there is uncertainty on if the comparisons are robustly equal.

Average costs of management and support costs (as %)

A key efficiency and cost indicator that scales the level of on costs (excluding overheads and sub-contracting) and enables comparison. As with a number of the above, the importance of this measure has significantly increased of late as a result of modern procurement approaches and the financial framework that is often associated with these. However, the measure has equal application to traditional approaches and the outcome will be of considerable worth to the research questions.

Satisfaction level (end user)

Arguably one of the most important indicators is the quality of the service delivered. Egan (1997) noted that the customer is the ultimate judge of value. In this context the customer is the 'end user'. All ALMOs are required to report on satisfaction levels with the repairs service. Moreover, in considering cost and time implications, a high outcome needs to be considered against the quality level so as to form a more rounded value for money perspective. In assessing the relevance of modern procurement approaches to the sector, the satisfaction with services provided is highly influential in arriving at a considered view.

Level of rework

This is a further quality measure, although it has more far reaching implications for time and cost as well as quality. In comparison to other measures, this is a more recent indicator. It has become widely accepted as a useful measure and in terms of reference to the research questions, the analysis should provide an important contribution.

'Successful' post inspections

As with the above, a relatively new measure which also focuses on quality by applying a quality assurance regime in order to scale successful outcomes (and by default unsuccessful outcomes). This measure has equal value to the research questions as does the level of rework.

Right first time

This measure assesses the volume of work undertaken that is concluded correctly at the first attempt. At first glance, it may appear to be measuring the same as the level of rework. However, upon more detailed investigation this measure was developed as an efficiency indicator in order to help scale the cost of the number of attempts required to complete one task. Furthermore, there is a strong implication to quality measurement as customer satisfaction has also been associated to 'right first time'. This measure is informative but potentially to a lower level than successful post inspections and the level of rework.

Business model (DLO, National Contractor, Regional / small contractor)
 As noted previously, there is a need to identify if there is a control variable that has the propensity to influence the variables of modern and traditional procurement approaches, irrespective of the measures being used to compare and contrast these. Whilst there is the potential for a number of covert and/or overt control variables, the one that immediately presents itself is what 'kind' of repairs provider is used by the sample and what inferences if any can be drawn from this. This measure has a high level of importance to the research and potentially to future research by others.

Analysis

By focusing the analysis to key time, cost and quality measures and segregating this into results from those ALMOs adopting a modern procurement approach to those that maintain a traditional approach, the following was noted.

Table 1 Analysis of time measures

	Modern procurement	Traditional procurement
Measure		
Emergency repairs completed within time (24 hours) as a %	94.5	91.5
Urgent repairs completed within time (7 days) as a %	96.0	93.0
Routine repairs completed within time (28 days) as a %	96.0	95.0
Void property repairs completed within time (15 days) actual performance (in days)	16.5	17.5

Table 2 Analysis of cost measures

	Modern procurement	Traditional procurement
Measure		
Emergency repairs cost per	61.5	68.5

job		
Urgent repairs cost per job	67	73
Routine repairs cost per job	133.5	97.5
Void property repairs cost per job	153.5	158.5
Responsive maintenance cost per unit in management	91	93

Table 3 Analysis of quality measures

	Modern procurement	Traditional procurement
Measure		
End user satisfaction (1-10, 10 being highest satisfaction)	6	7
Level of rework in contrast to all work completed (as a %)	14	14
Successful post inspection passes in contrast to all work completed (as a %)	87.5	90
Tasks completed right first time in contrast to all tasks completed (as a %)	90.5	91
Number of appoints (for tasks) made and kept in contrast to all task orders placed (as a %)	86	86.5

The above is informative in that it depicts a level of analysis by identifying the median score for each measure, separated into the two variables. The outcome shows marginally better time, cost and quality measures for those adopting a modern procurement route in contrast to those with a traditional stance.

The above analysis was further contrasted to a benchmark figure from the HouseMark dataset, which is arrived at by defining the median of all ALMOs performance. The value of introducing an additional measure is to provide a further indicator which does not differentiate between procurement route and

only measures what the outcome is. The outcome of this is shown in figure one.

Figure 1: Time analysis utilising data from the sample and contrasting to an independent benchmark measure of performance

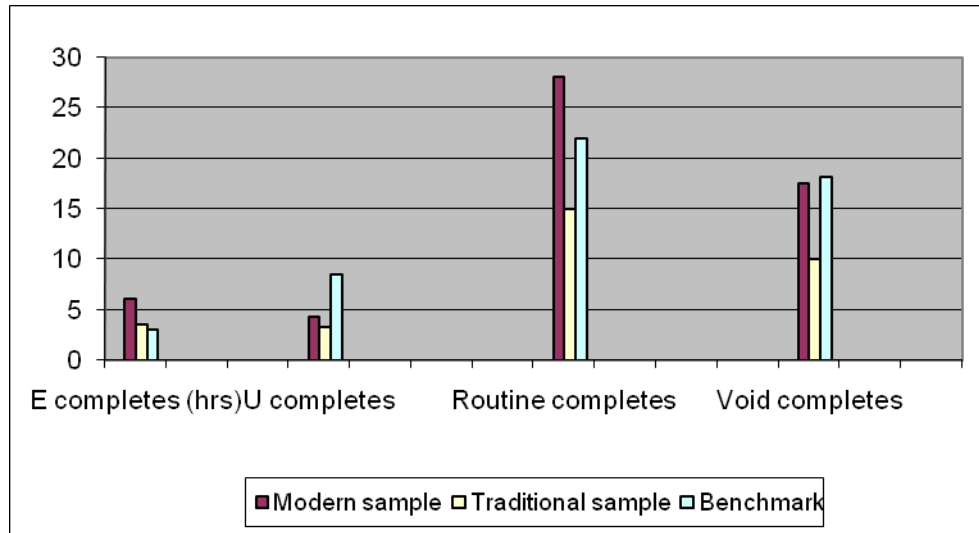
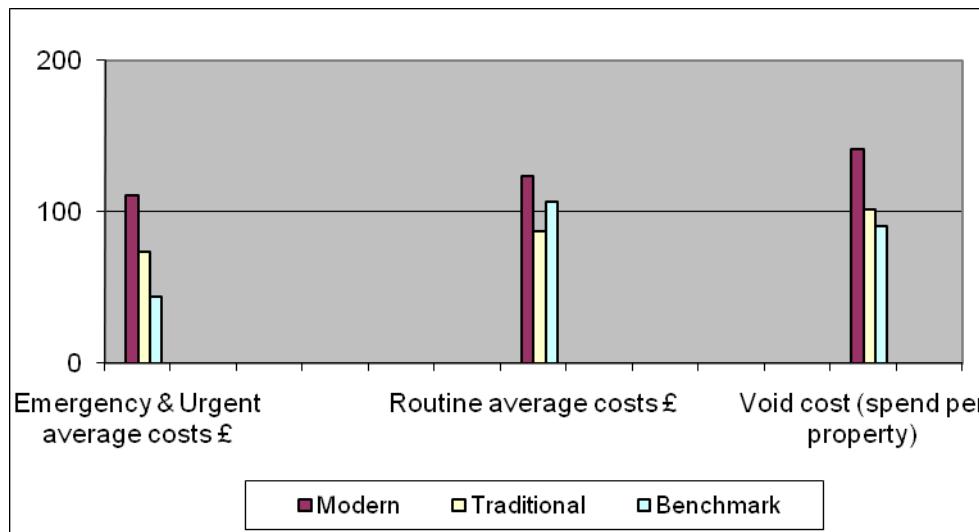


Figure 2: Cost analysis utilising data from the sample and contrasting to an independent benchmark measure of performance



Cost measures were also subjected to a further stage of analysis. Experience within the Housing sector has identified the forty most commonly ordered repairs tasks. The data set identifies the total cost of using the forty items once to arrive at a total cost. A further stage of analysis is available which identifies the cost of each of the forty items (i.e. the cost for job 1, cost for job 2 etc..). The advantage of undertaking this more detailed level of analysis is to

negate the impact of identifying the median across all forty rates, as some of the forty rates are more cost sensitive than others. The outcome from the analysis is shown in the appendices to this report. The outcome is indeed interesting and informative to the research questions as it shows that whilst the median costs of modern procurement contracts are marginally cheaper, this is achieved by the impact of a small number of high cost / low frequency items. With reference to the higher frequency but lower cost items, the traditionally procured contracts are less expensive to the client. In effect the annual expenditure profile of a typical ALMO makes it highly likely (although not definitive) that a traditionally procured contract will be more cost effective assuming the expenditure pattern remains static.

In relation to contrasting the findings of quality measures of the sample to national benchmarks, the measures were fewer in number. However, those that could be obtained depict an informative comparator.

Figure 3: Quality analysis utilising data from the sample and contrasting to an independent benchmark measure of performance



Whilst the above level of detail illustrates some interesting findings, it does not provide sufficient data to draw inferences generally. Accordingly, further analysis was undertaken on efficiency and effectiveness measures, as detailed in Table 4. The rationale was to start to combine time, cost and

quality measures into one assessment in order to provide a more comprehensive answer.

Table 4 Support function efficiency and effectiveness

	Modern procurement	Traditional procurement
Measure		
Overhead cost of contractor (divided into the number of units in management)	53	50.5
Planned / Responsive ratio (responsive calculation)	37	43.5
Sub-contractor cost (as a % of total cost)	28	25
Material cost (as a % of the total task cost)	18	17
Level of task orders varied (i.e. when the estimate task order differs from the actual order value) (as a % of all orders)	35.5	32
Productive output (average task completed per day per operative)	3.1	3.4
Management and support costs (as a % of total costs)	25	23.5

Whilst again there is only marginal difference, the importance of this analysis suggests that when costs are aggregated to annual performance level as opposed to individual level, the outcome is that those ALMOs adopting a traditional procurement route have a more efficient and effective outcome.

Having obtained a 'mixed message' from the initial review of data, it was felt important to assess the potential control variable. In this instance the potential control variable is for the 'type' of service provider to have an impact on the above measures irrespective of whether this applies to a modern or traditional procurement route. Table 5 and 6 reapply the time and cost measures but to the potential control variables.

Table 5 Analysis of time measures and delivery model

	In-House (DLO)	National contractor	Regional /SME contractor
Measure			
Emergency repairs completed within time (24 hours) as a %	99	97	95
Urgent repairs completed within time (7 days) as a %	96	92	94
Routine repairs completed within time (28 days) as a %	98.5	94	96.5
Void property repairs completed within time (15 days) actual performance (in days)	97	91	97
Median of all categories (above)	97	93	95.75

Table 6 Analysis of cost measures and delivery model

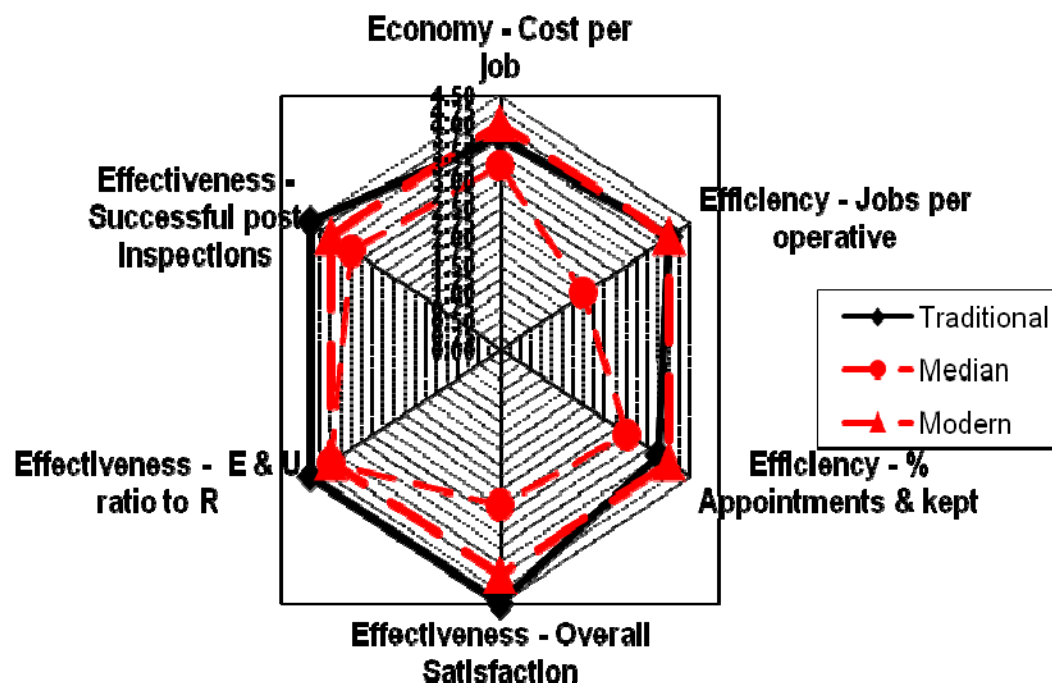
	In-House (DLO)	National contractor	Regional /SME contractor
Measure			
Emergency repairs cost per job	62	76	54
Urgent repairs cost per job	63	81	60
Routine repairs cost per job	100	135	93.5
Responsive maintenance cost per unit in management	90	99	90

The outcome from the above does show some divergence between the differing delivery models, which in turn have the potential to influence time, cost and quality measures irrespective of the procurement route.

As a means of initially summarising the findings, there is a need to converge a range of measures so that some form of conclusions may be made. By adopting the Audit Commissions ‘Economy, Efficiency and Effectiveness’ model²⁶ and by plotting the data into ‘spider diagrams’ to include an independent benchmark from the HouseMark dataset, the following outcome is noted:

Figure 4: Overarching Spider diagram

OVERARCHING ASSESSMENT



The above shows a very close relation of the outcomes of time, cost and quality measures on both variables of Modern and Traditional procurement and contrasted to a further benchmark from an unrelated sample. The inferences that would be reasonable to draw from this is that taking the measures as a whole ‘overarching’ analysis, there is no material difference between Modern and Traditional on the measures in relation to the sample.

²⁶ See page 9 of this report for a detailed description

In order to take this a stage further, additional analysis was undertaken on cost measures, this being frequently used as the most influential measure.

Table 7 Analysis of cost by delivery model and procurement route.

	In-House (DLO)		National contractor		Regional /SME contractor	
	Mod.	Trad.	Mod.	Trad.	Mod.	Trad.
Measure						
Emergency repairs cost per job	62	58.5	77.5	67	61.5	26
Urgent repairs cost per job	63	61.5	87	81	61	45.5
Routine repairs cost per job	94	112	137	129	95.5	76.5
Responsive maintenance cost per unit in management	90	91.5	99.5	98	90	90.5
Median	76.5	66.5	91.25	89.5	75.5	65.5

The outcome of this is significant. By calculating the median performance on cost measures and identifying what type of delivery model was utilised, a clearer pattern emerges. From the above it can be seen that in relation to cost, national contractors are significantly more expensive in comparison to either an in-house service provider or a smaller / regional contractor. In contrast, the costs of services provided by in-house teams or small / regional contractors show only slight differences. The cost of an in-house team procured on a traditional route has a median value of £66.50 in contrast to that of the regional contractor at £65.50. Of more fundamental importance, both delivery models achieved a lower aggregate cost for operating on a traditional procurement route basis to those operating on a modernised approach. Both apply a £10 average job cost premium to the latter.

Moreover, despite the national contractors being more expensive on both measures, whilst they also have a higher average cost for contracts that are procured on a modernised approach, the level of divergence between this cost and traditional average cost is considerably reduced to an average premium of £1.75 per job.

Having identified the cost differential (as shown above) it is important at this stage to have regard to statistical significance. Fisher's exact test of independence is a statistical significance test used in the analysis of categorical data where sample sizes are small.

The test is used to examine the significance of the association between two variables in a 2 x 2 contingency table. The p-value from the test is computed as if the margins of a 2 by 2 table are fixed. As pointed out by Fisher (1922), this leads under a null hypothesis of independence to use of the hypergeometric distribution for a given count in the table.

With large samples, a chi-square test can be used in this situation. However, this test is not suitable when the expected values in any of the cells of the table, given the margins, is below 10: the sampling distribution of the test statistic that is calculated is only approximately equal to the theoretical chi-squared distribution, and the approximation is inadequate in these conditions (which arise when sample sizes are small, or the data are very unequally distributed among the cells of the table). The Fisher test is, as its name states, exact, and it can therefore be used regardless of the sample characteristics.

By demarcating the data from table seven and subjecting it to Fishers exact test, the following can be seen:

Table 8 Two by two contingency table

	Modern procured	Traditional procured
Using an In-house team	10	6
Not using an In-house team	18	20

Left : p-value = 0.9061969477340348

Right : p-value = 0.2370286767853575

2-Tail : p-value = 0.37906076587928405

The two-tailed probability result shows that there is a reasonable probability that the delivery model could have an impact on the variables measured irrespective of the procurement route (i.e. modern or traditional). This is a significant issue as it shows that there is a 'control variable' having an influence upon the outcome. Whilst it neither confirms nor rejects the null hypothesis and supportive research questions, it does introduce a further consideration.

The final stage of the analysis was to undertake correlation assessments in order to assess the degree of connectivity between variables as well as regression analysis. By calculating the correlation coefficient, this will not only show association but also to scale the strength of such a connection. In order to conduct this assessment, the Pearson's product moment correlation coefficient calculation was used. This is suited to interval data, as shown in the data matrix. The process is similar to the concept of standard deviation in that it measures dispersion.

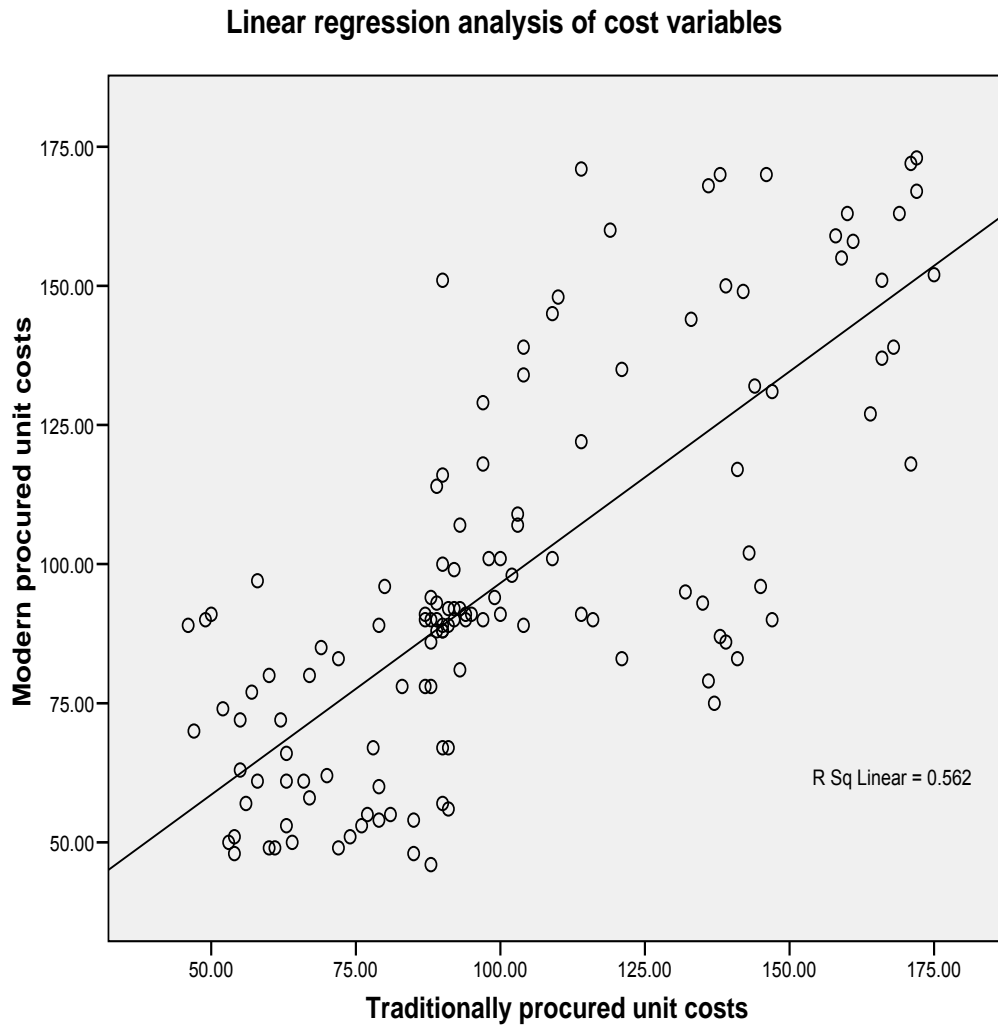
The results of the correlation determined whether two ranges of data move together and have a 'positive correlation' or, in the alternative, where small values of one set associate with large values of the other and thus have a 'negative correlation'.

Time, costs and quality analysis of both modern procurement and traditional procurement was subjected to the above analysis. It is important to highlight that in order to reject the null hypothesis, no / low association of the variables would need to be seen i.e. a distinct difference in performance between data associated to traditional to that of modern procurement.

The analysis tables are contained in the appendices to this report. In order to summarise the outcome of the analysis, three graphs representing time, costs and quality measures from both modern and traditional procurement are shown below.

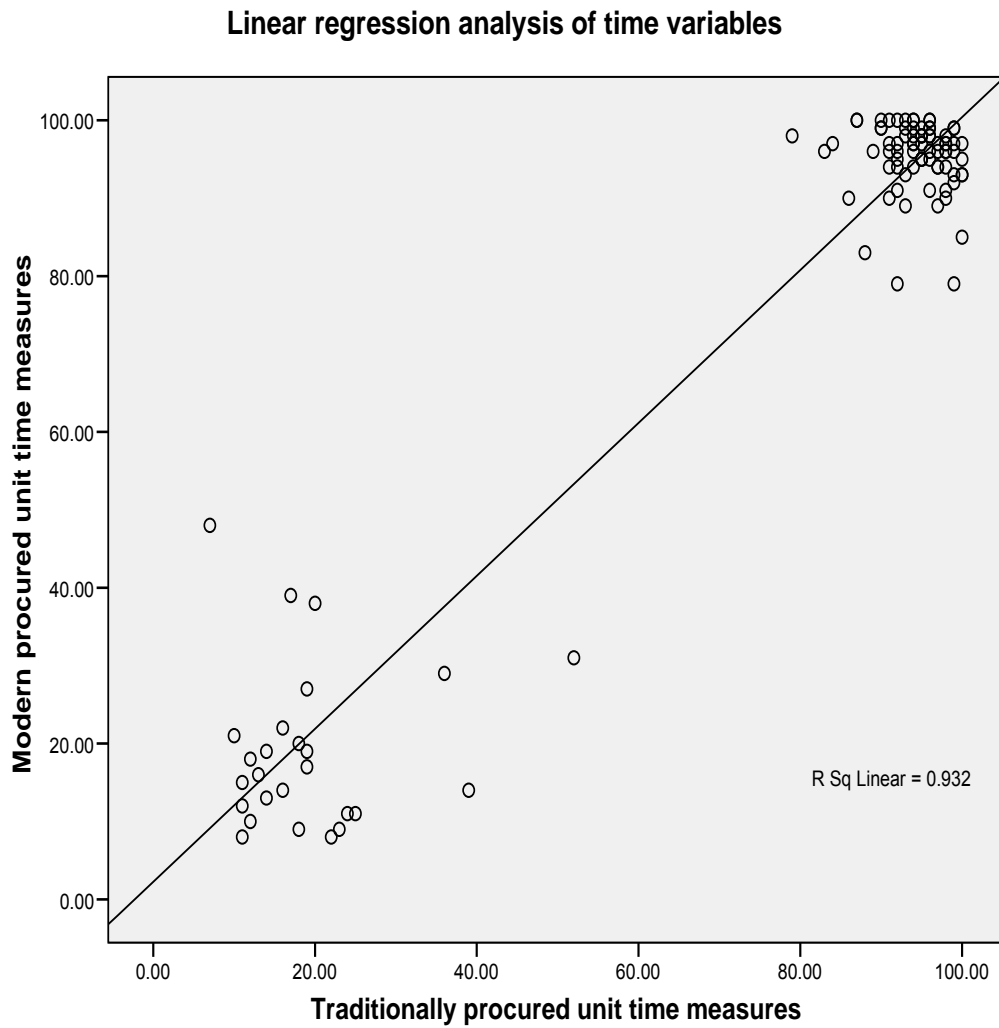
Figure five depicts the outcome of cost considerations. Whilst a degree of dispersion can be seen, a clustered pattern does emerge which shows the output of the variables converges and does not maintain distinct identity.

Figure 5:



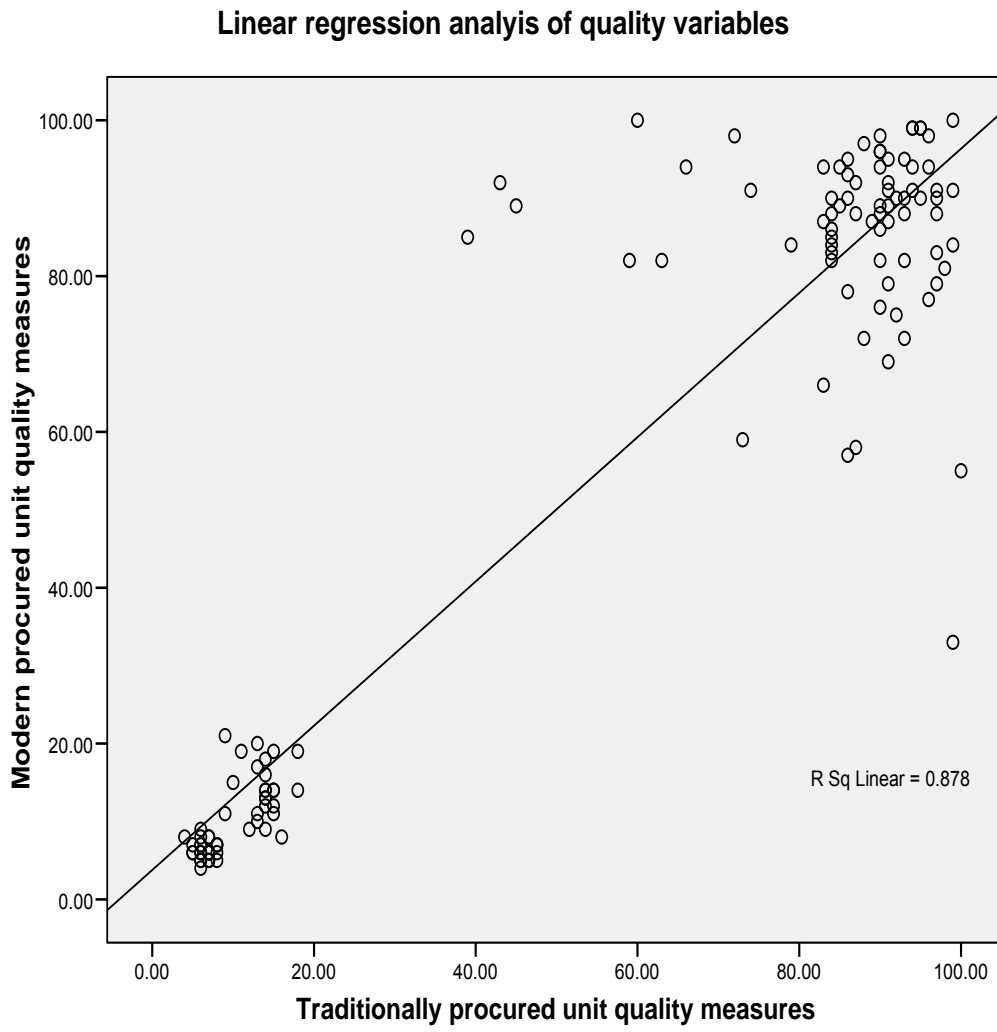
A much greater level of integration can be seen when assessing time data. Figure six shows that there is a high degree of similarity of outcomes for the two variables, with only a small number of results not forming part of a cluster.

Figure 6:



Finally, figure seven depicts the same analysis but for quality measures on the two variables. Again a high degree of clustering can be seen although slightly more dispersed in nature than the time measures.

Figure 7:



6. DISCUSSION AND CONCLUSIONS

Theoretical conclusions

The research questions looked to identify evidence that there was a difference of outcome in time, cost and quality measures from a modern procurement route in contrast to those obtained from a traditional procurement route.

Moreover, in order to reject the null hypothesis not only would a divergence have needed to have been noted, the divergence would have needed to have shown a more positive outcome from a modernised route.

Chapter five did not detect divergence to the level that the hypothesis could be rejected. Whilst there were a small number of measures that achieved a better level of outcome from the modernised sample, these were too few in number to be statistically significant in relation to the sample or sample frame.

The inferences to be drawn from the analysis conducted are that in terms of measuring time, cost and quality outcomes, there is little difference between the two variables. This is clearly depicted in figure four by use of a spider diagram. The lines representing the two variables virtually replicate on the same point in the spider diagram.

With reference both the literature review contained in Document Two and the more focused update to the literature review in chapter two of this document, the findings are 'unexpected'. A not insignificant 'core' of the literature cites a range of potential advantages to the construction primary procurement variables that can be achieved by adopting a modernised approach.

Notwithstanding this, by reference to the qualitative research conducted in Document Three, the findings of this piece of the research could have been summarised as 'expected'.

One issue could be to question if the time, cost and quality measures used were significant and if alternative measures had been used would a differing outcome have been achieved? The data matrix collected data from a benchmarking organisation, so to an extent, the research was potentially limited by this factor. However, by reference to the array of measures used it can be seen that all outcomes of time, cost and quality have been achieved by a number of separate measures on each criteria. An example of this is the cost measures. There are twelve separate cost measures for each organisation. These focus on macro level 'unit' costs to micro level 'task' costs. Whilst other measures could have been introduced it is challenging to ascertain a measure that has potentially more value to scaling the difference between modern and traditional procurement.

The most significant outcome of the research findings is the observation that a control variable exists. This is in the form of what 'type' of contractor delivers the service, irrespective of the procurement route. By definition of type, it is meant whether the contractors by large / national, small / regional or an in-house 'DLO'. Table seven analysed cost data and demarcated this between the above organisations. The outcome noted that in relation to cost large / national contractors were disproportionately more expensive across all of the cost measures in comparison to costs data obtained from both small / regional and in-house organisations. It could be argued that this is an obvious outcome. Larger organisations carry higher operating costs and, therefore, have to charge more in order to achieve the same level of return. The counter argument from the literature review is that significant savings in the magnitude of 30% should be achieved between modern and traditional contractors. Even taking account of increased operating costs, a lower rate for a modern procured contract should be achieved. Ironically, this research detected the opposite across all three delivery models, i.e. there was a higher unit cost for modern procured contracts in comparison to traditional amongst national, small and in-house contractors. Some erosion of the margin of difference was detected in the costs of modern compared to traditional although the outcome was still a more expensive repairs service for the sample that represented a modern procurement route to those that represented a traditional route.

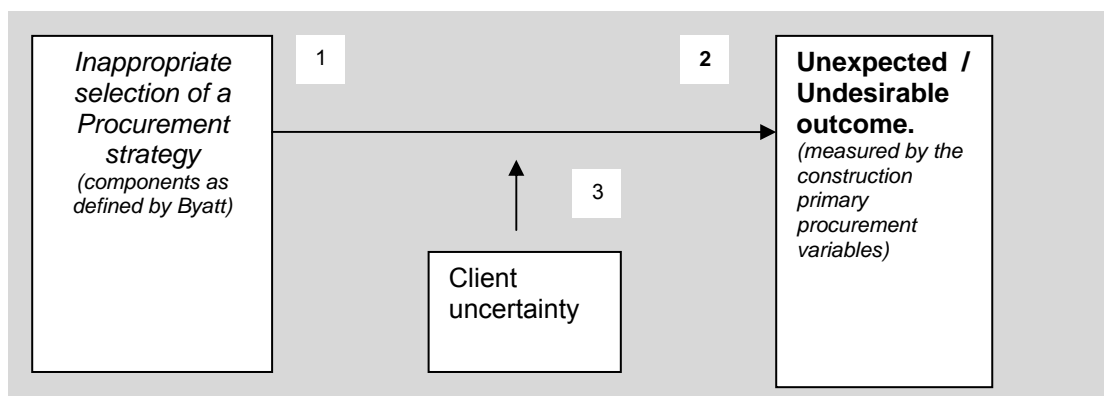
Whilst insufficient evidence was found to enable the null hypothesis to be rejected, it is accepted that this can only apply to ALMOs and not the wider social housing sector. The reasons for selecting ALMOs were articulated in chapter 4. In terms of theoretical understanding and contribution to research knowledge, it would be desirable to expand the sample to include all social landlords, or at least a sample that is statistically significant of such. There is the potential that the differing business dynamics faced by, for example, housing associations in contrast to ALMOs, may generate a differing research finding. In order to achieve this objective, a database containing representative data of such a sample would need to be identified.

Childers (2007) and separately Woolliscroft and Foley (2007) make a number of assertions that 'successful' outcomes can be achieved but are dependant upon a number of client actions and inputs. In particular Childers cites a number of characteristics required which if not present will result in sub-optimal procurement. The contention is further made that the likelihood of manifestation of poor procurement is significantly increased in a modern procurement arrangement. The observations of future research areas are also illuminating. Whilst this is focused on the public sector (to which it has been argued that social housing is quasi public sector) the suggested focus on relationship management would have been a further concept of value to introduce to this research, had the database contained information on this. The inference with such a variable would be to scale what relationship management attempts were made on which contracts and then to overlay this with time, cost and quality measures. The outcome may help explain some of the results received.

With reference to the conceptual framework, this research questions 'box 1' in so far as not only would the selection of an inappropriate procurement strategy result in undesirable and/or unexpected outcomes, the selection of an inappropriate service provider (i.e. contractor) irrespective of the procurement route also has the potential to result in the undesirable outcomes of 'box 2'.

Notwithstanding this and with reference to the definitions provided of a procurement strategy in the literature review (Document 2), procurement strategy covers a wider aspect than modern or traditional routes. Byatt (2002)²⁷ notes the integral components of a procurement strategy providing sufficient focus on suppliers, amongst other key issues. Moreover, Trimmer (2003) makes a link of time, cost and quality considerations and arriving at the optimal solution to deliver this. Whilst Trimmer is silent on referring to service providers, consideration thereof is implicit in order to achieve Trimmer’s stated objectives.

In recognition of the above and the outcomes of the research in Document four, challenging the assumptions of the conceptual framework does not call for any further modification. If we assume that the criteria of ‘box 2’ has been met in that there is no or so little difference on time, cost and quality criteria between modern and traditional procurement, therefore this can be nothing other than an unexpected / undesirable outcome. To arrive at any other conclusion would defy the logic of the stated values and benefits as set out by a number of notable sources, including the seminal texts of Latham (1994) and Egan (1998). Adopting a modernised route requires more investment in time and establishment costs. To make such an investment and then to have no or little material difference in the three areas measured calls into question the commercial rationale.



²⁷ Refer to Document two, Literature Review page 18

Practical Conclusions

It is important to consider the practical observations of the research findings so that recommendations and conclusions can be made along with 'signposting' future research.

Much debate has been held on the apparent benefits of adopting a modern approach to procuring construction related contracts. The universal panacea of the optimum balance of time, cost and quality has received great publicity. There are a number of 'case studies' that attempt to show from practical experience what can be achieved.

In stark contrast to this, the somewhat experimental null hypothesis and research questions take a different approach. The basis to these was formed from the outcome of Document Three along with a substantially refined conceptual framework.

Accepting the sample can only have applicability to ALMOs, the research if nothing else does signify that in developing procurement strategies, ALMOs need to be more robust in linking 'successful outcomes' back to how they procure. It would appear that most start from the basis of developing the procurement strategy with a low level of focus as to what they require as an outcome. It would appear that the process is mechanistic in nature and would greatly benefit by taking a longer term perspective.

With reference to the research findings, it could be argued by practitioners that the early phases of an adopted modern procurement route takes time to embed. Therefore it is little wonder that there is no significant and positive differential on time, cost and quality measures but it is envisaged that these will accrue at some future point. Whilst this research did not have the objective of assessing those who have adopted modern methods for some time as set against those who have only just changed their procurement route, with reference to the data matrix and by the application of personal knowledge of the researcher, there is no evidence to suggest there is any divergence of performance. Some of the ALMOs represented which have

embarked upon modern procurement a number of years ago have no discernable difference in outcome measures.

With regards to practical recommendations, this research raises the potential that greater consideration needs to be given to not only focusing on the outcomes but also to the service provider. If cost are higher for large national contractors without demonstrable evidence of commensurate improvement on quality and time measures, some ALMOs and in particular the smaller organisations (say less than 5,000 units in management) may benefit from engaging with smaller regional contractors or undertaking the work via an in-house team. It is accepted that the larger the ALMO gets in terms of stock portfolio numbers, the harder it becomes to rely on small contractors due to the complexity and logistics of service delivery to a multi site basis.

7. REFLECTIVE OBSERVATION

What appeared to work effectively

The research style and approach of document four made it possible to quantify outcomes and enables these to be compared and contrasted. The entire research study is to assess the relevance of modern procurement within the social housing sector. Whilst Document three provided an insight into the rationale, Document four took the opposite stance and looked to see divergence and added value.

Choosing time, cost and quality measures are all quantifiable. Moreover, databases of performance measures readily exist to provide the raw data. Therefore, the dichotomisation into those adopting modern procurement and those retaining a traditional stance enabled an effective review of performance.

The outcome also raises the potential of the service provider having an impact. It also further calls into question the client's ability to select the most appropriate procurement strategy, therefore leading to unexpected and undesirable outcomes.

What could be improved upon

The sample selected has inherent limitations. The rationale for selecting ALMOs was articulated in this Document and this was perceived as a valuable contribution to the research study. However, by the same token it restricts the applicability to just ALMOs.

The added value of Document Four

The added value of Document four appears to be one of quantification. There is an inherent 'tangibility' of being able to score outcomes in order to be able to differentiate.

The combination of Documents two, three and four also conclude the methodological triangulation of the research. As such, this provides a degree of latitude in designing the final stage of the research approach for Document five with the emphasis of taking forward the findings to date and further challenging these.

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Appendices –Data Matrix

Variable	ALMO														
	Anon.	Ashfield	Barnet	Bolton	Charnwood	Cheltenham	CityWest	Colchester	Durham	Enfield	First Choice	Gloucester	H&F	Islington	Havering
Using modern procurement method (Yes = 1, No = 2)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Percentage of appoints made and kept (%)	77	98	92	87	55	99	100	72	58	66	82	59	82	94	89
Void repair time (ave no. of calendar days)	39	8	14	19	48	9	11	27	22	38	15	29	20	13	18
Emergency order completion time (% of all orders achieving 100% kpi)	99	100	100	98	93	100	98	96	98	94	91	89	97	97	97
Urgent order completion time (% of all orders achieving 100% kpi)	96	97	97	91	79	98	94	95	90	89	94	83	95	94	98
Routine order completion time (% of all orders achieving 100% kpi)	97	95	100	92	85	99	97	95	97	90	95	96	97	96	98
Average cost per responsive job (cost / no. of jobs)	92	88	90	89	91	90	116	93	90	91	92	101	89	100	98
Overhead costs (per unit)	42	51	39	50	44	35	101	64	32	58	62	89	70	56	93
Planned to Responsive ratio (responsive%)	47	15	21	39	20	18	53	38	71	65	78	50	48	30	22
Emergency order cost (average)	51	66	83	54	74	48	89	46	53	51	49	78	80	96	54
Urgent order cost (average)	55	58	67	78	61	72	90	56	60	49	50	89	85	91	67
Routine order cost (average)	83	101	93	87	114	90	151	79	83	96	75	149	134	150	132
Void cost (per unit)	155	139	170	151	139	145	171	163	137	167	159	172	168	173	152
Sub contractor cost (as % of total costs)	27	25	31	24	33	20	38	26	21	34	34	39	32	37	30
Material cost (as % of total cost)	18	15	21	18	10	13	29	20	11	15	18	31	27	30	11
Average cost per unit (total spend / stock no.)	289	269	280	285	291	268	343	301	304	352	290	381	374	390	362
Level of variation (estimate verses actual as %)	26	32	39	34	36	38	40	38	33	35	26	43	38	40	35
Cost of 40 most commonly used items (cost of using each item once, exc. Vat)	3109	2446	2893	2636	3261	2913	4009	3520	2765	3248	3357	3814	2593	3779	3640
Productive output of workforce (average jobs per day across the trades)	3.1	2.9	1.7	2	3.2	3	0.7	1.1	2.6	3.1	3.7	0.4	3.9	2.2	2.8
Average costs of management and support costs (as %)	20	25	27	22	20	23	30	26	26	23	29	31	29	22	25
Satisfaction level (end user as a score out of 1-10, 10 being most satisfactory)	7	7	5	8	6	6	8	6	8	8	5	4	5	6	6
Level of rework (as %)	8	15	11	18	5	9	17	10	12	9	16	19	12	20	14
'Successful' post inspections (as %)	83	91	88	85	79	93	88	76	78	84	86	72	88	90	86
Right first time (as %)	94	97	82	88	91	99	83	89	95	91	87	84	95	90	92
Business model: 1=DLO, 2 =National Contractor, 3=Regional / small contractor	2	1	1	3	3	1	2	2	3	2	3	2	2	1	2

(Note: 'Anon' is the raw data for the anonymous entry in Checkmate)

Variable	Hounslow	K&C	Kirkless	Lambeth	New Prospect	Notts City	Poole	Sandwell	Sheffield	Solihull
Using modern procurement method (Yes = 1, No = 2)	1	1	1	1	1	1	1	1	1	1
Percentage of appoints made and kept (%)	91	82	69	91	91	33	94	85	94	99
Void repair time (ave no. of calender days)	10	19	21	12	12	16	14	9	17	11
Emergency order completion time (% of all orders achieving 100% kpi)	99	96	100	99	99	97	99	96	100	100
Urgent order completion time (% of all orders achieving 100% kpi)	97	94	98	94	94	93	99	91	99	96
Routine order completion time (% of all orders achieving 100% kpi)	100	96	98	93	93	95	100	96	100	99
Average cost per responsive job (cost / no. of jobs)	101	94	91	91	91	90	86	88	88	107
Overhead costs (per unit)	83	98	46	54	54	39	40	53	37	86
Planned to Responsive ratio (responsive%)	29	31	34	67	67	73	35	25	27	36
Emergency order cost (average)	61	90	49	62	62	70	50	77	48	67
Urgent order cost (average)	72	90	55	78	78	57	63	80	57	81
Routine order cost (average)	129	95	86	102	102	94	99	89	90	117
Void cost (per unit)	160	158	131	118	118	107	135	122	127	163
Sub contractor cost (as % of total costs)	27	36	29	15	15	11	8	19	12	34
Material cost (as % of total cost)	17	24	24	21	21	19	12	14	10	30
Average cost per unit (total spend / stock no.)	375	380	299	366	366	312	274	286	278	372
Level of variation (estimate verses actual as %)	38	30	27	29	29	41	38	35	26	41
Cost of 40 most commonly used items (cost of using each item once, exc. Vat)	3847	3409	2813	2808	2808	2671	2253	2470	2484	3971
Productive output of workforce (average jobs per day across the trades)	3.7	3.4	3.9	4	4	2.3	3.1	3.7	4.1	3.9
Average costs of management and support costs (as %)	26	24	25	25	25	26	25	22	24	28
Satisfaction level (end user as a score out of 1-10, 10 being most satisfactory)	7	6	9	6	6	5	7	7	6	7
Level of rework (as %)	21	13	14	14	14	11	19	14	13	11
'Successful' post inspections (as %)	79	95	87	90	90	81	89	94	98	96
Right first time (as %)	94	89	90	88	88	84	90	96	98	99
Business model: 1=DLO, 2 =National Contractor, 3=Regional / small contractor	2	2	3	1	1	1	1	1	1	2

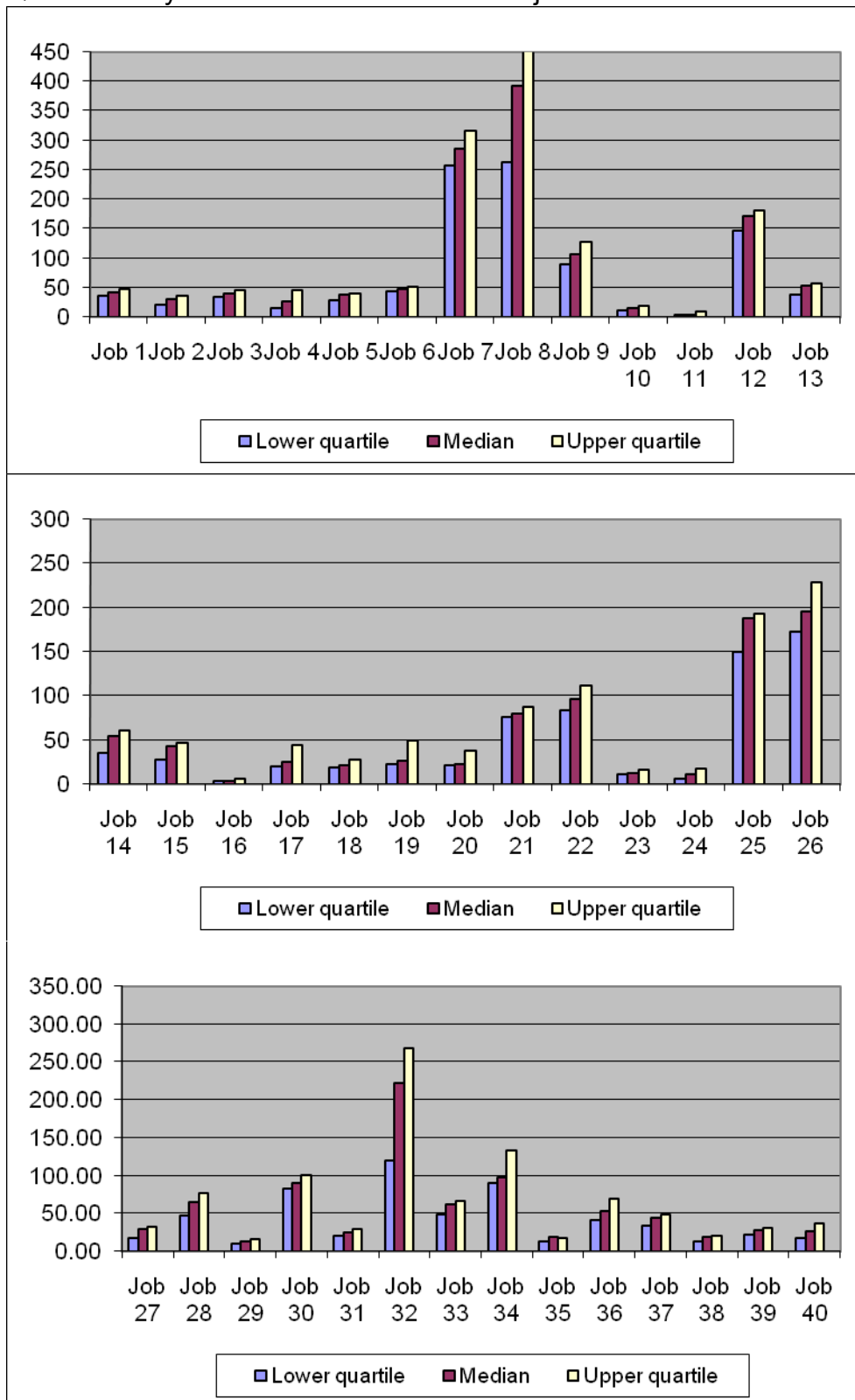
Variable	Slough	Tristar	Wigan	Your Homes	Berneslai	Blackpool	Brent	Carrick	Dale	Derby	Ealing	Eastbourne	Golden Gates	Newark & Sherwood	Hackney
Using modern procurement method (Yes = 1, No = 2)	1	1	1	2	2	2	2	2	2	2	2	2	2	2	2
Percentage of appoints made and kept (%)	57	86	54	96	96	43	83	100	95	60	93	87	83	90	73
Void repair time (ave no. of calender days)	31	27	41	17	11	39	14	7	18	24	19	16	20	11	36
Emergency order completion time (% of all orders achieving 100% kpi)	93	97	94	99	96	93	98	100	87	95	98	94	97	98	93
Urgent order completion time (% of all orders achieving 100% kpi)	90	89	92	96	91	84	96	99	79	92	95	91	97	98	88
Routine order completion time (% of all orders achieving 100% kpi)	93	96	79	98	96	91	99	100	90	92	95	94	98	95	92
Average cost per responsive job (cost / no. of jobs)	118	87	92	90	88	90	100	89	90	89	116	95	93	98	104
Overhead costs (per unit)	106	82	29	47	41	35	74	32	40	51	74	59	31	48	71
Planned to Responsive ratio (responsive%)	52	81	49	34	39	58	61	19	46	60	38	57	62	39	74
Emergency order cost (average)	91	51	49	74	63	72	85	52	54	46	88	76	54	61	83
Urgent order cost (average)	97	60	55	81	67	78	88	58	62	49	91	79	60	64	79
Routine order cost (average)	148	93	99	121	100	135	138	89	94	90	136	141	145	137	142
Void cost (per unit)	170	142	131	159	168	138	166	104	109	114	160	166	172	158	171
Sub contractor cost (as % of total costs)	39	12	16	23	20	25	21	10	25	28	23	28	20	31	36
Material cost (as % of total cost)	29	25	27	11	23	27	29	9	14	17	12	17	21	15	19
Average cost per unit (total spend / stock no.)	391	347	317	283	325	351	347	263	281	290	316	303	364	276	388
Level of variation (estimate verses actual as %)	42	36	30	33	36	37	31	26	20	34	37	33	31	33	36
Cost of 40 most commonly used items (cost of using each item once, exc. Vat)	4017	2663	3127	2859	2732	3147	3781	2585	2719	2547	4267	3472	3253	3659	3960
Productive output of workforce (average jobs per day across the trades)	2	3.4	3.7	3.1	3.5	4.1	3.7	4.6	3.8	4.1	3.3	3.6	2.4	2.9	1.7
Average costs of management and support costs (as %)	31	26	23	21	20	24	24	19	21	27	22	25	22	24	28
Satisfaction level (end user as a score out of 1-10, 10 being most satisfactory)	5	7	7	8	8	7	7	8	7	6	6	7	4	6	6
Level of rework (as %)	19	14	11	16	10	15	14	6	14	13	13	14	12	14	18
'Successful' post inspections (as %)	75	84	90	84	94	87	84	97	86	84	90	86	79	84	88
Right first time (as %)	82	90	89	85	88	84	90	99	95	97	91	86	91	91	84
Business model: 1=DLO, 2 =National Contractor, 3=Regional / small contractor	2	3	3	1	2	2	2	1	3	3	2	2	1	2	2

Variable	High Peak	Hillingdon	Haringey	Sedgemoor	Lewisham	Newham	Redbridge	South lakes	South Tynside	Tristar	Watford C H	West Homes (Leeds)
Using modern procurement method (Yes = 1, No = 2)	2	2	2	2	2	2	2	2	2	2	2	2
Percentage of appoints made and kept (%)	63	96	45	74	59	91	97	99	83	39	66	94
Void repair time (ave no. of calendar days)	18	14	12	12	19	10	11	13	16	23	19	25
Emergency order completion time (% of all orders achieving 100% kpi)	95	98	99	96	98	94	95	100	96	83	92	94
Urgent order completion time (% of all orders achieving 100% kpi)	92	94	96	94	97	93	91	99	93	92	90	91
Routine order completion time (% of all orders achieving 100% kpi)	97	89	95	96	99	96	93	100	90	94	87	94
Average cost per responsive job (cost / no. of jobs)	90	102	109	99	114	94	97	88	90	89	93	91
Overhead costs (per unit)	42	50	94	55	101	53	67	23	39	46	68	41
Planned to Responsive ratio (responsive%)	53	32	40	38	59	41	33	30	19	57	72	49
Emergency order cost (average)	67	80	79	66	87	72	70	47	53	57	85	91
Urgent order cost (average)	69	87	90	55	92	77	87	56	55	60	90	93
Routine order cost (average)	104	139	144	97	132	139	143	88	92	91	147	141
Void cost (per unit)	136	172	175	119	161	147	171	103	121	114	164	169
Sub contractor cost (as % of total costs)	21	34	31	22	25	18	34	6	26	30	37	29
Material cost (as % of total cost)	14	16	25	13	10	16	19	10	26	11	28	20
Average cost per unit (total spend / stock no.)	299	334	363	327	380	341	366	260	313	349	383	350
Level of variation (estimate verses actual as %)	32	25	34	29	32	30	35	19	39	23	40	24
Cost of 40 most commonly used items (cost of using each item once, exc. Vat)	2587	3821	3694	3027	4188	3570	3796	2414	2877	2715	2993	3079
Productive output of workforce (average jobs per day across the trades)	3.5	4.3	2.8	3.9	3.2	3.3	3.2	4.1	3.2	3.8	1.1	2.4
Average costs of management and support costs (as %)	21	25	26	23	21	22	27	20	23	20	29	26
Satisfaction level (end user as a score out of 1-10, 10 being most satisfactory)	7	6	7	8	5	6	7	8	5	6	7	6
Level of rework (as %)	15	13	15	9	14	15	14	9	11	14	14	13
'Successful' post inspections (as %)	93	95	90	91	93	89	92	98	90	94	72	90
Right first time (as %)	91	93	91	90	85	97	97	99	86	90	90	94
Business model: 1=DLO, 2 =National Contractor, 3=Regional / small contractor	3	2	2	3	2	1	2	1	3	3	3	3

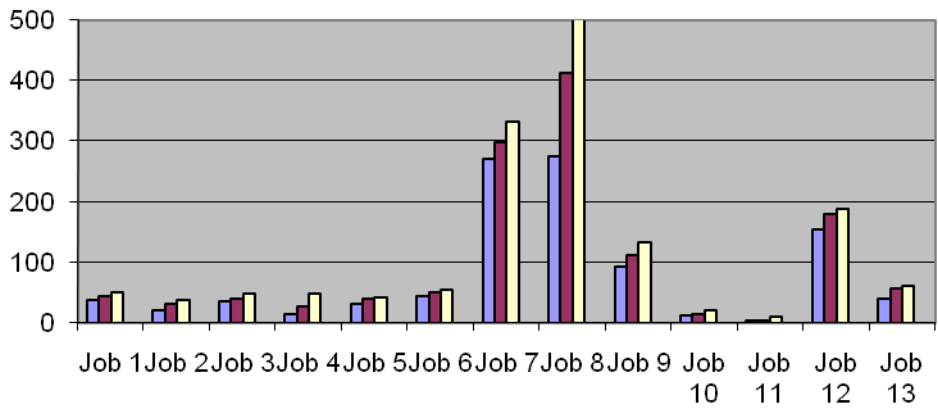
Variable	Wolverhampton	Salix
Using modern procurement method (Yes = 1, No = 2)	2	2
Percentage of appoints made and kept (%)	99	86
Void repair time (ave no. of calender days)	22	52
Emergency order completion time (% of all orders achieving 100% kpi)	99	100
Urgent order completion time (% of all orders achieving 100% kpi)	95	86
Routine order completion time (% of all orders achieving 100% kpi)	97	92
Average cost per responsive job (cost / no. of jobs)	97	99
Overhead costs (per unit)	103	74
Planned to Responsive ratio (responsive%)	55	40
Emergency order cost (average)	63	50
Urgent order cost (average)	63	58
Routine order cost (average)	103	110
Void cost (per unit)	133	146
Sub contractor cost (as % of total costs)	16	27
Material cost (as % of total cost)	21	29
Average cost per unit (total spend / stock no.)	319	328
Level of variation (estimate verses actual as %)	21	29
Cost of 40 most commonly used items (cost of using each item once, exc. Vat)	3779	3852
Productive output of workforce (average jobs per day across the trades)	3.3	3.9
Average costs of management and support costs (as %)	31	27
Satisfaction level (end user as a score out of 1-10, 10 being most satisfactory)	5	7
Level of rework (as %)	18	15
'Successful' post inspections (as %)	84	92
Right first time (as %)	87	93
Business model: 1=DLO, 2 =National Contractor, 3=Regional / small contractor	1	2

Analysis and data not contained in main report.

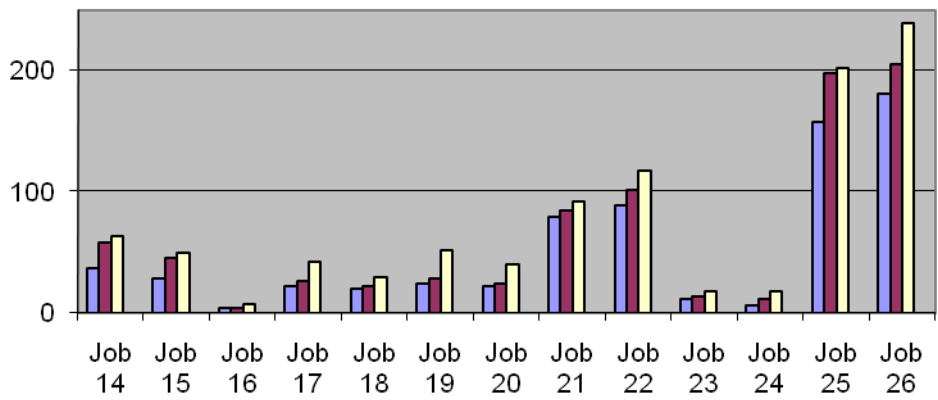
Quartile analysis of 40 most cost sensitive jobs via a Modern route



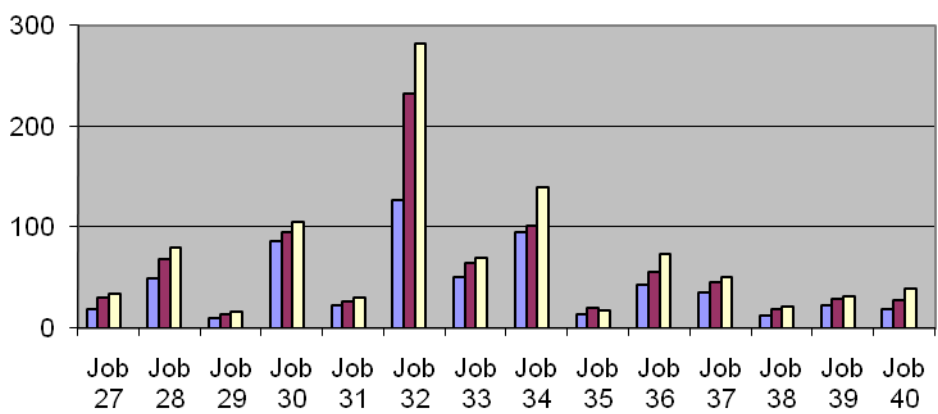
Quartile analysis of 40 most cost sensitive jobs utilising a Traditional route



Lower quartile Median Upper quartile

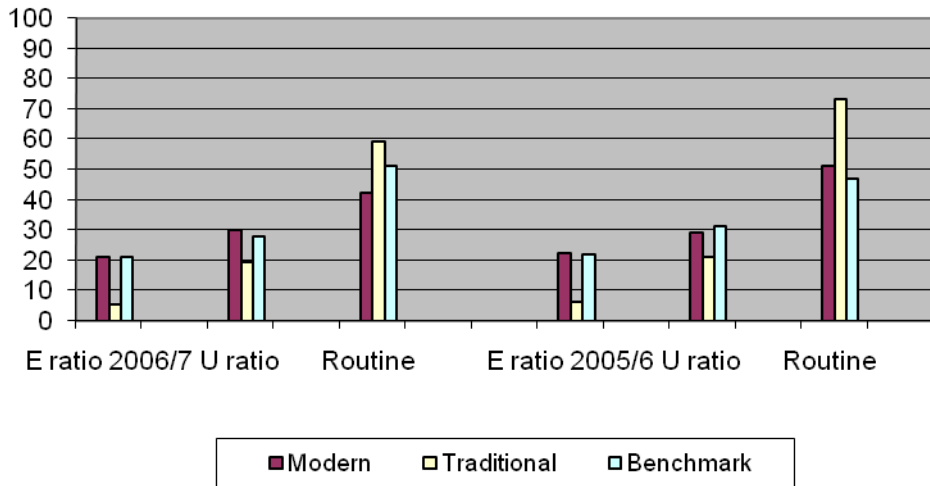


Lower quartile Median Upper quartile



Lower quartile Median Upper quartile

Ratios of expenditure between the two variables over a 2 year period



OUTPUT FROM SPSS ANALYSIS

Cost analysis

Correlations

		VAR00001	VAR00002
VAR00001	Pearson Correlation	1	.749(**)
	Sig. (2-tailed)		.000
	N	130	130
VAR00002	Pearson Correlation	.749(**)	1
	Sig. (2-tailed)	.000	
	N	130	130

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	VAR00002(a)	.	Enter

a All requested variables entered.

b Dependent Variable: VAR00001

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.749(a)	.562	.558	23.23239

a Predictors: (Constant), VAR00002

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	88533.602	1	88533.602	164.029	.000(a)
	Residual	69087.198	128	539.744		
	Total	157620.800	129			

a Predictors: (Constant), VAR00002

b Dependent Variable: VAR00001

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	20.554	6.322		3.251	.001
	VAR00002	.760	.059	.749	12.807	.000

a Dependent Variable: VAR00001

Time analysis

Correlations

		VAR00003	VAR00004
VAR00003	Pearson Correlation	1	.966(**)
	Sig. (2-tailed)		.000
	N	104	104
VAR00004	Pearson Correlation	.966(**)	1
	Sig. (2-tailed)	.000	
	N	104	104

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	VAR00004(a)	.	Enter

a All requested variables entered.

b Dependent Variable: VAR00003

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.966(a)	.932	.932	8.83251

a Predictors: (Constant), VAR00004

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	109785.030	1	109785.030	1407.262	.000(a)
	Residual	7957.345	102	78.013		
	Total	117742.375	103			

a Predictors: (Constant), VAR00004

b Dependent Variable: VAR00003

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	2.258	2.157		1.047	.298
	VAR00004	.982	.026	.966	37.513	.000

a Dependent Variable: VAR00003

Quality

Correlations

		VAR00005	VAR00006
VAR00005	Pearson Correlation	1	.937(**)
	Sig. (2-tailed)		.000
	N	130	130
VAR00006	Pearson Correlation	.937(**)	1
	Sig. (2-tailed)	.000	
	N	130	130

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	VAR00006(a)	.	Enter

a All requested variables entered.

b Dependent Variable: VAR00005

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.937(a)	.878	.877	13.50962

a Predictors: (Constant), VAR00006

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	168147.750	1	168147.750	921.309	.000(a)
	Residual	23361.242	128	182.510		
	Total	191508.992	129			

a Predictors: (Constant), VAR00006

b Dependent Variable: VAR00005

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	3.769	2.079		1.813	.072
	VAR00006	.926	.031	.937	30.353	.000

a Dependent Variable: VAR00005

Document Five

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ABSTRACT

This document represents the final stage of a research project assessing the relevance of modern procurement approaches within the context of repairs and maintenance to social housing providers.

Previous documents in this study are suggestive that there are some limitations for the effectiveness of social housing providers to undertake the role of construction client. This in turn would appear to question the relevance of the procurement approach. In accepting this contention, this phase of the research applies a semi-structured framework in which the role of the client is targeted and measured along with the assessment of if or how the role of the contractor could alter in order to potentially achieve enhanced relevance.

Over a twelve month time span, a number of identified 'intervention strategies' were developed by a small group of senior practitioners. The rationale was to apply the identified strategy to a small sample in order to ascertain if there was any consequence of the trial. The usage of a research methodology that enables a number of cycles and iterations would also allow for modifications to be made to further enhance the intervention measures.

Having completed three cycles of applying the strategies and reflecting upon the outcome observed, this document notes the continuing challenge that modern procurement routes appear to bring.

1 INTRODUCTION & OBJECTIVES

Introduction

In the previous documents comprising this DBA, I have sought evidence from both qualitative and quantitative research to either support or contest the view that modern methods of procurement have an impact on the repairs and maintenance sector of social housing. Prior to the aforementioned research stages, a literature review was conducted to assess the current body of knowledge, to identify commonly held views and to assess the basis as to why these views were formed. It was also at this stage that the first of a number of iterations of a conceptual framework was made.

Social housing is public funded and comprises of three predominant genres; housing associations, arms length management organisations 'ALMOs' and local authority provided. The Audit Commission (2008) noted that in 2006/07²⁸ the combined turnover of these was £9 billion. Operating costs comprised £7.5 billion, of which over a third at £2.8 billion was spent on the procurement and delivery of repairs and maintenance services to the housing stock. Accordingly, the cost to the tax payer is not insignificant. Moreover, as noted by Hughes (2008, 372) "*poor or inappropriate procurement is an expensive way of delivering maintenance services*".

The literature review detects a long trend of government sponsored reports debating the most appropriate procurement methods to utilise and why 'traditional' procurement has a number of constraints. By far the most prominent report is '*Rethinking Construction*'. This report was from the Construction Industry Task Force, Chaired by Sir John Egan. The report 'challenged' the construction industry not to do the same things in a better manner but to do them completely differently. The report is commonly referred

²⁸ Most recent data available

to as 'the Egan Agenda'. Since its publication in July 1998 much debate has been had on implementing the key recommendations. The profile of this report was further raised by one of the social housing sectors regulatory bodies, the Housing Corporation, requiring housing associations to become 'Egan compliant'.

Some ten years on from this report, this research project has looked for evidence to ascertain the benefit of adopting what has now become known as 'modernised procurement routes' in contrast to those organisations that have retained a more traditional stance.

Property repairs and maintenance procurement within the social housing sector

Social landlords either directly or indirectly maintain a housing property portfolio to be available for rent by tenants who meet a specified criteria (e.g. nursing accommodation). Due to the nature of the housing stock in the UK, there is a legacy of housing stock dating back to the Victorian era. The mid-nineteenth century saw the recognition that housing shortages had to be addressed. As Hale (1998, 37) noted "*immigrants to the UK in the 19th century created a demand on housing that was unsustainable and led to a vast expansion of social housing*".

As a result of the vast expansion of the social housing stock in this era this has led to a housing stock that was described by Hughes (2005, 16) as "*maintenance hungry*" due to its age. In order to meet this demand, housing providers need to put arrangements in place to ensure repairs and maintenance services are provided that is both timely and cost effective. For some organisations, this has led to the establishment of directly employed staff, commonly referred to as a direct labour organisation 'a DLO'. In 2004, PriceWaterhouseCooper estimated the total market share of the housing repairs sector to be held by DLOs to be 27%. The remainder of the market is procured from the open market, which are private contractors of a variety of formats (Public Limited Companies, Limited Companies etc).

Until the late 1990's, the vast majority of contracts procured from private contractors was on a 'traditional format'. Nicholls (2006, 122) describes this process of *"letting measured term contracts based on a pre agreed schedule of rates for frequent repairs items"*. The contracts were entirely cost focused with no account for contractor 'input' at the design stage. As noted above, in 1998, the *Rethinking Construction* report was published by the Construction Industry Task Force. The report made a series of recommendations including the adoption of 'modernised procurement routes'²⁹. Having been positively encouraged by their Regulator, some social housing landlords started to adopt modernised procurement routes. This resulted in the redesign of procurement systems to, amongst other issues, have a balance of quality and cost when procuring contracts as opposed to predominantly cost focused, as commonly found in traditional contracts.

A further and notable sector regulator, the Audit Commission, has also sought to encourage the development of modernised procurement via their regulatory inspection process. It is worthy of noting the profile of the Audit Commission within the social housing sector. They are an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. Their remit covers around 11,000 public bodies in England, which between them spend more than £180 billion of public money each year. As an independent watchdog, the Commission provides important information on the quality of public services. They define themselves as *"a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we seek to ensure that public services are good value for money and that public money is properly spent"*. (Audit Commission 2008, 3)

Integral to the audit role of the Commission are 'key lines of enquiry' (KLOE). KLOE three (asset management) and KLOE thirty-two (value for money) assess social landlords approaches to modernised procurement, amongst other areas. The KLOEs also clarify that as far as the Regulator is concerned,

²⁹ See Document two, section 3 for a definition

the concept of procurement includes both the physical task of acquiring a contract as well as the resultant administration thereof.

The combination of the approaches adopted by both of the aforementioned regulatory bodies is a vast promotion of a completely new procurement system to the social housing sector. The focus and scope of this and former documents have been to assess the relevance to the construction primary procurement variables of time, cost and quality. This has been done on the basis that these three variables are quantifiable.

The importance of the topic

In 2004, Sir Peter Gershon undertook a review of public sector efficiency. As a direct result of this the social housing sector was set efficiency targets under the headings of 'cashable and non-cashable'³⁰. The Audit Commission (2008) noted that maintenance services accounted for over one third of all operating costs within the social housing sector. To this effect becoming more efficient in the way in which repairs and maintenance services are procured and ultimately delivered has significant potential to organisational savings. Conversely, ineffective procurement is costly. Sir Peter Gershon made the link in his review to sub-optimal procurement being a major barrier to achieving value for money services. Since the Gershon review, a number of policy and institutional changes have occurred including the development of a National Procurement Strategy, the establishment of the Regional Centres of Excellence and the Regional Improvement and Efficiency Partnerships. The aforementioned are intended to capture and disseminate good practice in procurement.

The approach to procuring repairs and maintenance services in the social housing sector has the potential to contribute to efficiency savings that are required by the Regulator. Given the amount of finance involved, even what

³⁰ Cashable savings are defined as an efficiency gain that is available for another purpose. Non – cashable is defined as a gain that leads to higher quality, or better services to service users but no cash is released for another purpose (Source: HM Treasury Releasing Resources to the Frontline: Independent Review of Public Sector Efficiency (2004))

may appear relatively small savings can generate significant contributions due to the magnitude of investment.

Considering the level of expenditure and the requirement to become more efficient, Document Two detected a number of potential gaps in the literature. The literature review did detect a wealth of data on how efficient procurement systems can contribute to lower costs and higher quality outcomes in new build construction, but less of a body of knowledge on how this applies to repairs and maintenance procurement. Moreover, the literature reviewed that did make reference to repairs and maintenance tended to identify barriers to effective procurement but did not elucidate how or if the perceived barriers could be overcome. In attempting to add to the body of knowledge via this piece of research, this apparent gap was a key consideration in selecting the research strategy.

In consideration of the size of the repairs and maintenance market of the construction industry is in the region of 49%³¹, the single biggest sector of the market and the fact that a number of government sponsored reports have extolled the virtues of modern procurement, more emphasis would have been expected in the literature.

The importance in practice of developing procurement systems for repairs and maintenance services that are efficient and effective are of significant importance. Irrespective of the role and interest of the Regulators, the principal issue that sets repairs and maintenance apart is the fact that it is both a recurring cost and, for most social landlords, a cost that increases year by year due to the ageing stock profile. Ineffective procurement on a new build project will have an implication but due to the duration of repairs and maintenance contracts, the impact of ineffective procurement has significantly longer implications due to the ongoing nature of the contracts. The implications are not always financial, as procurement within the construction industry is considered to be the optimal balance of the construction primary

³¹ See Document 1, page 5

procurement variables; time, cost and quality³². Accordingly, time delays and quality concerns also have to be considered.

The challenges set out to adopt modernised procurement spans more than just the procurement phase itself. The process requires significantly differing systems to be used to operate the contract once procured. As such, the impact and implications are far reaching and have an impact for the entire duration of the contract.

The literature shows that a number of independent customer surveys reveal that the manner in which social housing providers provide repairs and maintenance services has a direct link to the image and the reputation of the landlords as a whole. Inappropriate or insufficient design of the service at the procurement stage has the potential to dilute the quality of the service and to restrict the ability to alter this for the duration of the contract. As the trend for contracts to be let for longer durations continues, this becomes more of a critical consideration.

Objectives for Document Five

With reference to the prior four documents of this study, it will be readily apparent that the conceptual model has evolved significantly. The research findings to date are discussed more fully in Chapter 2 of this document, although it is worthy of noting at this stage that a recurring theme of the client role having a negative impact upon the process. A 'golden thread' can be seen running through the literature, qualitative and quantitative research undertaken to date, detecting tensions for the role of the client.

Moreover, in Document Four, when seeking to scale the differential of benefit of modernised procurement as set against that of traditional procurement, little if any divergence could be detected from that of a traditional stance when contrasting time, cost and quality outcomes.

³² See Document 2, page 21

In Document Five it is intended to converge the research findings of the previous documents. In order to attempt to provide an outcome to the research and to 'signpost' future research with a specific focus on the practical application of research findings, the research is in the form of 'action research' conducted via 'cooperative inquiry', as outlined and defined in Chapter Four of this text.

Chapter Two brings forward the key issues of former documents as well as providing a context for the 'research journey'. It enables the consideration of issues that are cross cutting from the more qualitative approach of Document Three to the quantitative research of Document Four. This promotes the focus on particular issues that have become central themes to this research and synthesises key concepts. In order for Document Five to take the research a stage further, Chapter Two also refocuses the former research questions.

It is also at this stage that the 'dynamics' of using action research in the form of cooperative inquiry start to emerge. Having formed a group of 'collective co-researchers', agreement needed to be reached upon what findings to date meant in terms of shaping the future research questions.

Chapter Three revisits and expands upon the literature review of both Documents Two and Four. It is informative to note that whilst the body of knowledge within specific focus to the study does not appear to be fully saturated, there have been a number of developments in the literature, especially since the full literature review in Document Two. Moreover, the body of literature now appears to have stratified into those who hold the contention that modern procurement methods do have a value and those who perceive it is limited in its application. Historically, those who perceived less value were the minority. Of further interest is that some of those who had traditionally held a more positive view of the contribution from modern procurement now appear to be challenging this and questioning if in practice the positive aspects do materialise.

The literature review has informed the modified conceptual framework. In so doing it is looking for evidence of 'causal connectors'. Of particular interest is that the review detects some examples of 'vicarious experience' influencing how some organisations are procuring. By this it is meant that the negative impacts of some modern procured contracts appears to be having a deterrent on other organisations from adopting modern methods, despite having no direct experience good, bad or indifferent.

Chapter Three also provides a final iteration of the emergent conceptual framework. This is to set the scope for the action research of this document and to ensure the focus of the study remains firmly 'anchored' to avoid the risk of losing connection with the overall research.

Chapter Four discusses the methodology adopted, seeks to justify why this was appropriate and the techniques employed. By reference to the former documents in this study, it can be seen that action research as a technique has not previously been used for this study. It was used as it was seen as an 'enriching process', with the aim of enabling the researcher to not only crystallise perceived problematic areas of the study but to then agree potential solutions and to test these within a controlled environment. This required achievement of common agreement within the group of co-researchers on the conceptual framework and associated research questions and desegregation of these into a format that would enable potential solutions to become testable by means of action research. Of particular importance, this section of the document also establishes whose 'notion of quality' is being used to make value judgements and whose measurements are being applied. This is to help eliminate ambiguity and to provide both the research group of cooperative inquirers and readers of this text clarity on the scope and processes of the research.

Chapter Five provides the findings of the research as it evolved over a number of months. It notes how the process was managed along with outcomes. It also articulates the process of the cooperative inquiry in the sense that the challenges this is perceived to have, especially in terms of

timescale. Conversely, it notes the level of diffusion that was achieved by adopting such an approach which may have been more restricted in other research methods and techniques.

Chapter Six provides the overall conclusions drawn from the research process, both in terms of academic and in practice. Further areas of research are noted that are beyond the scope of the project as well as limitations of the research. Consideration is also given to ethical issues and implications of reaching conclusions from the cooperative inquiry approach in terms of representation of the results, replicability and reliability.

2. STRATEGY AND RESEARCH QUESTIONS

The Research Journey

It would be easy to overlook the importance of document one, as whilst this has the primary aim of scoping the project, it also contains a 'route map' and identification of core issues to the research. Notwithstanding the value of the document, it is readily apparent that the 'filtering' effect of the later documents have significantly refocused and reformulated the field of investigation.

Evidence for this can be seen in the degree of divergence between the initial research questions being based on what could be classified as 'systems' e.g. looking at the chain of causation between the *Rethinking Construction* report to that of partnering. In more recent documents, it can be seen that the focus is more upon the role of individual groups (i.e. the client and the contractor) and the impact that this may have.

Document one did identify the development of a conceptual framework of construction partnering from the empirical research of Cheng and Heng (2001). This was informative in so far as not only identifying a model but more crucially assessing what empirical academic research had led to the formation of this. This enabled the researcher to understand what the evidence base is formed on previous research of others. The model as set out by Cheng and Heng focuses at a strategic level by looking at critical success factors and building a chain of causation, making the link of formation, application and completion to that of success. There is nothing encountered in later documents that would lead to a conclusion or inference that this is incorrect. The key issue to answering the core focus of this research project i.e. to assessing the relevance of modern procurement within the repairs and maintenance sector of social housing, is assessing the roles and responsibilities that individuals and organisations have in achieving the desired outcome.

This entire research project does not attempt to gauge success, despite this being a key variable measured by Cheng and Heng. The focus is more on assessing the outcomes and comparing and contrasting modern procurement routes and associated processes with that of what would be considered 'traditional'. The primary reason for this is the more subjective nature of the concept of success in contrast to the more objective measurement of outcomes.

Document two, the literature review and development of a conceptual framework, is the first substantive piece of research in the project. Due to the vast array of literature available, it was necessary to categorise this into a 'map of the literature'. This enabled literature to be reviewed and assessed on key topics enabling the researcher to maintain a focus on specific aspects.

The key findings of this particular document was an immediate 'challenge' to the assumptions of document one. The literature did not yield empirical data that would support the contentions of the initial conceptual framework. It did identify a number of other potential variables that had hitherto not been considered or embedded into a conceptual framework. Moreover, the revised model looked to test the degree of strength of the linkages of the model in order to form a view on if these were inter-dependant or dependant variables.

The document also saw the first development of a hypothesis. Having completed the literature review at that stage of the process, there was an emerging body of evidence that cited the role of the client to be at best questionable in terms of effectiveness or, at the other end of the spectrum, a perceived 'major obstacle'.

As well as refining the research strategy, document two also noted an apparent lack of literature specific to the repairs and maintenance sector of the construction industry. This is in contrast to other sectors (e.g. new build) where there appeared to be a larger body of knowledge. Moreover, the conclusions of Bresnan and Marshall (2002), and Fisher and Green (2000) note the absolute lack of depth in the literature of robust evidence to support

the claims of 'successful' partnering. The inference appeared to be on the basis of there being numerous theoretical claims of 'success' but lacking in evidence to provide practical examples and reference sites to endorse such a proposition. This perception does not assume that modern procurement is necessarily unsuccessful, however success is gauged, but it would appear to highlight the lack of literature indicating this.

Document three undertook an interpretivist qualitative investigation. This not only focused on outcomes in the sense of adding to the body of knowledge but also attempted to understand how people make sense of the research topic. This was achieved by using an ethnographic grounded theory, which allowed the researcher to go into the research without preconceptions of how this phase of the research would be concluded. This included the number of interviews, who to interview and the like but to enable emergent findings to provide the research framework. This would ensure 'saturation' which may not have occurred if a pre-determined number of interviews / interviewees had been established at the outset.

The three phase process of coding (i.e. open, axial and selective) enabled data to be examined and re-examined in order to draw emergent trends and key issues. This phase of the research also enabled issues that are not readily amenable to numerical quantification to be considered. This was considered a key issue to the methodological triangulation of the research. Grounded theory is not without its critics, particularly on the concept of if a researcher can 'truly' suspend their awareness of relevant theories until later in the stage and hence approach the issue with an open mind. The inference from this in relation to Grounded theory is usefully summarised by Bulmer (1979, 652) *"business researchers are typically sensitive to the conceptual armoury of their disciplines and it seems unlikely that this awareness can be set aside"*. Whilst acknowledging this, as this was just one phase of the research and most if not all research approaches have some form of limitation, it appeared to be a useful and potentially rewarding approach.

In order to provide a comprehensive answer in this phase of the research, took some considerable negotiation. The research was inviting participants in the research to be potentially critical on the organisations that they represent. As the social housing sector is highly regulated, this presents a high risk strategy with little or no reward, other than having a basic analysis of the outcome of document three. As such, significant consideration of ethical and confidentiality issues were required in order to secure the level of access required. Moreover, the research included both representatives of social housing providers and contractors in order to gain a holistic perspective. This introduced further 'tensions' and the potential to tell the researcher what the clients would wish to hear as opposed to what contractors genuinely believe to be an accurate representation. A final criterion of geographical location was also considered. In order to consider any impacts or imbalance of the market or other such regional variable, care was taken to ensure, as far as is possible, a national geographical spread.

The analysis drew significantly on the approaches of Ryan and Bernard (2003), who in turn utilised the methodology of Strauss and Corbin (1996) to code and analyse the transcripts.

The outcome would be considered significant in the research. It fundamentally challenged and rewrote the conceptual framework. This was not a modification but a completely new model had emerged from document three. The outcome also, for the first time, raised the potential of differing 'types' of contractors having differing impacts upon the construction primary procurement variables.

The final formative stages of the research, was concluded in document four. This was in contrast to document three in that it utilised a positivist / quantitative approach. The review focused significantly on the measurement of the aforementioned primary variables by comparing and contrasting results from organisations utilising modern methods of procurement to those who retain a traditional approach.

A particular kind of social housing provider was identified in the form of Arms Length Management Organisations. The justification for this was on the basis of data availability and data integrity. Document four whilst using a quantitative line of investigation, did not use a questionnaire. In favour of this, a data set was used that had been subjected to third party validation. Accordingly, the initial assumption was that this should provide a dataset rich in both quality and volume.

Document four provided an updated literature review focused on the construction primary variables. Justification for this is on the basis that these variables are core to the research project. As such a detailed definition supported by empirical research findings was essential.

A 'null' hypothesis was developed which would be tested by research questions. Whilst there was a temptation to develop a large array of such questions, it was felt that in order to maintain the focus, just four principal questions would be posed. Each of these focused upon the primary variables as well as seeking to test the inference raised in Document Three on if the type of contractor had any bearing upon the outcome.

A data matrix was used in order to ensure data saturation on the range of measures considered. The data was subjected to Bivariate analysis. The variables were modern versus traditional procurement with reference to each of the research questions. A pilot study was undertaken as part of the validation process. This proved to be useful in that it did identify differing units of measurement within the data set (i.e. calendar and working days). This enabled the data set to be corrected for this anomaly.

Having completed the evaluation on the entire data set, the outcome was what could be described as 'unexpected'. By overlaying outcomes from both traditional and modern procurement routes, there was a very close relationship between the two. Accordingly, it was not possible to draw an inference from the analysis and outcome of document four that on the basis of

time, cost and quality criteria, either modern or traditional approaches have a propensity to produce a better outcome in contrast to the other route.

Of further interest was the fact that document four noted the presence of a 'control variable' in the form of the 'type' of contracting organisation utilised. The use of the term type refers to national, regional or small / in-house contractor. The literature review shows a number of sources making claims of cost savings being realised and yet the research sample showed the opposite and in particular for large national contractors in contrast to smaller regional contractors or in-house teams. The disproportionately higher costs from larger contractors was not supported by commensurately higher quality or time measures.

Whilst the further investigation of the control variable would be both rewarding and informative, it would represent divergence from the core focus of the study. As such it does feature in the recommendations for future research.

Adding value to Document Five

With reference back to the original focus of the study, as set out in Document One, the research undertaken up to document five stage shows how the findings have on a number of occasions significantly revised the assumptions of both the researcher and the conceptual framework. The core issues are more focused on the role of the client and the impacts, either positive or negative, that this can bring to procurement.

The qualitative research noted a number of deficits in 'procurement systems'. By this it is meant the processes, procedures and protocols that client organisations adopt to implement procurement. A good example of this is that it was not possible to find a business case being used within the sample. Accepting the sample was small and therefore not necessarily representative, it indicates a lack of measures for client organisations to scale progress and to articulate what successful procurement means to the individual organisation. Whilst noting the limitation, support for the conclusion reached can be found in the Audit Commissions research, 'Better Buys' (2008).

Further comment of this report is made in the next chapter, but in relation to the lack of a business case it is worthy of noting at this juncture that a lack of systems to monitor performance management was prevalent from two separate surveys involving 130 organisations. The relevance of a business case in considering the wider relevance of modern procurement approaches will be a key area of study for document five to consider.

At a more macro level, the quantitative research did not yield evidence or inferences that modernised procurement leads to better outcomes on the construction primary variables. As with the qualitative research, the sample was not necessarily representative of the sample frame. Accordingly, consideration needs to be given at this stage as to appropriateness of the supply side of the market. Prima facie, it would appear there is value in pursuing a line of enquiry that identifies if different size suppliers (in this case construction companies) lend themselves more readily to modern procurement approaches and, conversely, others lend themselves to traditional procurement. A key issue for consideration is if the size of the supplier has an impact on the clients effectiveness. One contention could be that large / national contractors mask the performance of client organisations by undertaking some traditionally held client duties themselves, thereby increasing the level of outcomes. Whilst the quantitative research did not detect such a trend, there are a number of government sponsored reports (see document two) that would concur with such a statement.

Research questions

Having being absorbed into this research project for a significant period of time, there is a temptation to pose a wide range of research questions. However, the research needs to remain focused as well as to operate within the logistical constraint of time.

The research methodology identified in chapter four of this report also needs to be considered so the research questions are not frustrated by an inappropriate research approach and are reliably testable through the methodology adopted.

Document two identified the hypothesis of '*modernised approaches to property repairs and maintenance procurement have not been substantially adopted due to the ineffective role of the client organisation*'. This was informed from the literature review. The hypothesis was revisited in document four and ultimately adopted a slightly refined version of, '*modern procurement approaches within the social housing sector in specific regards to repairs and maintenance do not have a positive impact on time, cost and quality measures*'. The rationale to the latter was adopting a null hypothesis approach and afforded specific focus upon the construction primary procurement variables.

With reference to the research methodology, the research questions identified need to compliment the research approach. The research plan for document five did not seek to utilise a quantitative style. Primarily this was due to the basis that the previous quantitative research within this project had been rewarding but in order to explore more fully the role of the client, it was envisaged that a qualitative research approach enabling both problem definition and problem resolution to occur would be desirable. Whilst this outcome is not mutually exclusive to qualitative methods, the desire to not only identify barriers but also to attempt to identify solutions particularly leant towards some form of action research.

The research questions have been crafted in line with the methodology of the research. Drawing substantially on the guidance offered by McNiff and Whitehead (2002, 93) on the appropriateness and style of questions suited to action research, the following was developed:

- How to facilitate enhanced client capabilities for modern procurement approaches;
- How the inputs of the contractor can influence outcomes;
- How to link the use of a business case to higher performance on the construction primary procurement variables.

By reference to document three, from the sample interviewed there was unanimous acceptance that there are ineffective client skills. Whilst this may change between organisations, ineffective client skills is not a concept that appears to be unaccepted within the sector. This can also be seen in the literature review. However, there does not appear to be a body of evidence that attempts to identify what leads to the lack of effectiveness and at what levels does this occur i.e. strategic, tactical, operational or a combination thereof.

Document four raised the potential for the type of contracting organisation to produce better outcomes in contrast to other forms. For reasons previously noted, this particular line of enquiry is not considered central to the research. However, it does raise the potential that the role of the client could be either positively or negatively impacted upon by the type of contracting organisation utilised.

Whilst there is a lack of evidence suggesting a business case is used generally within the sector, there are examples that can be identified. Moreover, this research raises the potential of 'if' a business case is used, would it alter the outcomes? This also fits within the more iterative research methodology adopted.

3. LITERATURE REVIEW

Update on Document Two

This chapter seeks to augment the literature reviews shown in both documents two and four. This review is not only looking at the conclusions made by others but also looking at the evidence base for such conclusions i.e. prior empirical research and how this led to the conclusions made. The cut-off point for this literature review is October 2008.

During the time since document two, there have been a number of additions to the body of literature. This is useful in that some of the gaps of knowledge noted in document two now have literature available. Taking a holistic view and the previous contentions of Bresnan and Marshall (2002), and Fisher and Green (2000) noting the absolute lack of depth in the literature of robust evidence to support the claims of 'successful' partnering, little has emerged to challenge this. Indeed a number of literature sources (Hughes 2008, Simpson 2008, Audit Commission 2008) question that there is still a lack of demonstrable evidence to show that modern procurement has any greater propensity to achieve better outcomes than that of a traditional procurement approach.

Arkani (2006) noted the body literature in the field of study is still fragmented and that there is very little academic debate relating directly to the provision of repairs and maintenance in public sector housing. Arkani commented that:

“what there is tends to be reviews of approaches to planning and organising repair work, provision of technical advice and access to reliable builders (Leather and Moseley, 2002); information on measures to deal with poor housing conditions (Revell and Leather, 2000); and local authority initiatives ranging from providing advice about home improvements through to assistance in raising private finance (Groves et al., 1999)”.
(2006, 14).

As such, the body of literature still does not appear to be fully saturated.

The promotion of modern procurement systems within the social housing sector was undoubtedly promoted to a significant extent by the Audit Commission. However, it would appear that the Audit Commission have also had cause to revisit their support for this. Hughes (2008) notes:

“The Audit Commission have finally stepped back from the brink of tarnishing their excellent reputation by finally dropping its almost evangelical support of partnering as an approach to procurement. The mantra of ‘though shalt partner maintenance services - or else’ has been dropped, which is long overdue”.

(2008, 29)

The comments of Hughes appear shortly after a publication of a research paper, published by the Audit Commission in early 2008. The publication of ‘Better Buys’ did take the Housing sector by surprise as the conclusions reached were diametrically opposed to the stance the Commission has taken over the last ten years since the publication of *Rethinking Construction* in 1998.

Better Buys concluded that it is not enough to simply adopt a procurement route. The report identified the ‘primary barrier’ to effective procurement as that of time (lack of). To this effect, if client organisations are not prepared for whatever reason to invest the requisite time in procurement and managing the contract, the outcome will be marred. The evidence base utilised to form this conclusion was an ‘e-survey’ of housing associations with a property stock of less than 5,000 units (therefore, classified as ‘small’). The survey was further supported with an undefined number of phone surveys with Chief Executives’ of the same sample frame.

The research specification (unpublished) for the project notes that there is a need for such a project as *“not all housing associations are making progress (with procurement) and there has been no assessment of whether those making progress could do better”* (2007, 7). It also provides a good example of extending the use of the phrase procurement to cover both the initial procurement activity and the following contract management phase.

A question arising out of the research findings of the Audit Commission is if an e-survey as well as a phone survey with Chief Executives is sufficient to be able to claim a lack of time commitment is the principal barrier to effective procurement. No other literature reviewed holds out time as being the most significant of issues. Moreover, it is open to debate if the Chief Executive of an organisation is best placed to answer research questions on what are operational issues.

Notwithstanding this, the published report does raise the potential for a concept that has hitherto not been sufficiently scrutinised. There has been a significant focus upon the effectiveness of the role of the client but no apparent focus upon the role of the supplier / contractor in achieving outcomes. Everard (2008) sees the need to pay greater attention to this and to effectively match clients to contractors:

“For a partnering contract, large contractors will usually prefer a minimum contract value of £1million per annum in order to justify the investment and may only look at smaller contracts if there is a strategic advantage or geographic fit to their businesses. Matching the size of contractor to the client purchasing power is therefore essential”.
(p, 37-41)

The conclusions of Everard would appear to suggest that a client employing a national contractor that has a wealth of experience, will not necessarily determine successful outcomes, as shown in the business case, unless the value of the contract is within the financial parameters required by the contractor. Everard forms his conclusions on the basis of a number of case studies undertaken in the sector. Irwin (2008) extends the conclusions made by the Audit Commission by noting that setting up a partnering contract in itself will not automatically generate benefits. Somewhat controversially, Irwin goes on to state:

“there is an element of (Housing) Associations doing what is accepted as the ‘right thing’, possibly stemming from a desire to please the regulators or inspectors”.

(2008, 449-462)

This is a particularly significant point. During the field work for document three, it was apparent on a number of occasions as to the importance of those

interviewed to be seen to be doing what they consider was expected of them, although this approach is somewhat covert in nature.

Palmer (2008) takes a differing perspective and contends that providing a framework is developed and procurement staff follow this, the process is almost mechanistic and can only lead to successful outcomes. Palmer also places emphasis upon cultural matters. He rejects the contention of Irwin in that organisational size is inextricably linked to success with modern procurement approaches:

“the procurement strategy should be owned by the Board and have an organisational champion. Well-managed organisations with the appropriate skills and knowledge are more likely to deliver and improve contracts irrespective of their purchasing power”.

(2008, 37)

Wilkins (2008), in seeking to gain the optimum balance on the construction primary variables, places emphasis on quality and time to the detriment of cost. He notes that the most appropriate procurement route to do this is to establish a directly employed unit, who do not have the competing demands of a number of clients as would an external contractor. Some support for the notions of Wilkins can be seen in the research in document four, which did include directly employed teams and how they performed against external contractors on time, cost and quality variables. Of even greater interest were the subsequent comments of Wilkins, who does not see a major ‘tension’ for procuring contracts by social housing providers but does see a tension when they go into contract to deliver the service:

“all too often I see RSLs (Registered Social Landlords) who spend months of Officer time in procuring the partnership based contracts, costing six figure sums of money in officer and consultancy time. Yet as soon as the contract is signed, it (the contract) is handed over to some relatively junior officer to administer. Bearing in mind the contract is more often than not with one of the national ‘players’ who have an array of professional staff to administer, this does not bode well and represent a good investment long term”.

(2008, 3)

Evidence to support this statement was made from a comparative study of five northern based ALMOs. Wilkins also draws on the research undertaken by the Audit Commission in Better Buys, although to a greater extent appears

to dismiss the view that time constraint is the main barrier to effective procurement. Wilkins endeavoured to match or at least recognise spending power during the comparison and drew correlations to the turnover levels of contractors associated to each organisation. The conclusions reached are supportive of a directly employed approach but go on to state that *“inter-regional procurement and contract administration should be considered by client organisations to alleviate the all too common approach of the ‘passive client’”* (p. 6).

Thomas (2007), as part of a government sponsored research project, undertook an analysis of how effective social landlords were at procurement activity in contrast to those who had entered a group structure i.e. a parent / holding company with a number of subsidiary landlords having their own identity. Whilst the review looked at all procurement activity, it did pay specific attention to that of repairs service procurement. In reaching the conclusions made, Thomas set out how a number of findings in empirical research had led to the development of hypothesis and research questions. Both of the aforementioned took the view that larger / group structure landlords have a propensity to deliver better procurement activity. Whilst the conclusions of the research did not dismiss the hypothesis, it did detect some tensions. In particular Thomas noted that it is not satisfactory to simply be better at procurement just because the structure of the client organisation is of a sufficient size to support having a procurement department. He went on to highlight that insufficient attention was being given to risk management of the process. Moreover, even between the large group organisations, sub-optimal procurement had manifested itself. This was highlighted in a case study in which it was claimed that cultural and organisational ‘fit’ were of equal importance to purchasing power parity.

Thomas also draws on the prior research of the Chartered Institute of Housing (2006). This also examined if the size of an organisation can be linked to improved outcomes. The key differential is that this report focused primarily on how differing size landlords deliver repairs and maintenance services. Thomas dismisses some of the findings by contending that there is little if any

evidence to support the findings. Thomas also takes the view that there is an over emphasis on the structure of organisations and the size of the same to the detriment of culture.

Veale and Johnson (2006) undertook their research of procurement of repairs services by conducting a number of focus groups with service users. This enabled them to process map the differing phases of how the repairs service currently worked and any perceived weaknesses. The conclusions made were informative in that they did not place a great emphasis upon culture but did so on changing the manner in which the repairs service is delivered. The research had highlighted that the general unpredictable nature of repairs and maintenance creates a number of 'system pressures' that it is not possible to predict and plan for. As such, Veale and Johnson promote increasing the level of planned maintenance work and a reduction in demand led responsive work. This in turn would lead to a differing approach to procurement and contract administration and far greater reliance on information technology to be able to predict life cycles of building elements along with resultant programmes of work. Veale and Johnson mirror the views of the Audit Commission in giving effect to the term 'procurement' to be much wider than the physical task of buying a service.

Swinney estimates that in excess of £700 million per annum could be saved by 'better' procurement. He contests that "*social housing lags behind most other areas of public service in effective commissioning and encouraging competition*" (2008, 17). Whilst Swinney highlights the perceived deficiencies, he does not provide a basis to the stated cost saving nor what would constitute 'better procurement'. He notes research published on the London Associations Procurement Network 'LAPN' and the apparent success members have had in driving down cost and increasing efficiency. However, Swinney appears to take no account of the fact that the services procured by LAPN are all major investment programmes of work and have little resemblance to those procured for repairs and maintenance.

In contrast, the Centre of Urban and Regional Studies mirrored the Audit Commission in identifying a principal barrier, *“housing associations rarely set measurable success criteria and hardly ever monitor them”* (2005, 219). This conclusion is interesting in that it forces organisations to define and measure ‘success’. Moreover, it promotes developing a performance management framework (e.g. a business case) in which the success criteria can be defined and measured. This sentiment is echoed in a piece of research conducted by Phillips (2007), ‘Partnering and Best Value within the Social Housing Sector’. Conclusion made attributed problems, in particular these related to cost containment, to the organisation not specifically defining what they consider to be value for money. This is not a technical specification issue but focusing on the desired outcome and the parameters that would lead to this being deemed successful by the client.

Woolliscroft and Foley (2007) note the new role of Office of Government Commerce (OGC) has been given for public procurement under a new initiative of ‘Transforming Government Procurement’. The authors note that whilst this is focused on central government procurement, the framework adopted has applicability for any public sector organisation. Woolliscroft and Foley pay particular emphasis to construction related procurement. They draw on the previous research findings of the National Audit Office, which identified that more should be done to improve outcomes on construction procurement projects, which included establishing clear objectives with effective client leadership. Woolliscroft and Foley take the findings of the National Audit Office a stage further by undertaking case study reviews and process mapping of client actions. By developing a ‘value chain’ they determine that even a slight deviation in the procurement strategy at the procurement phase has a significantly higher potential to reduce successful outcomes than if the same level of deviation had occurred during the course of the contract, following completion of the contract procurement. As part of the conclusions, they note that construction professionals must provide robust independent and expert advice to clients who are procuring and administering contracts. This highlights the numerous reports questioning the effectiveness of the role of the client and instead of trying to improve client skills, it replaces the client

with an 'Independent Client Advisor' who is seen as an expert in this area. The function is *"to establish long-term performance outcomes and targets and investigate a range of delivery options before procurement decisions are finalised"* (p. 9).

The public sector Trade Union 'Unison' commissioned research via the Association of Public Service Excellence (APSE) to ascertain the 'essential ingredients' of delivering a high quality repairs and maintenance service. The review only focused on in-house teams (DLOs). The conclusions made are drawn from eight case studies and through the identification of cross cutting themes, highlights a robust performance management regime as being a central theme of the case study organisations and was perceived as critical to the success. The deficit of the research would appear to be the omission of any comparison to external service providers and the lack of analysis and appropriate incorporation of empirical research findings. Whilst the conclusions made would appear valid, it is hard to see the connectivity of the conclusions to the critical factors cited, other than by coincidence.

In a further report of the Audit Commission (2008) 'For better, for worse' the spectre of poor client skills was revisited. The Commission concluded that some public sector organisations should take the conscious decision not to enter into modern procurement approaches unless they are willing to invest in client side management capability. The report goes on to note that *"some organisations have relied unduly on the language or spirit of partnership working, believing erroneously that contractors would pursue shared goals without incentives to do so"*. This statement stops short of seeking to match buyers and suppliers, as Everard suggested, but it does raise the value of incentivisation, which will be significantly influenced by the value of the contract and the spending power of the client organisation.

In late 2007, it was announced that one of the regulatory bodies, the Housing Corporation, was to be disbanded and replaced with the Tenant Services Authority. In October 2008, before the Tenants Services Authority had been given statutory and regulatory powers, it announced that as customer

satisfaction was so low with repairs and maintenance services provided in the social housing sector, it would reform. In debating this, Conroy (2008) noted the need to drive up service standards and replace the service provider if this could not be achieved. In the same article, Hayes (2008) felt that the critical area of 'relationship management' was at the core of the problem and not addressed by replacing one provider with another. Hayes (2008, 114), taking an opposing view to the Tenants Services Authority, debated that *"there are many variables in delivering the service and that modern methods of procurement had led to a dilution of customer focus whilst the contractor and the staff from the housing provider debated KPIs. By more focused relationship management and assessment of outcomes and not score cards will drive up quality"*. Whilst there is divergence of opinion on the cause, there is agreement that effect is a poor quality service. Conroy based his argument on a number of focus groups with service users. In contrast, Hayes conducted a number of semi-structured interviews with forty service providers who were ranked into small, medium and large dependant upon turnover within the social housing sector. A consequence of which is that both Hayes and Conroy have conducted an element of research on either the client side or contractor (service provider). Whilst the results are interesting, it is open for debate how robust the findings are due to the sample utilised.

A review and report was issued by 4Ps (2006) on the successfulness of a shared repairs and maintenance service for Sheffield City Council. The term shared service is defined by Murray, Rentell and Geere (2008) as *"The procurement shared service can provide aggregated buying, in a similar way to consortium, but, much more importantly, they should go beyond that role and provide strategic procurement know how"* (p.543).

Sheffield Council jointly commissioned and led a significant procurement and contract management of a ten year contract with the Kier Group, a large international construction company. Whilst there were a number of client organisations, Sheffield provided strategic procurement expertise. The conclusions of the 4Ps review were positive on the achievements although largely silent on processes. Of interest, a further review was undertaken in

2007. O'Connor rather than assessing 'input processes' endeavoured to measure success by scaling the outcome performance on time, cost and quality variables. The conclusions made were far from positive in so far as the outcomes would be classed as average and yet the level of inputs in terms of organisational effort were considerable. O'Connor noted that little attention is given to measuring the "*hidden cost of commissioning*" (p19). Taking on board the proactive role of Sheffield City Council officers in the process and ultimately the cost this has in employment terms, this investment had not manifested in enhanced outcomes.

Specific literature to the Research Questions

With reference to the research questions outlined in Chapter Two of this document and from the update to the literature review above, it can be seen that there remains a 'common thread' of unease about the role of the client. This is usefully summarised by the Audit Commission (2008) making the recommendation of improving client-side skills or purposely not using modern methods of procurement.

Brewer (2007), in his role of the Chair of the British Property Federation, made reference to the repeated challenges for contractors to train their staff to address skills shortages but noted what little emphasis is afforded to equipping clients with the necessary skills. Making reference to an industry conference in which a 'Technical Committee' was established to assess training and development, the outcome and conclusions were that there was a 'skills initiative overload', which was in turn leading to a proliferation of training and not having the desired effect of equipping staff with the requisite skills. Brewer made these observations by reference to prior research by the British Property Federation, the Major Contractors Group and the Construction Industry Training Board (CITB). In order to address the problem, Brewer cites the need for more focused training and less standardised courses. Whilst this statement is plausible, it is not clear if a direct link exists between the provision of training to that of facilitating enhanced client skills.

Davenport and Mulligan (1995) take an interesting perspective of endeavouring to define and scale what levels of client participation are required. This is done by researching the client characteristics and matching this to the most suited procurement route. Their paper examines recent findings from UK research studies which have focused on the role of the client in the construction industry and puts forward a proposal that greater levels of participation by the client within the procurement process will achieve correspondingly higher levels of satisfaction. Whilst the research is not focused on the social housing sector, it would appear that there is general applicability of the need for greater client participation at all phases of procurement, including that of managing the contract.

Walker (1994) revealed from a research project that contract type does not significantly affect speed of construction and that several related factors proved more significant, particularly how well clients or their representatives related to the project team. This conclusion is interesting in that it mirrors the contention that relationship management, as noted by Hayes, is more than merely equipping individuals with technical skills. It includes wider interpersonal skills including how clients relate to the project.

Hellard (1996) sees a link from quality management techniques and partnering. Emphasis is also placed upon the culture of the process. The conclusions reached stress the importance of top management commitment by all Stakeholders, good communications and of giving adequate time to the initial stages and to the 'Partnering Workshop'. The Workshop and the Project Charter are essential ingredients for success but it postulates that the intention should begin at the inception stage and be communicated to and discussed with all parties prior to their appointment to the project team, whatever format tenders and subsequent contracts take. This is one of a number of authors and research projects that contends the process of procurement is not the key issue. It is more to do with adopting appropriate systems from an early stage and the client taking a proactive management stance based upon the principles of quality management techniques. The inference that could be drawn from this is that an ineffective client is exactly

that no matter what procurement process is adopted. So differentiating between modern and traditional procurement makes little difference.

Soetanto, Proverbs and Cooper (2001) research findings revealed that cost, time and quality remain the most important performance criteria. However, other 'softer' measures of contractor performance were also found to be of importance. These 'softer' measures were found to influence the nature and quality of relationships. The findings were based on in-depth interviews with clients and client advisors. The importance of the findings is the link between the role of contractors and their inputs into the process and the direct and tangential impact on the outcomes, as measured in time, cost and quality, thus linking inputs to outcomes.

The need for a business case has been articulated in a number of government sponsored reports as well as independent authors. Specific government sponsored 'toolkits' provide examples of the key 'ingredients' of such. Reed (2007) made reference to the apparent gap of theoretical application to the reality of operational practice. Interestingly, Reed further detected the inclination of smaller organisations (not defined) having the propensity to have no business case as opposed to larger organisations. However, this did not mean that larger organisations generally have such a strategy and it was noted that *"plans are often made which lack formality or scalability. They are made for a target audience which does not include staff responsible for procurement and management of contracts"*. (2007,37).

Vicarious experience

Palmer (2008) raises the interesting notion of the potential distortion of the market place due to the apparent experiences of others. The assertion being made that in the early 2000's, a number of social housing providers would enter into long term partnering arrangements purely due to the experience of other peer organisations and with a total lack of a business case to support such a strategy. Palmer notes that in more recent times (although no actual time frame identified) the opposite can be seen. From research into twelve case studies, Palmer concluded that *"demonstrable evidence existed from*

four organisations which showed that a deliberate and conscious decision was made not to utilise any modern procurement approaches purely due to the negative experience of other landlords". Further research into the four organisations cited risk exposure on two counts to be the main concern. The first of which was the risk of not achieving cost containment. Palmer noted a number of anecdotal instances that were used as justification for forming this view. Similarly, quality concerns were also noted. This wasn't a deterioration of quality standards but an apparent failure to increase quality, Palmer detected a theme of organisations questioning 'what is in it for them?'

During the course of his review, Palmer noted the general lack of formality in the decision making process. It was noted that whilst procurement strategies were regularly encountered, these were general and unspecific. Any attempt to gauge applicability of differing procurement routes was based on "*gut feeling, speculation and highly subjective scoring*". Palmer noted that it was often at this juncture that experiences of others would crystallise in the scoring and yet little if any attention was given to how organisations compare in terms of spending power parity and other more objective measures.

A timely conclusion to the literature review was made by the somewhat 'colourful' and contentious words of Simpson (2008, 17), who outright rejects the views of Hughes (2008) and Palmer (2007) as 'missing the point', "*I feel let down by the whole experience. I now realise that this process (repairs to social housing utilising modern methods of procurement) has been little more than synchronised swimming with sharks*". Simpson went on to further note the pressures that housing providers were under to adopt partnering as a modern procurement route for repairs and maintenance is without any 'business benefit':

"For many clients, partnering has delivered little more than a deterioration in the service along with a disproportionate increase in cost. Much debate is had on 'open book' accounting, how right this is, the book is your cheque book. Whoever is peddling this theory that procuring national contractors to deliver local repairs and maintenance services simply has no understanding of how things work. The debacle of new forms of contracts are far too complex for clients that are not

only weak but are borderline incompetent in the vast majority of cases”.
(2008,19)

The Conceptual Framework

The conceptual framework developed following the qualitative review in document three, noted below in Figure one, has been modified to challenge the role of both the client and that of the contractor, as shown in Figure two.

Figure One:

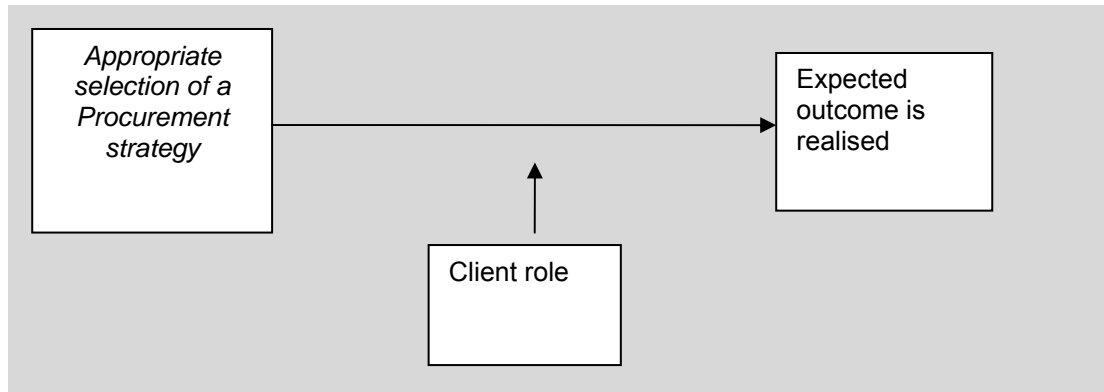
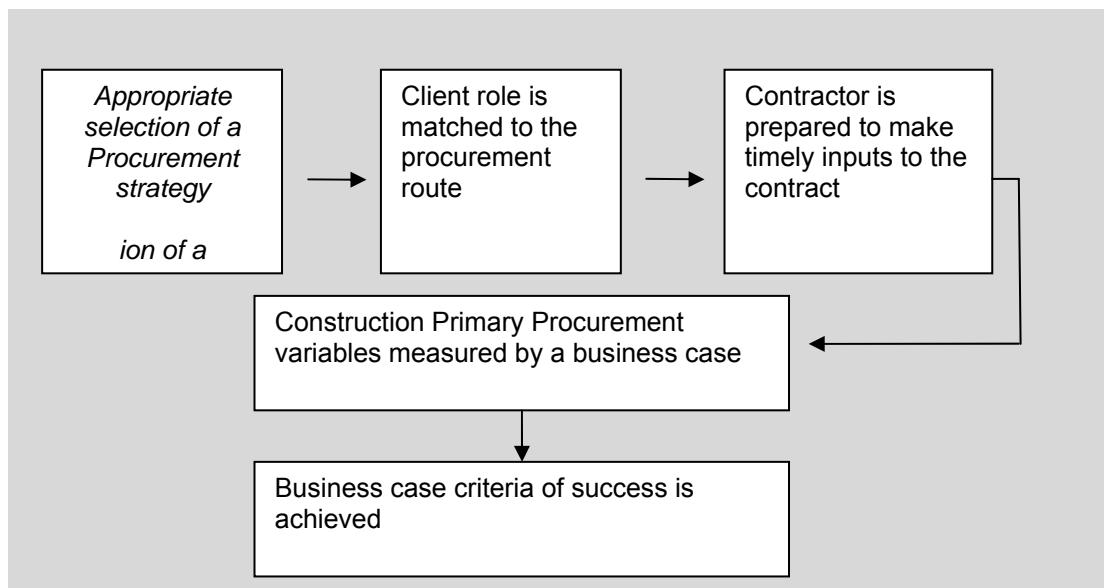


Figure Two:



The rationale for the further enhancement of the conceptual framework is in recognition of the potential to only focus on the role of the client to the detriment of other relevant considerations, especially to the role of the contractor, a point reinforced in the literature review by Everard. Document four detected trends that were at least suggestive that the type of contracting organisation providing the service has an impact. As such, any rectification of

perceived client inabilities would be to an extent mitigated if the role of the contractor is influential on the outcomes but remains unchallenged. The revised model also gives effect to the research approach and methodology utilised in document five.

4. METHODOLOGY AND METHODS

“The application of any type of research method and the defence of the results of inquiry thus obtained implies a view, or views, of what is to count as knowledge. The point of preferring one set of methods over another is to believe that the chosen set will lead to knowledge rather than mere belief, opinion or personal preference”. (Lakomski 1992, 193, as cited by McArdle 2004, 48)

Ontological and Epistemological issues

Bryman and Bell (2003, 21) note that the *“question of social ontology cannot be divorced from issues concerning the conduct of business research”*. This proposition is on the basis that the way the researchers view themselves will feed into the way research questions are formulated and how ultimately the research is carried out.

MacMurray (1957, 16) notes that social scientists adopt one of four main ontological approaches:

“realism (the idea that facts are out there just waiting to be discovered), empiricism (the idea that we can observe the world and evaluate those observations in relation to facts), positivism (which focuses on the observations themselves, attentive more to claims about facts than to facts themselves), and post-modernism (which holds that facts are fluid and elusive, so we should focus only on our observational claims)”.

Reason, and Torbert (2001) also cite the deliberations of Macmurray in that he argued long ago that *‘I do’* rather than *‘I think’* is the appropriate starting point for epistemology:

“... most of our knowledge, and all our primary knowledge, arises as an aspect of activities that have practical, not theoretical objectives; and it is this knowledge, itself an aspect of action, to which all reflective theory must refer” (p 12).

Reinforcing Reason and Torbet, McNiff and Whitehead (2002) note that *“the traditional views of epistemology in scientific enquiry tends to see knowledge as a free-standing unit, with an existence of its own, residing ‘out there’*”.

McNiff and Whitehead go on to challenge this stance by noting how such an approach separates knowledge from the people who create it.

Schön (1983, 27) stated that *“practical theorising is an important methodology for making social and intellectual progress”*, which is helpfully summarised and conceptualised by Freire (1982, 30) as *“concrete’ reality consists not only of concrete facts and physical ‘things’, but also includes the way in which the people involved with these facts perceive them. Concrete reality is the connection between subjectivity and objectivity, never objectivity isolated from subjectivity”*.

In considering the particular style and focus of the DBA, the emphasis on ‘practical objectives’ would appear an appropriate and important consideration in identifying the research methodology.

Styles

The development of this research project has utilised a number of research approaches to endeavour to provide a comprehensive answer to the research questions. The approach in document three undertook research adopting an interpretivist / phenomenological stance by using the ‘academic apparatus’ of Grounded theory. This transpired to be a turning point in the research project and fundamentally ‘rewrote’ the conceptual framework. In contrast, Document Four quantitative style lent itself more towards the positivist / realist genre. This also proved of value, in particular in detecting a control variable.

In seeking to identify the most suited methodology for document five, a number of considerations were given. The researcher has a natural inclination to adopt a further approach traditionally associated with a positivist / realist methodology. Accordingly, reflection upon undertaking a further form of research that relied upon some form of quantification was had. However, any style or method adopted needs to be the most appropriate for the project and irrespective of personal preferences.

Over a number of workshops and a review of research methods, it was felt the most suited approach would be a form of Action Research known as 'Cooperative Inquiry'.

Action Research

One of a number of informative definitions for action research is provided by Reason and Bradbury (2001, 2) as *"the primary purpose of action research is to produce practical knowledge that is useful to people in the everyday conduct of their lives. A wider purpose of action research is to contribute through this practical knowledge to the increased well being economic, political, psychological, spiritual of human persons and communities"*.

Drummond and Themessl-Huber (2007, 430-448) define the methodology as *"Action Research is normally described as both a cyclical process and a participatory democratic/egalitarian undertaking."*

The use of action research as a methodology does appear to match the criteria of McMurray's 'primary knowledge'. Moreover, such an approach not only enables identification of 'cause and effect' of particular issues but also any potential solutions.

Action research combines the process of research to action. As noted by Foucault (1980) that during a study the researcher is repeating the process of performing an action, reflecting on what has happened and using this information to plan their next action. Lewin (1946) provides a useful analogy of the process in that action research has three sequential phases involving planning, which involves reconnaissance, taking actions and fact-finding about the results of the actions. In a light hearted but nevertheless useful manner, Calhoun (1994) described the process as *"...a fancy way of saying let's study what's happening at our school and decide how to make it a better place"*. (p. 3).

Fisher (2004, 13), in considering the nature of knowledge, shows action research as 'Gnostic' in contrast to that of 'Orthodox'. The former taking the stance of seeing 'the truth as subjective and hidden' whereas the latter seeing

'the truth as objective and transparent'. This also shows action research under the wider concept of interpretivism and phenomenology:

"we seek knowledge of the processes by which people in groups and societies make sense of their world. The real world has to be seen through human thought and not seen as separate from it".

McNiff and Whitehead (2002), note an interesting dilemma for research methods:

"A tension exists between those who produce abstract theories about practice and those who produce personal theories from within practice. The tendency for the abstract theorist is still to talk about practice as being a 'thing out there' rather than showing their own engagement with action research processes". (p. 8)

Moreover, McNiff and Whitehead (2002) note that action researchers see their epistemological stance as acquiring knowledge through 'something they do' as opposed to 'something they study'.

An important consideration relates to the 'type' of questions that are suited to this approach. Noted above is the link made by Bryman and Bell from ontology to the research questions. This issue is also considered by McNiff and Whitehead (2002) who suggest that questions that take the form of 'what is, how does, how many etc' are inappropriate questions for action research. Instead they offer suggested questions that take the form of 'how to'. The implication from this is to not only identify an issue but to identify if there is a potential solution. The guidance provided by McNiff and Whitehead developed a framework in which the research questions defined in Chapter Two was developed.

An eight stage approach of action research is offered by Lynch (2000). Whilst the focus of her research was education, it was noted that the research process is equally applicable to any action research methodology. The process begins with a review of current practice. Lynch is silent upon how this is ascertained but conceivably could be via a number of approaches including a literature review and/or empirical research findings. The second phase identifies an aspect for improvement and then defining a 'way forward'. This

moves to the action phase of implementing the way forward followed by an assessment of the impact of this. A process of modification is then undertaken and the action phase repeated. The 'cycles' of this continue until such times as the issue is resolved in the opinion of the researcher or, as may happen, the researcher is not able to identify a solution that addresses the issue.

Cooperative Inquiry

Cooperative inquiry is "*one articulation of action research*" Reason (2002, 1). It sees people in the context of research as "*active agents rather than passive subjects*" Heron (2002, 3).

Heron (1999, 117) defines the approach as:

"...involving two or more people researching a topic through their own experience of it, using a series of cycles in which they move between this experience and reflecting together on it".

Cooperative inquiry would appear to share similarity with the process of action research by both problem identification as well as the intent for problem resolution. It also follows the repeat processes by allowing the researcher to cast and recast ones perceptions of the issue into a process by a series of iterations. *Prima facie* it would also appear to hold some commonality with grounded theory by going into 'the field' and being able to 'bracket off' concepts in order to discern emergent processes and issues. Reason (1996) notes that cooperative inquiry is essentially an emergent process.

Cooperative inquiry has its origins under the title of 'Experiential Research'. It has held a number of titles including 'Collaborative Inquiry' and 'Human Inquiry' before settling upon the existing and was first proposed by Heron in 1971. Bryman and Bell (2003) citing Zuber-Skerritt (1996) note the level of synergy of cooperative inquiry to critical or emancipatory action research, all under the 'umbrella' of collaborative enquiry by practitioners.

The seminal text for cooperative inquiry in its current form would appear to be that of Reason and Rowan (1981). Both argued for a legitimacy of a 'new paradigm' based on increased participation and collaboration in research. At

the core of this 'participation' was a two-way process for the researcher to become involved in the practitioners world and for the practitioner to be involved in the generation of research output. Reason (1999) notes that this forms 'co-researchers' and 'co-subjects'. Heron and Reason (2000) state the intent to do research 'with people' rather than 'on people'. Byman and Bell conclude that collaborative forms of enquiry have changed the relationship between the researcher and the research subject. This appears to reinforce the contentions of Reason and Rowan for a 'new paradigm'.

Cooperative inquiry has its roots in humanistic psychology (Reason 1994) and was formed from the debate that orthodox social inquiry methods as part of their modus operandi are neither appropriate nor adequate for the study of 'persons'.

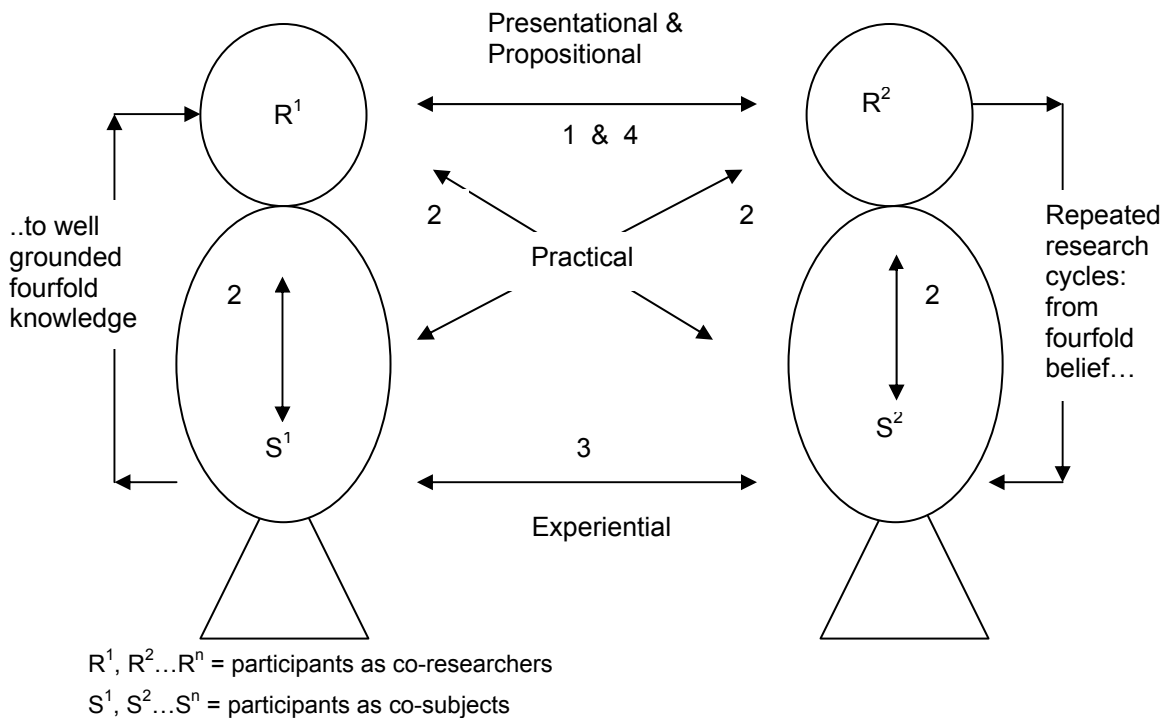
Mead (2001) noted the systematic approach that cooperative inquiry has and how developing an understanding and action are inextricably linked. This could be likened to a 'filtration' process of continuous refinement.

Heron (1996) contends that cooperative inquiry involves four differing 'kinds' of knowing, which creates an extended epistemology. Justification for the use of the term 'extended' is offered somewhat controversially by the view that the approach goes beyond the "*primary theoretical knowledge of academia*" (p. 6). Heron provides further definition of the aforementioned kinds of knowledge. He identifies the four kinds;

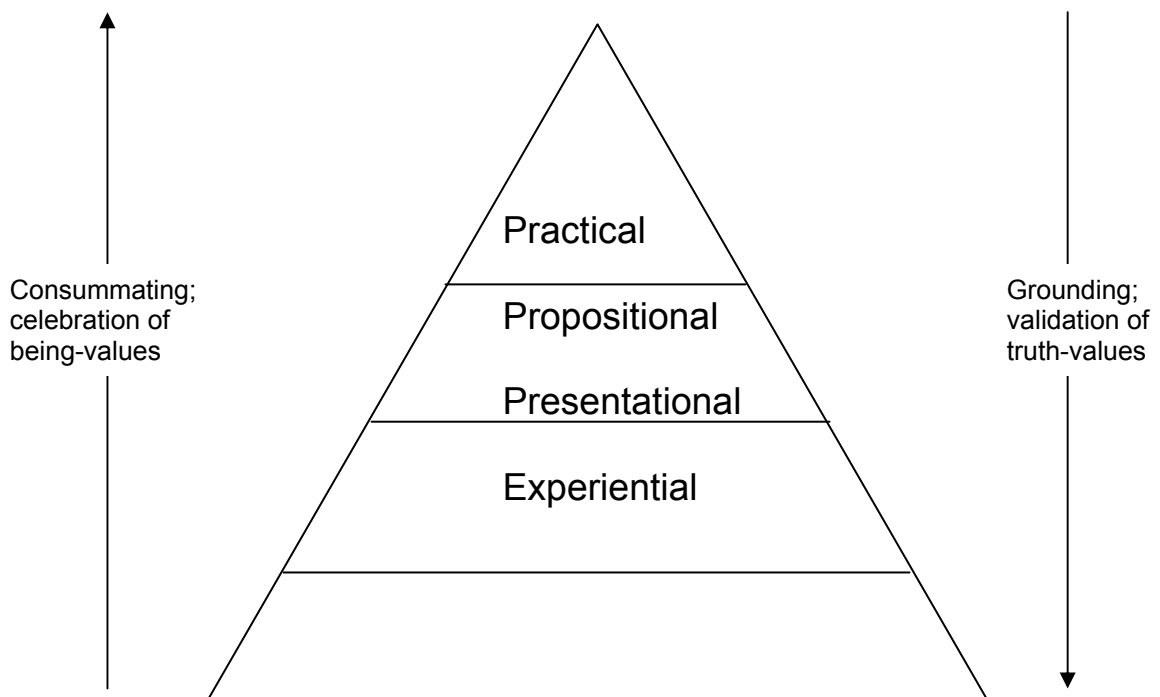
*"a knower participates in the known, articulating their world in at least four interdependent ways: **experiential (emphasis added)** knowing, is through direct face to face encounter with a person, place or thing; it is knowing through empathy and resonance, that kind of in-depth knowing which is almost impossible to put into words; **presentational** knowing, grows out of experiential knowing, and provides the first form of expression through story, drawing, sculpture, movement, dance, drawing on aesthetic imagery; **propositional** knowing which draws on concepts and ideas, and **practical** knowing, which consummates the other forms of knowing in action in the world".*

Heron (1996) graphically displayed the fourfold epistemology and stages of the inquiry cycle:

Figure Three:



Heron (1996) also offers a hierarchy of bipolar congruence of the four phases, graphically displayed;



Integral to the process of cooperative inquiry is the requirement of a number of 'co-researchers' who share common interests or concerns. All contribute to the research. This raises an interesting dimension as it also requires common agreement to be achieved on perceived problems and the research questions that flow from this.

Reason (2002) notes a number of 'creative tensions' from the experience of previous cooperative inquiry groups. He goes on to debate the need for the initiating researcher to take on the role of facilitator in order to keep the group focused and to enable the research 'cycling' between action and reflection to be effective. Reason (1996, 27) suggests that cooperative inquiry is "*a pluralistic endeavour, in which different people with different skills and interests come together to collaborate*". He goes on to note the need for and the importance of the role of a facilitator in providing 'democratic leadership' to the inquiry process. In particular, the phases of action and reflection as well as validation require facilitation in order for clarity. Reason notes from past experience of a former inquiry that convergent and divergent issues arising need discussion, authentication and acceptance of all the co-researchers.

The role of the facilitator is to provide a focus to the project and not one of 'actual inquiry research' (Mead 2001). This view is supported by Reason (2002) noting that the role of the facilitator is 'just that' and that their contribution is nevertheless important and essential. Citing examples for this, Reason goes on to note the critical task of pulling together disparate experiences into a coherent statement.

Heron (1996) suggests that inquiry groups need to draw on both 'Apollonian' and 'Dionysian' qualities in the research cycling process. The former being planned, ordered and rational as the basis for its focus. The latter being less structured and adopting a more subjective stance. Heron further defines this as:

"seeking quality through systematic searching; models are developed and put into practice, experiences are systematically recorded and differing forms of presentation are utilised. Dionysian inquiry is passionate and spontaneous, seeking quality through imagination and

synchronicity. The group engages in activity that emerges in the moment rather than planning action” (2002, 223).

The Phases

There are four distinct phases of cooperative inquiry. Reason (2002, 210) notes *“that the actual inquiry practice is not as straight forward as the model would suggest”*. The process begins with the coming together of the co-researchers, which is led by the facilitating researcher. The objective at this juncture is to gain common agreement on the topic, research questions. This phase is concerned primarily with the propositional knowing phase of epistemology.

It is also at this phase that the project is given a focus in terms of time scales in which it is agreed for actions to be undertaken.

Phase two is an exploratory stage in which agreed actions are implemented with outcomes recorded for reporting back to the inquiry group. This phase represents practical knowing. The co-researchers become ‘co-subjects’ by the fact that they are researching their own experience.

Phase three is seen as pivotal in the process and concerns itself predominantly, albeit not exclusively with experiential knowing. This requires co-researchers to be ‘fully immersed’ in the action. This will enable any superficial understandings gained in phase two to be elaborated upon and developed further. It is also at this phase that new concepts may emerge that may take the project in a differing direction than originally thought. Reason (2002) describes this phase as the ‘touchstone’ of the inquiry. Reason and Bradbury (2001, 146) note that it is this phase of the inquiry cycle *“with experiential engagement, which informs any practical skills or new understandings, that makes cooperative inquiry so very different from conventional research”*.

The final phase is the reassemblance of the co-researchers to consider the outcomes of phases two and three in light of the research questions. The

culmination of which is intended to generate propositional knowing. This will then either recast the issue back into another phase of the inquiry cycle, or to begin a further phase looking at associated or parallel issues.

Typically, an inquiry cycle can take between six to ten cycles of action before concluding (Reason 2002). The time scale for the individual cycles is dependant upon the nature of the inquiry and logistical considerations. By reference to a number of published and unpublished research papers, it is apparent that the number of cycles varies considerably including either side of the number noted by Reason.

Inquiry 'Skills'

Heron (1999) debates the skills required to conduct inquiry based research. He places significant emphasis upon four key concepts of 'being present', 'imaginable openness', 'bracketing' and 'reframing'. Heron describes the being present criteria as "a skill that is about harmonic resonance and attunement" (p. 125). Further elaboration on this is made and centres around an 'inner experience' of people and the mode of awareness.

Both the concept of bracketing and reframing are cited by numerous authors and would appear to be a key central concept to cooperative inquiry. Heron (1999) describes the former process as being able to manage the 'conceptual labels' embedded and modelled into the process and the researcher(s) holding in abeyance the natural constructs of perception. The latter reinforces the conceptual revisioning of perception of the world but also the ability to identify alternative strategies which in turn are then subject to a further stage of the inquiry process of action and review. This generation phase of alternatives requires the ability to have 'self-transcending intentionality'. Heron describes this skill as having a number of alternative forms of action in mind whilst in pursuit of an overall form of action.

A primary area of divergence from other research approaches is that of 'facilitation'. Heron (1999, 1) defines this as "*a person who has the role of empowering participants to learn in an experiential group*".

Goswell (1997, 31) noted that researchers may adopt a number of methods for the 'making sense process' and that these can be 'borrowed' from traditional qualitative inquiry methods. These include Grounded theory (Glaser and Strauss 1967). Goswell also notes that within the parameters of cooperative inquiry, the making sense is about the experience of the inquirers as opposed to the making sense of understanding of a third party. Moreover, the phased approach offered by Reason and Heron (1996) contains a making sense process that would appear to have been adopted in many cooperative inquiries.

Validity

A key concern for any research project is to ensure the methodology utilised is valid and can be justified robustly. Reason and Rowan (1981) state the validity of cooperative inquiry as an approach is formed on the basis that it is the effective bringing together of practical skills with theoretical propositions. In order to achieve these two objectives and thus achieve validity, Reason and Rowan expand on the criteria required. This includes the need for high quality, critical, self aware, discriminating and informed judgements of the co-researchers. A 'label' of 'critical subjectivity' has been associated to this. Reason and Rowan provide further definition upon what constitutes critical subjectivity:

“Critical subjectivity is a state of consciousness different from either naïve subjectivity of ‘primary process’ awareness and the attempted objectivity of egoic ‘secondary process’ awareness. Critical subjectivity means that we do not suppress our primary subjective experience, that we accept our knowing is from a perspective; it also means that we are aware of that perspective and of its bias, and we articulate it in our communications. Critical subjectivity involves a self-reflexive attention to the ground on which one is standing”. (1981,10).

Reason and Rowan identify further grounds for asserting validity (Bateson 1972, Keller, 1985). They promote the concept that there will be many versions of reality. They also note that the process and methodology has the potential to be undermined by preconceptions and the lack of willingness to bracket off concepts. To counteract this, the process and phases of cycling and re-cycling between action and reflection so that issues are examined on a

number of occasions and in a number of differing ways. In phase four, reflection of the action, a central theme is to challenge the assumptions of the outcomes of phase three so that any unwarranted emergent concepts are eliminated or put back into the next cycle to provide a further review process.

Heron (1996, 57) defines validity as “*well-groundedness, soundness, having an adequate warrant*”. In support of this definition, a staged process is offered to be utilised as part of the reflection phase of cooperative inquiry:

- Research cycling: cooperative inquiry method hinges on a cyclical process of action and reflection, of ‘going away’ and ‘coming back together’, through which experiential and reflective forms of knowing progressively refine each other.
- Divergence and convergence: finding the appropriate degree to which the inquiry group are convergent (where they look at the same issue several times) or divergent (where they look at different issues in successive cycles) in their focus of inquiry, is a decision for the inquiry group themselves.
- Authentic collaboration: it is important that the inquiry group ‘make the method their own’ to enable a dissipation of the initiating researcher’s role as methodological expert. Further, the full and authentic engagement of all inquirers, both in action and reflection phases is necessary. This requires equality of influence in decision making and of voice – the inquiry cannot be seen as truly cooperative if some people’s voices are privileged over others, and some aren’t heard at all.
- Reflection and action: whilst largely dependent upon the topic under exploration, an appropriate balance between action and reflection needs to be found to enable the reflective and experiential forms of knowing to refine each other. Furthermore, in the reflection phase, a

balance between presentational and propositional ways of making sense has to be struck.

- Challenging all forms of uncritical subjectivity: these forms include not noticing or not voicing aspects of experience which make evident limitations of a conceptual model or programme of action, unaware fixation on false assumptions, unaware projections which distort the inquiry process, and lack of rigour in inquiry method and in applying validity procedures.
- Chaos and order: the allowance of an interdependence between chaos and order will enable an avoidance of premature closure to feelings of confusion, uncertainty, ambiguity, disorder and tension. Whilst there is no certainty that chaos will emerge, an awareness of this as a legitimate outcome of inquiry is helpful.
- Managing distress: if co-researchers are willing to explore their full lived experience, it is likely that some aspects of their lives which are 'uncomfortable' and/or hitherto unexplored will surface. These may be unwarily projected – distorting the process and content of the inquiry. Therefore the group must be(come) willing to openly address emotional upset as and when it is present and to identify un-spoken anxieties in the group.

In his later papers, Heron (1999) includes a 'peer review audit' phase between that of action and reflection in order to help ensure validity. In order to test the efficacy of findings to date and so that these may become accepted outcomes of the research. Alternatively to subject concepts to further iterations of the inquiry cycle until such times as there is a sufficient body of findings to legitimise emergent concepts or to reject them on the grounds of validity.

Reason (2006, 187-203) notes *“it is argued that action research is characteristically full of choices, and the argument is made that quality in inquiry comes from awareness of and transparency about the choices available at each stage of the inquiry”*. This would appear to be guiding inquiry based research to ensure there is clarity upon what are the outcomes from one stage of the inquiry to another and how they may differ. As such the iterative process becomes ‘enriching’ by the interpreting the outcomes of one phase and then applying this to a further phase in order to consider emergent issues.

Justification

The opening paragraph of this chapter contains a quotation (Lakomski, 1992) which refers to the issue of selecting the most appropriate research methodology. Baldwin (2002) notes that cooperative inquiry is particularly suited to researching professional practice. Baldwin justifies this on the basis that the methodology needs to be able to reflect complexity and the process of making sense of practice requires the understanding of transfer of skills and knowledge to be captured.

By drawing on experience as a facilitator in a number of cooperative inquiries, Baldwin (2002, 15) notes that:

“where there is an expectation within the research group that the investigation will result in a change of behaviour then it is of consequence that the (research) methodology enables those engaged in the inquiry to be able to learn about and develop their practice”.

Payne (2000) cited the ability to explore and contest ideas during a series of cycles and in so doing enable refinement and adaptation to occur as being a particular advantage of cooperative inquiry. This reflective process is also seen by Heron and Reason (1996) as a method that is likely to facilitate change in practice.

The philosophy of cooperative inquiry would also appear to be congruent to the research questions. The examination of the ‘process’ would appear to be of fundamental importance. The literature review of this research project

would suggest that the role of the client has been questioned for a considerable number of years as to its effectiveness. The process of cooperative inquiry enables 'how can' type questions to be explored within an environment in which after a period of time the results can be fed back to the research group, refined and recast into another inquiry cycle. As noted by Heron (1996, 101) it is this *"series of transformative rather than informative"* iterations that is core to the methodology.

Rorty (1999, xxv) speaking about collaborative research noted that:

"The purpose of inquiry is to achieve agreement among human beings about what to do, to bring about consensus on the ends to be achieved and the means used to achieve those ends. Inquiry that does not achieve coordination of behaviour is not inquiry but simply wordplay".

Whilst the above statement is not aimed solely at cooperative inquiry, the focus upon identifying 'what to do' and a 'consensus' has particular bearing and *raison d'être* to why cooperative inquiry was utilised in this research project.

Practicalities

There are many practicality issues to consider in using cooperative inquiry as a research method. By no means least, is the logistical constraints of meeting at regular intervals with the cooperative inquiry group. Cooperative inquiry requires a minimum number of six co-researchers (Reason 2002), although Baldwin (2002, 37) notes that *"the critical mass for cooperative inquiry groups can be as much to do with commitment to participation as with actual number of people"*.

As both a practicality and a validity consideration, the co-researchers need to be both practitioners and of sufficient standing within their profession to help demonstrate legitimacy and to ensure equal application and measurement of the action phase. The seven original co-researchers were all responsible for repairs and maintenance procurement within their respective organisations (being either housing associations, local authorities or arms length management organisations). They hold relevant and notable industry

professional qualifications with either the Royal Institution of Chartered Surveyors or the Royal Institution of British Architects. They collectively represented over 172,000 units and an annual repairs and maintenance procurement budget in excess of £86.4 million

In order to ensure the group could meet on a reasonably regular basis, the co-researchers were formed from a group of senior managers that meet on a regular basis as a matter of course and in connection with a 'best practice' club looking at repairs and maintenance procurement within the social housing sector. As such, the meetings for the research were an extension to existing meetings. This helped significantly manage the risk of non-attendance at meetings.

The organisations represented in the inquiry were either based in London or operate exclusively within London.

All co-researchers were known to the researcher (i.e. myself) for a number of years prior to this project. This had significant practicality considerations in being able to have sufficient certainty that the co-researchers will remain with the process for the duration. It is noted that this also has a limitation, as discussed below.

The limitations

As with any research project, there are limiting factors which require acknowledgment. It is at this juncture that practicalities also re-emerge.

In a sector that has well in excess of 2,000 social landlords varying in size from a few hundred properties in management each in excess of 100,000 units each, generalization of the conclusions are challenging. A sample of seven social landlords which part way through the first phase reduced to six social landlords is not statistically significant. Notwithstanding this limitation, to have developed a cooperative inquiry that had a considerably higher number of co-researchers, would have presented logistical and practical challenges to the extent that there would have been a high risk of overwhelming the

process. Moreover, with reference to the numerous published and unpublished research reports that have utilised cooperative inquiry and reference again to Baldwin (2002) (quoted above), accessibility and reliability of the co-researchers would appear to be a critical consideration.

The group of co-researchers all emanate from the London 'market'. As such, it could be argued that any conclusions reached are restricted to the London market. Notwithstanding this limitation, general emergent themes and concepts would appear to have wider application and thus shows an area of potential future and further research.

Treleaven (1994, 156) makes reference to the potential limitations of collaborative research, and not limited to cooperative inquiry, by not having wider generalisability of the conclusions reached due to the fact that the co-researchers are also co-subjects. In so doing, the mitigating effect of having an external 'voice' in the role of the facilitator:

“With external participation, it is possible to avoid the implicit dangers of collaborative inquiry. Participants are not assumed to fully resource their own inquiry but are able to draw on knowledges beyond the group. External voices can also present a challenge to the paradigms within which the inquiry / co-researchers are located”.

The limitation and consequential mitigation forms part of the validation process. The reflection phase of challenging uncritical subjectivity. This involved a certain amount of 'Devils advocacy' to ensure conclusions reached were not only valid but have wider applicability to the sample frame.

Document three of this research project noted the cautious nature of some participants of the qualitative interviews to be identified in any way. During the course of the inaugural cooperative inquiry meeting, the need for absolute confidentiality was expressed and a condition precedent to any participation. The reasons for this varied. Some co researches highlighted up and coming regulatory inspections as a reason for confidentiality whilst others felt the research process could be inhibited by 'organisational politics'. The consequence of this excludes the ability to identify organisations as potential

'best practice' organisations or conversely removes the ability to identify procurement 'barriers' to organisations. As such, all organisations have a number that is uniquely identifiable to the cooperative inquiry 'team' only.

During the course of the first cycle of the research, one of the co-researchers secured alternative employment. Whilst this in itself did not mean that the researcher had to leave the process, it was felt that the impact of being a new employee within an organisation would have a detrimental impact on the nature of the co-researcher / co subject. As a consequence, the researcher in question left the process.

5. ANALYSIS & FINDINGS

This Inquiry

As a 'first time inquirer' and as the lead / facilitating researcher of the process, there was a need to ensure the correct protocol was followed. Having read an array of both published and unpublished papers that had utilised cooperative inquiry as a research method, it was noted that some degree of divergence from the rather mechanistic phases offered by Heron, Reason *et al.*

Reassurance was found in Heron (1996, 49):

"I do not consider that adopting these (phases), explicitly or tacitly, is the way to do a cooperative inquiry; it is only a way. There cannot be in this field such a thing as the one and only right, proper or correct method. There can only be my, or your, or our view as to what is a good method".

Having canvassed the views and participation of seven co-researchers, it would appear prudent at this stage to provide some descriptive overview of each organisation that they represent, as there are some considerable differences.

Organisation one

This is a large inner London local authority that has taken the strategic decision to retain its housing stock rather than transfer this to either an ALMO³³ or a housing association. It has in the region of 33,000 housing units and has an annual repairs procurement and delivery budget of £19 million. It has historically adopted a procurement strategy to consist of a 'mixed economy'. This is an approach of having both a directly employed repairs and maintenance service provider (a DLO) and external contractors.

³³ See Document One, page 12 for a definition

The co-researcher representing this organisation is a Chartered Surveyor. He has been employed by the local authority for over thirteen years and has three teams (each of approximately twenty staff members) procuring and administering the repairs contracts.

Organisation one has up until the last three years adopted a traditional procurement route of a schedule of rates based contract. In the last three years it has migrated to adopt modern procurement routes. The change in policy was due to the perception of senior managers. As such, it could be argued that the change in procurement route was enforced.

Organisation two

A neighbouring London Borough to Organisation one, although slightly smaller in having 27,000 housing units and having transferred the housing stock from the local authority to an ALMO.

The Organisation is one of a few providers that have entered into a joint venture company a 'JVC', which is a legal entity that is jointly owned by a contractor and the housing provider in question. Modern procurement approaches are intended to be at the core of such arrangements.

The co-researcher from this organisation is a Chartered Architect. He has held employment within the social housing sector for many years although he has worked for a number of landlords. He has one team, referred to as 'Commissioning' who procure and manage the repairs contracts which include the JVC arrangement. In the region of £17 million is spent annually on the repairs service.

Organisation three

A large housing association based in outer London. The organisation has grown through mergers and acquisitions to 31,000 units. It is important to note that of these, approximately 16,500 units are based in London with the remaining being based in both the East and West Midlands. For the purposes

of this research, it was only possible to consider procurement issues for the London housing stock.

The co-researcher is a Chartered Surveyor. He has been employed by the organisation for just over two years and prior to this was employed by the London Borough of Lambeth as head of construction procurement. The annual expenditure for Organisation three is £6.42 million. Historically contracts were procured from local contractors with a change of strategy just over 18 months ago to adopting one national contractor (covering both London and the Midlands). The organisation has three members of staff deployed on procurement and delivery of the repairs contracts, although additional support is obtained through the usage of temporary staff and external consultants.

Organisation four

Considered to be a 'medium size' housing association with just over 10,000 units based in west London. There is no definitive view of what constitutes medium size although with reference to the Chartered Institute of Housing (2008) there appears to be an acceptance that any social housing landlord with in excess of 10,000 units in management and less than 15,000 units would constitute medium size. The housing stock for Organisation four is modern 'new build', with the oldest properties being constructed in the 1970's.

The organisation has similarities with Organisation three in that it has historically procured repairs contractors from the local market place. Due to rapid expansion of the housing stock in the last three years, this procurement strategy was no longer felt appropriate by the Board and modernised procurement approaches were adopted.

The co-researcher is a Chartered Surveyor coming originally from 'private practice'. This is a term frequently used to describe external consultancy. During the recession of the early 1990's, he took up a position at Organisation four and has been responsible for the repairs procurement and delivery via a

team of six technical staff and consultancy support. The annual procurement budget is £3.2 million.

Organisation five

A further inner London ALMO, having just over 11,000 units in management. Historically, the housing stock was over 20,000 units but, being based in the high housing demand area of West / Central London, the reduction of the stock holding due to the 'Right to Buy'³⁴ initiative has left a legacy of retained stock that is high rise 'flatted estates'. The annual procurement budget for repairs is £9.83 million and is delivered through a team of 18 technical staff.

The co-researcher representing organisation five is a Chartered Surveyor and has been employed by the ALMO since it was established in 2002. Due to the reasons noted in Chapter four of this document, Organisation five was subsequently excluded from this research.

Organisation six

One of the largest social housing providers in London, a retained local authority housing provider having in excess of 55,000 units in management. As with Organisation one, a mixed economy of direct and externally contracted service providers is in place with an annual procurement budget of £28.6 million. The property portfolio is predominantly 1950's / 60's high to medium rise tower blocks.

The co-researcher is a Chartered Architect but unlike all other co-researchers, he is a long term 'interim' (temporary) employee. Contract procurement is managed by a discrete centralised team, utilising external consultancy support. Contract administration is managed by 'area' teams, who represent specific geographical areas within the Borough. Some of these staff are from a technical background, others are not.

Organisation seven

³⁴ A process whereby existing Tenants of Local Authority housing have the statutory entitlement to purchase the property they have historically rented with a discount to reflect the length of the tenancy, subject to other conditions.

A small (less than 5,000 units) housing association based in the East end of London, although approximately 35% of the property portfolio is in Essex. It has been seen as a 'problem-child' and as the organisation was perceived as such a low performer in contrast to peer organisations, it was placed under formal 'supervision'³⁵ by the regulator in 2003 until 2006.

The co-researcher is also a Chartered Surveyor and has been employed at the organisation for approximately two years. Prior to this, his experience has been working for large contracting organisations. As such, his experience is significantly different from other members. Contract procurement and administration is managed by a small team of four staff, all of which would be considered 'part qualified' in that they are enrolled on a structured training programme but have not achieved professionally qualified status.

The annual budget for the procurement of the repairs service is £2.4 million. The property portfolio is predominantly Victorian converted housing stock (i.e. large houses converted into flats). One national contractor was procured to deliver the service on a partnering based contract.

Pre-Phase One

Acknowledging the cooperative inquiry was not only a recent research strategy to me but a completely new approach to the co-researchers, some time was expended in introducing the concept and providing examples of reports that had utilised this approach. All had previously been involved in some form of research, some more so than others, but no one had prior experience of utilising cooperative inquiry.

The 'text book' approach to the methodology places emphasis upon agreeing 'ground rules' at the outset. Whilst this appears formal, it was considered that the process would benefit from having some broad structure and in particular

³⁵ Supervision is a term used by the Housing Corporation, as Regulator, in which it closely monitors the organisation in question over a period of time due to concerns on governance and/or financial stability. The Housing Corporation may make statutory appointees onto the Board of Management and may withdraw grant funding as a result of this, as occurred to Organisation seven.

agreeing the time scales for the inquiry cycles. Failure to do so could be a barrier to the reflective phase.

As part of gaining co-researcher commitment and agreement, it was agreed to mirror the cycle of meetings (i.e. the good practice meetings that we all attend as a matter of course). This has significant logistical benefits but also constraints in that both phases two and three need to be concluded within a set time scale to enable the reflective stage four to review and plan for the next iteration. With reference to the (un)published reports of cooperative inquiry and a notable academic research centre at the University of Bath 'CARPP' (Centre for Action Research in Professional Practice), there does not appear to be a firmly established period of time required for each cycle.

As by nature this research strategy is participative, one of the main objectives prior to going into the inquiry phase, was to agree the research questions. A number of tensions existed at this juncture. As noted in Chapter Three and citing McNiff and Whitehead, the appropriateness of questions needs to be considered within the context of cooperative inquiry. Moreover, one of the benefits of knowing the co-researchers previously was their willingness and openness to challenge the research strategy prior to commencement.

Phase One

Taking research question one into the first cycle of the research, it is noted that the question presumes that an element of improvement in client skills is required in order to have a more effective role of the client. This contention is offered on the basis to the outcomes of Documents two, three and four. There was unanimous support for research question one from the co-researchers, which is; how to facilitate enhanced client capabilities for modern procurement approaches. Gaining acceptance that the role of the client requires improvement by enhancing the capabilities of the client was agreed by the inquiry group to be the main area of focus for the cooperative inquiry. This does not seek to devalue the other research questions but did reflect the sentiment of the inquiry process that there is an overriding concern for this issue.

The second research question took an opposing view and looked to see how the inputs of the contractor can influence outcomes. Justification was to identify if there was a further control variable that would have a positive or negative impact on the role of the client. The inquiry group spent some considerable time on framing this concept and question in order that the action phase of the inquiry could be 'reliably testable'.

The final question of how to link the use of a business case to higher performance on the construction primary procurement variables picks up from where recent research of the Audit Commission (2008) concluded. To this effect it was thought useful to build upon the work of others.

Debate was had on whether to apply the above concepts concurrently or consecutively. The latter has a limiting impact as questions two and three would not be submitted to the same number of iterations as question one. Alternatively, concern of overwhelming the process was raised by applying all three concepts simultaneously. In accepting there are inherent risks and advantages with both approaches, a consensus was reached to apply all three concepts to the inquiry cycle concurrently.

Phase Two

Just prior to engaging in phase two of the cycle, discussion was had on how each concept would be subjected to the inquiry process. The group were keen to have some form of framework to ensure uniformity in application which would undoubtedly aid the reflection phase and the generalization of the findings.

The process began with each co-researcher 'scoping' out the role of the client as it applies to their organisation. This was to avoid the assumption that all organisations implement the role of the client in the same manner and utilising the same systems and procedures in doing so. This process was a data gathering process on 'what is going on and why'. This phase had two distinct processes. The first of which was reviewing what organisational policy and

procedures set out and then reviewing with 'operational' staff in order to gap analyse any divergence.

As part of the phase one process, the group agreed that undertaking some form of semi structured skills audit should also be included at this stage. There are many 'stories' as to the level of skills within the public sector and it was felt important that some element of skills assessment should be made in order to gauge this.

Having completed exploratory investigations into how the role of the client is supported within organisations, it was agreed that a client 'toolkit' would be introduced to each organisation. Toolkits have been produced by a number of organisations and aim to provide a framework which is sufficiently flexible for most organisations to implement which also reflects what is considered 'best practice'. The notion of what is best practice emanating from either one of the government sponsored reports (e.g. Latham, Egan *et al*) or best practice clubs, most notably the Movement for Innovation (M4i).

Having reviewed the most prominent of toolkits, it was decided that a hybrid of the toolkit offered by the Housing Forum, the Scottish Executive and the Department of Finance and Personnel (Northern Ireland) would best suit the process.

The Housing Forum, being part of Constructing Excellence, is specifically focused at the social housing sector. Their procurement toolkit is formed from research conducted on repairs and maintenance projects. The toolkit is web based and aims to bring together best practice from a number of social landlords.

Similarly, the toolkit offered by the Scottish Executive's Communities Scotland. This can be seen to be an equivalent body to that of the Housing Corporation in England and Wales. The process of the toolkit is also web based and adopts a 'decision tree' approach along with associated guides.

The final toolkit was from the Construction Procurement Directorate of the Department of Finance and Personnel, Northern Ireland Executive. This toolkit takes a slightly wider perspective and covers the actual phase of procurement and consequential management of the contract.

The combined approach of the three models was defined in order to ensure all of the organisations represented in the sample are applying the same process control measures and hence achieve a high degree of consistency of inputs.

The second research question during phase two was to identify how contractors were 'recruited' to the organisations 'approved list'³⁶ and to ascertain the nature of these under the general headings of local, regional or national. A fourth category was utilised for direct labour teams³⁷.

The third and final research question required the development of a business case. Utilizing time, cost and quality variables as core measures and developing a framework that supports the measurement and quantification of these.

Phase Three

Having identified through an initial phase of action research any potential barriers to the role of the client and having provided a framework for which staff were expected to utilise, the first stage of full immersion into the inquiry field was implemented.

The second research question whilst contained in phase three was explored by each researcher holding a number of 'contractors forums'. The philosophy of this was to canvass the views of contractors of what appears to be working well and what issues are not achieving their objectives. Also to agree how

³⁶ A process of vetting contractors to ensure that certain 'key' minimum standards are in place. This includes health and safety policies, insurance, financial liquidity and the like. Having satisfied these requirements contractors and suppliers may be entered onto the Approved List which affords the opportunity to tender for services as and when the need for such arises.

their roles could adapt and change in order to address any deficiencies as well as to build upon existing strengths.

The final research question, having being developed and refined in phases two (of which there were three iterations thereof), it was utilised in phase three as a 'business process'. The criteria to be measured was if having a business case in place creates enhanced focus on the time, cost and quality variables. The required outcome was to establish a range of time, cost and quality measures along with a 'priority distribution' which requires a weighting of perceived importance to be placed on the variables and any sub variables thereof. These would be contrasted against actual performance so that any divergence from target levels can be discerned at an early stage and managed.

The following two Cycles of both phase two and phase three (i.e. three in total) adopted a phase of refinement in the phase two and a further period of immersion in phase three. This was done on an incremental basis and was measured by contract values. The first iteration considered contracts for repairs up to the value of £3m per annum. The second phase considered contracts up to £10m per annum and the final cycle considered contracts of all values (i.e. without a prescribed upper threshold). The rationale to this was to enable consideration, through the reflection phase, of issues that may be governed by the value of the contract, as this was thought significant due to the differing 'levels' of staff that manage small, medium and large value contracts and the differing 'type' of contractors that are able to bid for the differing values. It is worthy of noting at this stage that it is common practice to limit the value of contracts to be awarded to contractors and is governed by the turnover level of the contractor in question. This is to avoid overwhelming a contractor with a contract that would be considered significant in relation to turnover. As such, the inquiry process would take account of this factor.

³⁷ See page 5 for a definition

Findings and Analysis

The above describes the process of how this inquiry was conducted. The findings emanating out of the process will be considered under each of the differing cycles and phases.

For consistency, each co-researcher collected data from their organisation within a 'Case Dynamics Matrix'. These enabled each organisation to plot actions and interventions so that as a wider group we could consider these. The matrix noted the original perceived deficiency, underlying issues promoting this deficiency, the intervention strategy and any change that had occurred as a result of the intervention (or not as the case may be). Miles and Hubberman (1994, 148) note the value of using such a matrix as *"the ability to plot a set of forces for change and the consequential process and outcomes. The basic principle is one of preliminary explanation"*.

The reflection phases utilised a matrix analogous to the above, a 'Case Level Partially Ordered Meta matrix'. This enabled synthesis of concepts and issues arising into one structured format, as opposed to having six individual matrices representing each organisation. This then enabled the process of analysis and validation on emergent issues before the recommencement of the next cycle. This process shares a number of similarities with that of 'Analytical Induction'. The iterative recasting of perceptions into a new phase of inquiry and following a previous phase thus enabling the research questions to be considered under a number of differing scenarios. The departure of similarity to that of analytical induction is that by nature the sample is constrained to the organisations represented from the outset. In analytical induction, the sample frame would be continuously expanded until such times as there were no cases that are inconsistent with the hypothesis or revised hypothesis.

Cycle One Phase Two

Organisation one

The review on policy and procedures for procurement and contract administration detected a number of gaps and 'tensions'. The co-researcher

noted that procedures would frequently quote outdated regulations or recognised good practice. This ranged from what may be considered as relatively minor issues (e.g. a good practice guide for dealing with tender discrepancies refers to a superseded version) to a more significant issue of outdated health and safety regulations (i.e. the Construction [Design and Management] Regulations).

It was noted that considerable organisational effort had been expended in 'process mapping' how construction contracts should be managed along with standardised proformas, letters and other templates.

Contrasting policy and procedures to actual practice detected that whilst few staff were aware of policy and procedures, the majority of staff had adopted systems and procedures that could be argued to be comparable. Moreover, it was noted that staff had updated their own systems and protocols to account for changes in regulations and best practice.

Following the skills audit, it was noted that Organisation one had 73% of staff employed in a professional capacity actually being professionally qualified. It also highlighted the fact that there were skills available internally to the organisation, which it was unaware of prior to this task.

Contractors were recruited to the approved list by the use of a government sponsored initiative known as 'Constructionline'. The philosophy to this is for a central agency to undertake the vetting of contractors in order to remove the need and cost for organisations doing this in isolation.

Contractors were considered as 'National' as well as having a direct labour team.

A form of business case is used at Organisation one. This is based upon the concept of 'Prince 2', which is a project management process having its origins in total quality management (TQM). There is no way of circumventing the use of this as funds can only be released once the project has been

through a 'Gateway Review' process. This requires scrutiny by senior managers of the costs associated and the objectives of the project.

The co-researcher introduced the 'toolkit' (noted above). Reference to this was mandatory and was reinforced through the Prince 2 project management regime. As such, all client-side activities would now have some basic form of quality control.

Organisation two

As a result of the transfer of the housing stock to the ALMO, all policy and procedures had been updated to reflect this. As a consequence, the majority of reference sources available to staff undertaking the role of the client are up to date. The apparent deficiency at this stage was the over reliance on general 'best practice' sources of advice without any modification in order to reflect specific requirements. In particular, procedures were noted to conflict with the organisations standing orders on the letting of contracts.

As with Organisation one, a review of the usage and reference made to policy and procedures detected that rare reference was made to this.

In relation to the skills audit, just over 50% of staff employed in a professional capacity are professionally qualified. Of further interest was the fact that a number of relatively junior staff are either Chartered Surveyors or Chartered Architects. This was not detected in other organisations at the same staff levels.

The principal contractor (i.e. the joint venture company) was procured seven years ago although 'supply chain' procurement occurred every year. The supply chain refers to a third party who provides a service to the main contractor, this includes subcontractors and material providers. Due to the nature of the joint venture company, selection of supply chains is a process that is managed jointly with the ALMO and led on by the main contractor.

The main contractor within the joint venture company would be considered to be National.

Organisation two has no business case or equivalent thereof. The only measures collected and reported are those that form the 'Regulatory Return' on an annual basis and are concerned with only two of the three construction primary procurement variables; time and quality. Cost is not routinely measured or considered.

The toolkit was a concept introduced to staff of Organisation two and to certain staff from the main contractor. The rationale to this was on the basis that the contractor also undertook some traditionally held client functions.

Organisation three

Despite Organisation three's size in terms of stock holding and the fact that it is geographically dispersed in nature, the co-researcher representing this Organisation detected a complete lack of policy and procedures governing procurement and contract management. A general reference to the value of contracts was made in the financial regulations but this is not specific to construction contracts and is only concerned with the process of opening tenders above pre-determined thresholds.

The organisation only employs one professionally qualified member of staff, this being the co-researcher. All other staff had secured their positions through experience only.

A long term contract has been let to one contractor, who would be considered as a National contractor. This was on the basis of competitively tendering overheads and profit and then letting packages of works on an annual basis subject to an 'agreed maximum cost'. There was no approved list of contractors, despite this being a regulatory requirement.

Each package of works has an approvals report which considers time, cost and quality for that particular phase. As such it is possible to utilise this to

retrospectively assess estimated performance on the variables to actual performance.

Organisation four

Policy and procedures to a significant extent had been translated into critical path flow charts that are available electronically via the computer system. These had been developed by an external consulting company, who also had the brief to provide periodical updates and revisions in line with developments within the industry.

The approvals process and update reports required confirmation that the process followed was in line with the established procedures. This also required any deviation from the official policy and procedures to be highlighted. This has the consequential effect of making staff go through the procedure to validate compliance or not as the case may be.

All of the staff deployed on the role of the client are professionally qualified.

As with Organisation one, contractors were recruited to the approved list by the use of Constructionline. The principal contracts were let on a modernised procurement route but in the case of Organisation four, they were let to two local organisations although of particular interest, one of which was a direct labour team of another social landlord who has taken the decision to compete in the market place.

A detailed approach is made to constructing a business case. Each phase of procurement is managed via a 'Risk Management Board', who oversees the process and ensures accountability for delivery of the objectives. This process is fed back into the main Board in summary terms.

The toolkit was aligned to the existing process and procedures, which were extended where necessary to do so.

Organisation five

(Removed from the research)

Organisation six

Policy and procedural guides have been reviewed within the last two years as a result of migrating to modernised procurement. As part of the procedures update, training was provided to staff on how to apply new 'systems' to the way staff procure and manage contracts. In essence, this is a toolkit in all but name.

Of further relevance was the fact that the in-house direct labour team had also been through the same process, as they were required to procure all supply chains via a modernised route.

The centralised team of officers procured contracts on behalf of other teams. The application of policy and procedures was well developed in most areas and followed through to the 'area teams' who administered and managed the contracts on an operational basis.

Just over a third of centrally based staff are professionally qualified although no staff based in the area teams are.

Contractors, of which there are three main ones, are considered to be Regional and operate within a 'strategic alliance' framework with the in-house team to help foster cross fertilisation of ideas, service consistency and to promote continuous improvement. Any vacancies on the approved list were filled by the use of Constructionline.

There was no evidence that a business case or derivative thereof was in place. Customer satisfaction (quality) and completion times were noted at an individual level at the strategic alliance six weekly meetings. Furthermore, a review of the minutes of the meeting over the last twelve months did not provide any indication that the statistics were reviewed or challenged in any way.

A review of the toolkit and contrasting this to the training guides (noted above) required only minor modification before implementation.

Organisation seven

A search for policy and procedures did not yield any such documentation. A review of 'contract files' did not show what the objective(s) are and how these are to be measured. Details contained were either technical standards and/or payment details.

None of the staff deployed on the role of the client are professionally qualified, although all four are enrolled on under graduate courses and are in pursuit of professional qualifications.

Contractors are recruited largely by unsolicited applications. Following this, when a contract renewal occurs, relevant companies are invited to tender. Within the past year, a national contractor has secured the main contract for repairs and maintenance based on a term partnering contract (TPC). This represents a significant change from utilising a traditional joint contracts tribunal (JCT) form of contract and utilising a number (up to five) local contractors. The rationale can be found in the business case (Board report October 2007). This cited achieving economies of scale, increased customer satisfaction and more consistent completion times as key drivers for the change in procurement strategy. The business case did not detect any potential disadvantages of this approach.

The hybrid toolkit was completely new in that it was the first time a formal structure of procurement and management of the contract was offered.

Overall observation

With reference to the Case Level Matrix, it was apparent that as a group of organisations, low regard was had in following organisational policy and procedures. In some instances this would appear to be fortuitous, as a number of policy guides were substantially outdated and contain reference to regulations that have been superseded. Also, it was noted that some organisations had invested considerable organisational effort in process mapping. In particular, Organisation one had a vast array of process maps

that were 'dynamic' in nature in that each process linked to consequential stages and processes.

The variation in organisations having professionally qualified staff to procure and manage contracts varied considerably. Organisation four has all staff professionally qualified in a relevant capacity. In stark contrast, Organisation seven has no professionally qualified staff, although it was noted that staff are actively seeking such a level of qualification. Organisation three was perhaps the most concerning having one member of staff professionally qualified with no apparent 'enthusiasm' for other staff to pursue this. Emergent from this phase was also the disparity in the reliance upon external consultancy support. Some organisations appeared to rely considerably on this whilst others positively avoided this unless there was no other option. At this phase there was no apparent rationale for this.

Contractors were most frequently recruited to the organisations approved list by the use of Constructionline. Given the level of expenditure, it was somewhat surprising that a number of organisations had adopted rather informal approaches to this, in particular the use of unsolicited applications as part of the recruitment process.

Four out of the six remaining organisations had let contracts to national contractors. A further organisation had used a regionally based contractor and the remainder two local contractors. Two of the aforementioned had also utilised direct labour organisations.

Two organisations had a process akin to a toolkit prior to this research. All other appeared to rely upon the use of procedures to support the application of policy and to achieve minimum standards in prescribed areas.

Cycle One Phase Three

Having completed a review of how each organisation applies the processes of procurement to its contracts, the first phase of immersion was held in

February 2008. The timing was of significance as it is this time of the year that procurement of annual contracts for the new financial year takes place.

The modified toolkit was deployed by all organisations as was the first phase of contractors forums. The former also required organisations to consider the balance of the construction primary procurement variables and to arrive at a weighting of importance. This was recorded so that future reference could be made.

Organisation one

Having procured a number of contracts up to the value of £3m, team meetings were used to gauge the effectiveness of the toolkit and its usage. The use of this was managed and monitored through the Prince 2 quality assurance regime. Some areas of minor divergence were detected although broadly speaking the process was followed. Feedback from the process during stage three from staff to the co-researcher was questioning if this was introducing a further stage of bureaucracy with no apparent added value.

The contractors forum, including the in-house direct labour organisation, reviewed the use of the toolkit and the overall process of procurement. Issues transpiring from this included the need to be more responsive and flexible in order to achieve procurement objectives. This was of particular interest as it would appear to challenge the use of the toolkit. Client skills were noted as a barrier in that indecision was a recurrent issue that prevented timely progression. In response to this it was felt that particular processes of prior to work surveys should, as a matter of course, be undertaken by contractors in order to mobilise the contract quicker and to reduce the number of inputs at such an early phase in the process. The business case was questioned on the basis that the process was only ever a 'cost driven agenda' and never prioritised to either quality or time variables.

Notwithstanding the above questions on the business case, which incidentally did have a cost focus, a number of key performance indicators (KPIs) had been established to represent what success would be and thus enabling a

process to measure this. The measures were detailed and specific in nature. The measurement of cost factors covered both direct and indirect costs of the contractor, although of interest to the contractors, made no attempt of quantification of costs on the 'client side'.

Organisation two

The toolkit was used by all members of the JVC responsible for procurement. As noted previously, this included staff from the contractor. The process did not receive the same level of 'healthy scepticism' as it did in Organisation one. Review meetings did reveal the need for a number of modifications to the processes, in particular to those relating from the Northern Ireland Executive's toolkit, to take account of the more integrated client / contractor relationship.

The contractors forum included the supply chain of the main contractor. This revealed a number of tensions, most notably the apparent inability of the client to certify accounts on time, leading to a delay in payments. It was perceived that the client expectation remains constantly high and yet the claimed realisation of client abilities are considered low.

The introduction of a business case with measurable objectives promoted a number of debates upon precisely what is being measured. Upon reflection, the co-researcher thought that this was due to the relatively high level analysis and demarcation to time, cost and quality that would benefit from further demarcation and definition.

Organisation three

There was some disquiet from staff on the application of the toolkit. This appeared to be on the basis of questioning why would staff need to refer to such a process. The use of the toolkit had to be reinforced on a number of occasions and was seen as an academic process with little relevance in practice. When challenged, staff took the view that they had undertaken the procurement process 'successfully' many times before without the need for such a framework. The definition of success was not stated or defined.

The contractors forum was illuminating to the co-researcher in a number of areas. It became apparent that the opportunity for engagement had not previously been extended. As a consequence, a number of issues emerged that not only related to slow payments to contractors but also questioning the ability of the client to undertake their functions to even a basic standard. The co-researcher fed these back during the first reflection phase to the cooperative inquiry team and made reference to the array of stories and anecdotes that contractors offered by way of example and as a means of securing their point. Regaling the team, the co-researcher repeated what one national contractor said about Organisation three; *“it is the only client where we can turn up half an hour late for a meeting and still be on time!”* (reference withheld). Whilst this somewhat flippant and light hearted quote appears minor, the co-researcher noted the depth of feeling that accompanied the quotation, sensing a real sense of frustration. Probing further as to the root cause of the inability of the client role, the view was one of incompetence rather than lack of commitment.

The introduction of the business case was done retrospectively in order to get the team to look back to see what they would do differently and how they would seek to ‘balance’ time, cost and quality. Having done this, a business case was required for all of the new contracts to be procured in April 2008.

Organisation four

The introduction of the toolkit did not pose any particular challenges. The co-researcher noted that the organisation is already ‘highly mechanistic’ in the way that it does business. In particular it was noted that the Chief Executive had shown a keen interest in the Inquiry generally and in particular phases two and three of the process. The co-researcher felt that this may have been extended too far, as the Chief Executive wanted to see the results of the Inquiry phases before discussion between the Inquiry group members. This reinforces the point made earlier of the absolute desire for anonymity in the research. It could be argued that the fear of failure within the sector appears to be secondary to the fear of peer groups and / or the Regulator finding out something deemed undesirable or a failing in the system.

The contractors forum was positive if a little reserved. The co-researcher drew the conclusions that the *“contractors were saying what they thought we wanted to hear rather than telling it as it is”* (reference withheld). It was attended by the Director of Development, who has ultimate responsibility for the service via the line management of the co-researcher. Fortunately for the researcher, the Director did not attend any further forums (noted below), which enabled a more open and constructive dialogue to ensue, although still mainly positive.

As with the introduction of the toolkit, the introduction of a business case did not pose any challenges. A preexisting Risk Management Group presents a robust challenge to why funds are committed in the first instance. As such, the business case of balancing the variables was seen as supportive of this. A Board Member (a Chartered Surveyor) gave opinions about extending the quality criteria to segregate client quality / performance from end user quality, noting that the two could conceivably be incongruent. This point appears to have some validity worthy of further investigation but outside the scope of this project.

Organisation Six (Organisation five removed)

The dissemination of the toolkit was in two phases to reflect the centralised / decentralised structure. Generally speaking, this was well received and was extended to the in-house provider, due to the fact that they undertake certain traditionally held client roles.

The three main contractors attended the contractors forum. Due to the strategic alliance that is in place, a regular dialogue already existed. As such, emphasis was placed upon the critical evaluation of the procurement process, both client and contractor as opposed to the more individual contract by contract focus that is normally reviewed at the strategic alliance meetings. The in-house team were less able to take a truly dispassionate view of issues as external contractors were. This manifested itself by the DLO making a negative judgement on client skills and then seeking to justify these due to their inherent and unique ‘systems’ knowledge of the client organisation. This

contractors forum by their own volition decided to take away a number of action points in order to report back to the next meeting on how things could be improved. These were focused upon where there is an existing and acknowledged deficiency, contractors would endeavour to negate or part negate the issue by changing their inputs. A basic example of this was delays in payments due to the apparent inability to agree variations to the contract (extra or excluded works from the original scope of the contract). By presenting the information in a differing manner, it was hoped that this would aid the client in discharging their duties under the contract. Notwithstanding this positive intent, no further feedback was had.

The production of a business case, whilst new in concept to the organisation, did not cause difficulties nor resentment.

Organisation seven

The use of the toolkit was completely new to Organisation seven. However, far from being resented, the co-researcher noted how well this was received by the four client staff. Following further discussions, it became apparent that the lack of existing procedures coupled with the relative lack of experience made the staff feel vulnerable. This sentiment was echoed in anecdotes of past contractual meeting in which it was claimed that the contractor (National) would take a highly assertive role whenever challenged. Coupled with the lack of a procedural framework meant that the client staff would invariably retract. Some staff also saw the use of the toolkit as a means to personal development of skills.

The cycle one contractors forum was of particular disappointment to the co-researcher. Instead of operational staff from the contractor attending, what transpired to be the contractor's 'bid team' attended. The content of the meeting had little relevance to the contract in question but was based on experience working for other clients and how this had apparently been successful (defined as coming within budget, time constraints and quality standards for the end user). It was not made clear why this occurred but it was an area of clarification for Cycle two.

Overall observations and planning for the next cycle

With some exceptions, the promotion and adoption of a structured framework via a toolkit was well received. Whilst some circumvention was detected, generally the process was followed. Some minor modification of the toolkit was required, in particular to the post contract phases of the toolkit offered by the Northern Ireland Executive, to account for the differing interface of client and contractor roles. Notwithstanding this positive reception, the critical review of contracts let during this phase did not detect any identifiable change in procurement outcomes. Two rather basic but interesting examples of this was that just as many questions were received from bidders during the tender period on the contract documentation issued. The other issue was still an apparent failure of client staff to progress all actions from monthly contractor review meetings, despite the toolkit setting timelines for this. The modifications were to be subjected to two 'pilot' contracts per organisation during the second phase. The rationale was to enable a higher level of scrutiny than would be possible on a larger sample given the time and project constraints. Whilst accepting this also has limitations and could be influenced by other issues, it was felt to have added value.

The contractors forums did yield some interesting information, in particular for Organisation three. However, the Inquiry reflection phase felt that there was still too many contractors holding back on what they really think. This was seen as a failing that has to be addressed for Cycle two, otherwise the process would not make a valid contribution to the research. The Inquiry group agreed that a rethink of the forum would lead to a contractors 'away day'. In practice, this was a half-day session with a lunch provided and, as the group felt crucially, at a neutral location. The opportunity was also taken to reinforce the fact that this is an operational meeting and required the attendance of all parties at this level. This created a dilemma for one of the researchers due to the fact that this meant 'un-inviting' his Director / Chief Executive.

A review of the findings gathered in relation to the business case drew divergent opinions. Some found this to be of importance whilst others found it

hard to identify any tangible value or outcome from the process. With reference back to the Case Level Matrix (i.e. the culmination of all responses into one review template) it became apparent that those organisations who felt it had a value already had some element of business case review, albeit may not be referred to as such. Those who took the opposing view tended not to have any structured review process in place. As such this was seen as an administrative burden with little / no value. Moreover, Organisation one found it culturally incompatible to refer to a 'business case'. The organisation adopted a revised name of a 'Service Review case'. Whilst this appears to be no more than a semantic differential, it was given a high degree of importance.

Summary of key findings for Cycle One
<p>Phase one (Not applicable as this is the planning phase)</p>
<p>Phase two</p> <ul style="list-style-type: none"> • Lack of regards and reference to organisation policy and procedures; • Organisational policy and procedures would frequently be reflecting outdated or superseded regulations and best practice; • Wide variation on the use and employment of professionally qualified staff; • Significant reliance upon 'Constructionline' as a process of contractor selection; • Whilst cost considerations show a tendency to be weighted highly in the contract award criteria they are seldom measured or articulated in a business case; • Some process mapping / toolkits in use but not embedded throughout the six organisations.
<p>Phase three</p> <ul style="list-style-type: none"> • The introduction of a new Toolkit for process control was broadly well received; • No discernable improvement in the outcomes as a result of using the toolkit was detected; • Engaging with contractors yielded some potential advantages worthy of

exploring further in Cycle 2;

- The introduction of a business case to measure outcomes was not seen as important or of value;
- The supply side of the market detected tensions for client effectiveness in the procurement and contract management process;
- A very low level of cost awareness was observed.

In response to this a simplified framework of a business case was developed. It would still aim to measure time, cost and quality but at a more macro level than had been tried to date. The actual naming of the process was left to each organisation.

Cycle Two Phase Two

Organisation one

The toolkit modification was attended to with relative ease in so far as changing the interrelated systems and processes. Much more energy was expended on explaining this to staff and getting their commitment to this. It appeared to the co-researcher that this was due to the fact of changing a system that had only been installed a number of weeks ago. It appeared not to be the fear of change but a reluctance to change.

Having reflected the changes into the toolkit, the opportunity was taken to pilot the change in processes on two contracts. By using previous questions raised by bidders on the contract documentation, attention was targeted upon being more specific on how organisation one would evaluate the quality criteria of contracts. This was achieved by the adoption of a matrix that established key areas of the bid and how these would be considered in awarding the resultant contract. The second pilot put a control process into the monthly contract meeting that highlighted required actions and promoted a further review one week before the next meeting. The rationale here was to place more emphasis of the client staff to answer outstanding issues by making them directly more accountable for these and by making the process more 'visible'. This process was piloted on a number of contracts of the same service area

(gas repairs, maintenance and servicing framework contracts). The co-researcher chose these due to the fact that these contracts carry high levels of organisation risk and exposure due to legal requirements and that the contract is a 'framework'. This has a number of service providers operating the same area of service.

The refined business case was adopted in the form of a Service Review Case. The time, cost and quality measures took a holistic perspective in contrast to the former version. Cost was focused on the outturn cost. A variation of the cost was noted by a plus or minus a percentage of the stated cost. Time measures were refocused to measure total time including any abortive 'rework'. Quality was solely judged on the quality of the service as delivered to the end user. The service review case was now one case consisting of forty-three differing contracts, as opposed to having forty-three individual cases. Phase two gathered together the above contracts into one as well as refining the measures.

Organisation two

The toolkit modification required the contractor within the JVC to also undertake some changes to processes. In response to the 'challenge' to reduce the number of bidders enquiries during the tender period, a process of electronic data exchange was established so that bidders could raise questions and have a response circulated to all by a web based portal. As some questions were repetitive in nature, a quicker response to questions when received has the potential to reduce the overall volume of questions. Whilst a lack of response to contractor review meetings did not appear to be as significant in contrast to the other organisations, the process was refined and introduced a further 'progression' meeting at midpoint between the scheduled contract meetings. Contract meetings with the JVC contractor also started to scale the inputs of the contractor and to challenge these so that any realignment could take place.

The business case was refined and reduced significantly to a range of 'success measures'. These measures set out time, cost and quality and

demarcated 'owners' of these so that both client and contractor activity could be measured.

Organisation three

As with cycle one, the refocusing of the toolkit was met with repeated hostility. Emanating from Cycle one was the fact that Organisation three had significant problems in releasing timely information in response to bidders questions. The response to this was to create a questions and answers sheet to be dispatched electronically but also to appoint one person from the client team who was responsible for the receipt of questions and responses within a stipulated time span.

The lack of response to questions raised at contract meetings had also been a significant barrier and remained such to this stage. It was apparent to the co-researcher that a significant element of this was the cancelling of meetings on numerous occasions. In response to this a protocol of not being able to cancel any more than one meeting in any two month period was established.

The business case was reviewed and combined to achieve a service level perspective. This meant combining all contracts of the same genre into one plan. The co-researcher took the view that this would be the most effective level to have the business case as it is more manageable by having fewer in number but still meaningful by not potentially being diluted into one 'all contracts' plan.

Organisation four

The change in toolkit did not yield any organisational response in terms of challenge and was generally seen as a way of improving process control. As with Organisation two, an attempt to make the process more 'dynamic' by the use of IT was made. This was extended further than other organisations, who had used electronic documents, by using a project management piece of software to assign responsibilities and to track progression. Differing processes were established for both managing bidders questions and for providing timely feedback to contract review meetings.

Becoming more proactive with answering and concluding issues with contractors led to the co-researcher gaining stakeholder agreement to get the relevant staff to be more accountable for their inputs. This led to a need to revisit specific functions of the roles in order to take on a wider remit of project / contract management.

The business case incorporated all procurement activity, but stratified into differing 'types' of services. The co-researcher also reinforced the need to use this as a 'management tool', as it would appear some thought this to be academic in nature and made no further reference to the business case once initially developed.

Organisation six

The toolkit modifications were incorporated into the existing systems and procedures with relative ease. The co-researcher thought that this was due to the centralised team responsible for procurement, avoiding the need to disseminate changes to a wider 'audience'.

Putting processes in place to control the flow of information, both from bidders during the tender period and during contract management was seen as a positive response. A contention was made by one member of staff that bidders exacerbate the problem of asking questions due to 'tendering tactics'. An example was given that the in-house DLO, when tendering in open competition with others for a contract they currently hold, would often pose questions relating to potentially onerous employee conditions that would transfer to the successful bidder. To this effect, a number of questions raised may in fact not be a genuine question but an apparent tactic used to raise concern amongst other bidders.

In response to questions raised at regular contract meetings, the co-researcher introduced a specific key performance indicator to measure this. This was on the basis that not all staff fail to answer issues and by focusing on those that do fail, the 'root cause' could be identified.

Organisation seven

The modifications were incorporated into process maps and piloted on the procurement of new term contracts. The changes were initially perceived as overly constraining upon staff responsible for procurement. When seeking to exemplify how to express to bidders how the evaluation process was to be guided, the co-researcher noted the apparent inability to quantify time, cost and quality variables. Staff were able to consider these at a strategic level but less so in terms of managing the contract on a daily / operational basis. The case level matrix showed clear definition of the legal requirement to have all landlords gas safety certificates issued within a twelve month time span. However, staff were unable to identify how they would measure ongoing conformity of this requirement. Conformity with the above servicing requirement was a key award criteria of the contract.

The co-researcher put in place a protocol of 'establishing and maintaining a process of contract control'. This process was aimed at ensuring client decisions were made timely following the regular contract meeting. The Senior Surveyor from the procurement team was charged with the responsibility of monitoring conformity with the process. The co-researcher noted the general lack of formality to the routine review meeting in contrast to what he would have reasonably expected and in contrast to what would be considered good practice guides for such. This led to the perception that there was a potential for questions from contractors to remain unanswered due to the relatively informal and lack of structure to the meetings. The culmination and manifestation of this led to a lack of accountability to follow up on actions.

The modified business case was reviewed with end user input by way of a consultative focus group. The rationale was one of designing 'backwards' so that the time, cost and quality inputs of the service could be structured around the required outcomes. The co-researcher gave an example whereby if end users / customers required a high rate of 'first time fixes³⁸', there would be a consequential cost as the contractor would by necessity have to carry a wider

³⁸ A measure of the number of repairs and maintenance tasks completed with one call to the property

range of materials on each vehicle to enable this. The business case would then establish the agreed target and measure this consistently across the contracts.

Overall observations

Looking across all six organisations, it appeared that there may be a lack of appetite for organisations to change and adapt. Notwithstanding this, when there has been an acceptance of the need to change, it was noted that the larger organisations achieved this more readily than smaller organisations.

It was also informative that generally staff felt the business case is an academic process to be undertaken but lacking in practical application. It was not perceived as a management tool to assist staff in their job but as a tool for managers to monitor and measure their performance. It was also in relation to this that terminology and culture appeared. The term 'business case' was not welcomed by Organisation one and not thought helpful by Organisation six. Both of the aforementioned are local authorities. The other Organisations represented in the study did not detect such a strong sentiment from their respective organisations.

Cycle Two Phase Three

Having now extended the range by value of contracts that could be reviewed as part of this Cycle, there was more opportunity to apply the toolkit in order that its effectiveness and further refinement could be gauged. Cognisant of the fact that the toolkit has the intention of promoting client capabilities in procurement (i.e. research question one), the co-inquirers needed to identify any impact of the modifications made to the toolkit had for promoting client skills.

Making effective and timely input from contractors in order to influence outcomes meant making better use of regular review processes. In Cycle one, it was noted that contractors can only have an effective and ongoing dialogue if they can in turn receive feedback and answers to their questions. Cycle one also detected a certain amount of contractors 'telling the client what they want

to hear' and not necessarily 'telling it as it is'. An outcome from Cycle one was for the next Cycle to address this perceived deficit by each represented organisation holding an away day. This was aimed to provide the forum for open and honest feedback and to canvass the opinions of contractors how they could deliver better outcomes from the procurement process. As facilitating researcher, I also attended to observe although took no actual part in the events. To have actively participated would have potentially undermined the relevant co-researcher and may have constrained any debate by my lack of specific knowledge to each organisation. For reasons beyond my control, I was unable to observe the forum of Organisation three.

Putting in place a business case framework that would have the propensity to enable higher performance on time, cost and quality had led to a more simplified and strategic level process. This cycle was aimed at identifying the most suited governance process within organisations and crucially if this is best placed at a macro or micro level.

Organisation one

The modification to the toolkit was poorly received by this Organisation. The co-researcher expended significant time and energy in trying to convince staff of the need to change the toolkit, as described above. Notwithstanding this, having brought about the changes and the resultant pilot projects that implemented the change, there was an apparent acceptance of the revisions. Moreover, the co-researcher noted that as staff were provided with a time span in which they had to answer outstanding questions, this in turn had enabled contractors to respond and to resolve issues. The co-researcher noted an example of a contractor raising a question on the ability to substitute a particular specification requirement with an 'equal equivalent'. This equivalent had some relatively minor cost savings but more fundamentally had a significantly reduced 'lead-in'³⁹ time. This crystallised in reduced completion time scales and higher end user satisfaction returns. The issue of substitute materials had been an ongoing issue, to which there had historically

³⁹ The period of time from receipt of order to actual delivery of the item ordered

appeared to have been a lack of willingness to respond to. It is not known as to why this has been the case although there has been much speculation on at what level within organisation staff are empowered to agree to such changes.

The contractors forum for Organisation one was held at the base of the in-house contractor. As one of the other Co-researchers pointed out, hardly neutral grounds, as had been agreed. However, given the logistical difficulties and the fact that the event had to be a virtually no cost (save for a basic lunch), this compromise was accepted.

The event did achieve more than the first Cycle. Common and emergent themes were outdated specifications that prevented bidders and ultimately contractors from offering alternatives for the same cost but with added value. An example was given of a differing kitchen manufacturer offering a better quality kitchen 'carcass' without extra cost.

There was a view expressed that the 'away day' should not become a frequent regular event but there was a perceived advantage in holding such an event every two years or so in order to ascertain how contractors can add more value to the process.

The Service Review Case, as it had become known, had been discontinued during Cycle two. The rationale to this had been the more strategic and holistic nature of the process had become overwhelming to manage and, within Organisation one, there was no target audience, other than the co-researcher.

Organisation two

The toolkit revision was seen as particularly useful, as the revision had used information technology to collect and disseminate data more readily. Whilst this did ease the administration of the process, it led to a marginal reduction in the actual volume of bidders questions. This reduction could be nothing more than coincidence. In essence, the outcome was to speed up the process of

bidders questions rather than to address the root cause of such. A critical review of the 'type' of questions was undertaken. These were categorised as 'administrative' (e.g. to which address do bidders return their tender document to?) or 'technical' (e.g. you have not specified the performance standard of XYZ). Out of the contracts let between May 2008 and July 2008 (16 in total) 67% of the questions raised by bidders were categorised as 'technical'. Moreover, a review of these showed a number of repeat themes / questions.

As with Organisation one, the contractors forum was held at the base of the joint venture company (being a quasi in-house contractor). Issues emanating cited the exclusion, albeit not deliberate, of supply chain engagement. In this instance it was focused on subcontractors as opposed to material suppliers. By nature, subcontractors have a propensity to be more specialised in the areas that they work. The benefits of such engagement with the supply chain were stated to be the rethinking of business processes. The example afforded was the ability of specialised gas repairs contractors to offer free energy advice to end users at the same time as the annual service of gas appliances. By specifying this requirement in the contracts, the client can take advantage of the greater service consistency that this would have. A number of similar no cost but improved quality examples were provided.

The revised business case was 'owned' by the JVC and was reviewed as part of the monthly contract review meeting. The streamlined success measures enabled the meetings to focus more clearly on service failures in order that these could be debated. A further refinement of this was suggested in that a 'traffic light' indicator to be used rather than statistical success rates. This was thought to further enhance the focus on what is not performing to the levels originally deemed acceptable.

Organisation three

Having embedded and implemented the revised toolkit, there was an expectation from the co-researcher that some of the issues emanating from Cycle one would be addressed. In particular, the apparent inability to respond in a timely manner to bidders questions. This expectation was not met. Not

only did the number of questions remain broadly static, there remained an inability to progress matters and to provide guidance when this was required.

The bidders conference was of particular interest in gauging the opinions of suppliers to Organisation three. The co-researcher noted that there were many challenges to the abilities of the Organisation to effectively perform the role of client. This ranged from the perceived inability to pay on time, to respond timely and to manage the contract to a level that would be deemed acceptable. A number of anecdotes were used to exemplify this. In an attempt to understand why Organisation three was deemed ineffective, the predominant factor was said to be ineffective project management skills. This was explored further by the co-researcher to which it was noted that there was not a lack of willingness but an apparent lack of appreciation as to the role of the client and what could reasonably be expected in regards to this. This was of particular interest as, if this is correct, means the toolkit in whatever form will have limited applicability as it assumes an amount of prior knowledge.

The business case was reviewed as part of regular team meetings. The amalgamation into service levels, as described above, also reflected the demarcation of responsibilities within the team. As such the co-researcher had created single point responsibility for specific areas of the business case. The co-researcher fed back to the group of inquirers that in his opinion based upon this phase of the project, there was a lack of appreciation on linking objectives to outcomes. Staff responsible for procurement and management of contracts were able to apply themselves to 'traditionally' procured contracts, where they could more readily scope objectives and how these could be achieved. However, when utilising modern procurement routes and in particular evaluating how differing cost models apply, there was an apparent barrier to seeing how a business case can balance time, cost and quality and link these to objectives.

Organisation four

As with Cycle one, the toolkit posed no problems. The co-researcher did note that this had become part of the processes and was at risk of being perceived as just a process control mechanism without any further added value.

The contractors forum again failed to yield anything other than positive and polite messages from contractors, despite some prompting by the co-researcher for such. During Cycle one this was in part attributed to the attendance of senior individuals from Organisation four who may have had a constraining impact on attendees. Their absence at this Cycle made no material difference to the responses. This did cause the co-researcher to question if there was another force acting as a barrier to open dialogue, in particular the willingness or lack of such for contractors to be seen by other contractors to criticise or question the abilities of the client organisation. The dynamics of the relationship were different from the other Organisations in that the two main contractors were local and one of which is a DLO.

The business case was 'refreshed' during phase three by reinforcement to staff that there is a link from this to the Board reports. As such, performance upon the objectives articulated is very 'visible'. This tactic was in response to the view in phase two of the business case becoming an academic process, as it had in a number of Organisations in the research project by this stage.

Organisation six

The toolkit changes were not only implemented directly within the Organisation but also formed part of a quality control procedure revision for external consultants to adopt when procuring on behalf of Organisation six. In contrast to the other Organisations, the role of procurement had been more focused by having specialisms. In the view of the co-researcher, this also made it easier to measure the effectiveness of the toolkit as there was a more controlled environment.

However, throughout this phase of the research, there had not been any measurable benefit from having the toolkit. It was not clear if this meant the

toolkit had no or limited value due to an already acceptable level of performance or if the use of this was being circumvented despite forming part of the quality assurance regime.

The contractors forum yielded a number of areas that could be reviewed in relation to where the contractor could help to influence positive outcomes. Having such a vast number of properties and large contracts to service these, it was thought that a process of contractors optimisation of contracts should be allocated at the beginning of contracts. The rationale was to draw on the experience of contractors from other clients and contracts to help focus and refocus the contract prior to mobilisation. Whilst the in-house DLO team could not offer this facility, as they have just Organisation six as their sole client, the ability to optimise the contract was still welcomed as it gave the opportunity to reduce risk exposure.

As the Organisation had structured itself around a centralised procurement team and area based contract administration teams, there was perceived to be some element of 'disconnection' between the two teams. There was a view that there were two tiers of ability. A centralised procurement team who were capable of delivering a number of objectives and a potentially less capable team(s) of area staff who had to manage the contracts. As with any establishment the size of Organisation six, there is a potential for differing levels of ability. The co-researcher pursued this line of enquiry in order to try and frame how much of an issue this is. A number of examples were provided that note the requirement of the contract and yet are contradicted in practice. These included using an output based 'performance' specification, thus enabling contractors to procure the best possible component that meets the standard, to the client staff specifying a particular brand that precludes this ability. Impacts from this can have a diminution of time, cost and quality variables for reasons that are not readily apparent.

The approach to the business case reflected most other Organisations in that it was perceived as another bureaucratic process. Notwithstanding this, the

fact that a measure of time, cost and quality was in place from the outset and that progression could be measured against this was positive.

Organisation seven

The challenges noted in phase two of this Cycle continued into the next phase. The intent of the toolkit to offer a structure to the process of procurement and to achieve some form of consistency was not materialising in practice. Despite the toolkit being modified, the co-researcher not only noted the amount of bidders questions remained high, but also the repeat issuing and reissuing of contracts for tendering remained high and a significant cause of delay to the delivery of contracts. The use of process maps were questioned on the basis that they identify a process but this can only be implemented if there is sufficient understanding of how this can be enacted.

The contractors forum did address concerns of the Cycle one in that operational staff from contractors attended. Views transpiring from this showed similarity to the other Organisations. Of interest was the view from the main contractor that as an organisation, they had removed a number of their staff from modern procured contracts due to both skills gaps and culture imbalance. This was expressed by the fact that some of the contractors staff did not like the more 'fluid' nature of modern contracts and felt that a traditional contract had more degree of certainty. There was a suggestion that client organisations (not just Organisation seven) should undertake some assessment of how staff perceive this step change in procurement in order to identify if the role of the client is impacted as a result of this. It was also noted that in the opinion of the main contractor, the syllabus of technical courses remained focused on traditional procurement routes and little time on modern approaches. Bearing in mind that all of the staff undertaking the client role at this Organisation are enrolled in some form of structured training, this would appear to be a pertinent point.

The business case was raising the profile that a number of projects were failing to meet original objectives. This was not seen as a failure of the

business case. Indeed, the opposite. The fact that there is a method of measuring success now in place was thought to be significant in bringing about future improvements.

Overall observations and planning for the next cycle

During the review and reflection of this Cycle, the co-inquirers called into question if the toolkit in its current or modified format could provide the basis for enhancing client skills to an acceptable level. The rationale for this was on two counts. The first was that there remained an element of disquiet in a number of the organisations represented. This manifested by a reluctance to accept the toolkit in Cycle one and a resentment in making changes to this in Cycle two. The second reason and of perhaps more fundamental importance is that the toolkit had not to date yielded any discernable enhancement of client capabilities. The number of bidders questions remained unchanged during the tender period as did the number of reissuing of tenders due to inaccuracies.

Having considered a number of potential strategies for Cycle three, it was agreed that a further iteration of the toolkit would be developed. It was considered to be central to the success of this to rely more significantly on process mapping that would set out a framework. This change was on the basis of being more 'user friendly'. If the toolkit was more straight-forward to use and intuitive it was hoped that this would encourage the use of the process and hence provide the opportunity for enhancing client-side skills. The co-researcher of Organisation one had access to process mapping expertise and software (Microsoft Visio). A critical path of procurement was established, which was linked to supportive information and guidance. The basis to the process mapping was the version offered by the Scottish Executive as this process had integrated 'typical' procedural controls that local authorities and social landlords have (e.g. the potential for delay due to senior management approval not being forthcoming).

This process included an assessment that would cause organisations to fundamentally challenge what their objectives are and to subjectively rate

these, the framework is shown below in Figure (5). Whilst the ratings are by nature subjective, it does require a ‘factor weighting’ with the intent to move some organisations from opting for a cost driven weighting in every eventuality regardless of project specifics. It also makes it harder to segregate time, cost and quality as it adopts a more holistic perspective. Moreover, linkage was made from the use of the toolkit to the business case for contracts in the process of being procured to endeavour to move away from the bureaucratic criticisms that had been made and to see the procurement and management of contracts as inter-related phases and not in isolation.

Figure 5:

Factor	Factor score (1, 2 or 3)	Factor weighting	Total score
Quality and price mix	[]	4	[]
Ease of service outcomes specification	[]	1	[]
Performance track record	[]	2	[]
Supplier track record	[]	2	[]
Degree of market competition	[]	2	[]
Total value for money factors	[]		[]
Contribution to strategic objectives	[]	3	[]
Local economic growth and sustainability	[]	2	[]
Significance of revenue budget	[]	1	[]
Risk to service users of service failure	[]	3	[]
Total Strategic importance factors	[]		[]
Total score			[]

Canvassing the views of contractors had proved more fruitful in Cycle two. Key issues emerging not only underpinned the contention of inadequate client skills (examples of poor practice etc cited on numerous occasions) but also had identified differing ways of delivering the contracts but in a way that had positive impacts to the primary procurement variables.

It was noted during the reflection phase that the national contractors tended to offer more ‘systems’ based opportunities (e.g. use of their IT systems by the

client organisation). In contrast, smaller regional or local contractors and the DLO's represented tended to offer more individual solutions (an example of the contractors Estimator / Surveyor undertaking traditionally held client side technical functions to achieve time savings and 'technical correctness' of the specification). There were perceived advantages to all opportunities but in order to actually implement some of these, it was felt that making changes to corporate IT systems would require significant organisational commitment from the client organisation and potential significant cost.

Cycle three would focus upon what practical inputs the contractors can make that require little investment but have the opportunity for bringing about change quickly.

The adoption of a business case had caused something of a split between the organisations represented. On one side there were organisations who could implement this and use the process to measure outcomes, whilst on the other side, there were issues of cultural acceptability and a perception of more bureaucracy with questionable value. The co-inquirers did not detect a barrier that meant client staff could not apportion time, cost and quality measures to particular projects, but it did show that cost predominantly and in some organisations invariably received the highest weighting of importance. In recognition that the organisations are either public funded (i.e. local authorities Organisation one and six) or were in receipt of public funds by way of grant (all other Organisations represented) this should not be a surprise.

What was of interest, particularly in some of the large scale (by value) projects of Cycle two, time and quality variables tended not to be adjusted significantly to reflect the complexities of the project. In particular, Organisation seven noted that the use of the business case was highlighting the impacts of project failure and yet this did not act as a catalyst to bring about change or intervention. This Organisation followed others in the preference for cost to be given the higher weighting of importance but rarely differentiated time and quality in terms of weighting.

Summary of key findings for Cycle Two
Phase one (Not applicable as this is the planning phase)
Phase two <ul style="list-style-type: none"> • Lack of willingness of the organisations to change and challenge existing processes. Those that did change systems tended to be the larger organisations; • Business case is perceived as an academic process with little or no practical application; • Cultural implications on the use of certain terminology in particular the term 'business case' and was substituted for the term 'service plan'.
Phase three <ul style="list-style-type: none"> • Modifications to the toolkits failed to realise enhanced client outputs; • Resentment of the use of the toolkits starts to emerge; • Identification of alternative strategies from contractors was identified that had hitherto not been captured by client organisations (e.g. efficiency savings by a shared IT system); • Lack of willingness to challenge the apportionment of weightings to the construction primary procurement variables. A higher weighting on cost focus remained predominant irrespective of individual project complexities.

Cycle Three Phase Two

Prior to going into the final stage of immersion (i.e. Phase three) this phase was used to implement and trial the changes agreed collectively by the co-inquirers.

Both phases two and three of this Cycle represented August to October 2008. This was significant in the fact that it is at this stage that the more complex and higher value contracts tend to be procured in order that they commence in the following financial year. There was no upper threshold of value to the contracts procured during this phase, although not all organisations

represented would be procuring contracts over the value threshold of Cycle one.

The process of implementing and embedding the agreed changes of the reflection phase share a number of similarities with the former Cycles one and two. As such, issues noted below are those that are unique to this phase only.

Organisation one

The toolkit in its original format had all but been discredited and was a significant factor in causing the co-inquirers to consider a step change in approach. The connectivity to Organisation one's quality assurance process was severed. The co-researcher took this measure on the basis that the quality assurance process is not held in high regard by staff, so there may be an element of 'collateral damage' to the toolkit as a result of this association. Use of the toolkit was now managed by inclusion of a project 'checklist'. This was less formal but still requiring staff to make a number of entries to ensure the toolkit was adopted.

Gaining the views of contractors and how their role could be changed in order to bring about improvements was managed at an individual level via the monthly contract meetings. A notable exception for Organisation One was the ability to include a 'soft market testing' event into this phase. This is a process of market engagement in order to ascertain the conditions of the market place and to gauge feedback on how the contract may be structured in order to increase the interests of contractors and to critically assess the intentions of the client organisation. It was not possible to undertake this event across all organisations, as the conditions of the event have to be published in line with the European Procurement Directives. Accordingly, this was a fortuitous opportunity available to one organisation only.

Linking the Service plan (noting this organisations unease with the term business case) with the toolkit meant that there was a process for reflection of how the variables were weighted and if these were delivered in practice.

Organisation two

The toolkit was adopted with initial feedback being broadly positive in that the process maps had highlighted the organisation to assess and question the relevance of the roles and responsibilities of staff both in and outside of the JVC.

As agreed at the reflection and planning phase, individual engagement with contractors was held to see if their inputs could change with no or little cost implications. The JVC is formed from a national company and the opportunity was taken for the Organisation to establish how procurement was managed in another peer organisation (not included in this research project). This was on the basis of a high level of synergy.

The business case adopted arguably the least formal approach out of the other Organisations represented. It was also managed via the JVC. Notwithstanding these differences, the assessment of performance in contrast to the objectives of the business case remained a central feature.

Organisation three

The co-researcher representing this organisation utilised phase two of this cycle to try and nullify the apparent negativity that had been encountered on previous cycles. It was hoped that in doing this, a more rewarding phase three could be had and hence explore the potential of the toolkit to the optimum level. Accordingly, before any attempt to implement the revised toolkit, the co-researcher involved operational staff in the development of the process mapping phase. The co-researcher noted a willingness to cooperate with the development of the process maps but still there remained a reluctance to accept the concept of a toolkit.

Engaging with individual contractors, which was one national contractor and a number of specialist subcontractors, yielded interesting perspectives. It became apparent that a number of modifications to procurement and contract management were thought desirable. It was also noted that the changes were, in the opinion of the co-researcher, very 'rigid'. These were based upon

what the national contractor had done on other comparable contracts but all of the changes required were 'client side'. An example was the change to the pricing model to ease the administrative burden of the existing price framework. This, if agreed to, required a departure from that stated in the contract documents to a system offered by the national contractor.

The business case, in its modified format, encouraged staff to look at procurement variables from a wider sense. Having struggled historically to make use of the business case, the revised format that is linked to the toolkit was used retrospectively on one project in order to exemplify the use before adopting this fully in phase three.

Organisation four

The revised toolkit appeared to be accepted more readily than the previous version. As an organisation, there was already a strong focus on process control. Accordingly, the more structured process maps appeared to fit not only into processes but also into the culture of the organisation.

Somewhat frustrated by the previous inputs of contractors, the co-researcher adopted a more contentious stance by challenging contractors to provide more and differing inputs. This was managed via the monthly contract meetings with just the co-researcher present. The basis to this was to remove staff from the process in case this was the barrier to open and honest communication.

Feedback from Cycle two thwarted the continued link to Board reports on performance, as there was a lack of interest from the Board in pursuing this. Having previously encountered a perception of an academic process, attempts to overcome this were to be had by making the process of compiling a business case as easy as possible and a 'management tool' for staff to use to measure success.

Organisation six

Bearing in mind that this phase included projects of any value, it was noted that the larger value projects tend to be externally contracted to consultants. Enforcing a regime of process maps on external agents was not possible. However, applying this to smaller contracts procured internally was possible as was the ability to canvass the views from external consultants on how their systems and processes compare.

In Cycle two of this research, a number of interesting issues had emerged that the co-researcher wanted to explore further in relation to how contractors could influence enhanced outcomes. This was explored with both external contractors and the in-house DLO in order to gauge the changes required and consequential impacts.

The business case was becoming to be seen as a performance management tool that could be used to instigate capability reviews on staff. An interesting and unique experience at this stage were discussions with the represented Trades Union on the motives for the business case.

Organisation seven

Despite a number of changes to the toolkit and the more comprehensive recent process mapping, staff questioned the validity and applicability. Feedback during this phase noted that an organisation the size of Organisation seven, did not need the mechanistic process control that larger organisations may require. This appeared to the co-researcher to be a criticism but one which was potentially done so to mask the inability of the organisation to undertake the role of client to an acceptable standard on a number of occasions.

Meetings with contractors on this phase was stratified into a number of key areas that the co-researcher wanted to explore as a way of increasing better outcomes by transferring and reapportioning risk.

Despite the lack of enthusiasm for the toolkit, having a business case was still seen as positive, even if the results were negative (i.e. the business case recorded an inability to achieve the desired objectives at project initiation stage). The linkage to the business case required some greater definition on how future business cases could be developed and the success criteria measured consistently.

Overall observations

Cultural issues were tending to appear increasingly by this phase. For some organisations there was a tension of the need to keep modifying a process that had only recently been developed, for others there was an emerging scepticism that the processes had ulterior motives, in particular Organisation six. Whilst these issues were managed proactively by the co-researchers, there remained a question about the impact of culture to the usage of a differing procurement route that had been used historically.

The keenness of contractors to review and challenge the way they input into the process was unquestioned. However, the actual ability to change and adapt was of particular interest. Smaller contractors and in-house DLOs were not in a position to offer changes to information technology systems and the like that national contractors were. Conversely, the ability of national contractors to respond to changes at operational level appeared to be lacking. Organisation three and seven noted an initial high level of interest that tended to diminish rapidly for reasons not readily apparent.

Cycle Three Phase Three

The final phase of immersion of the co-researchers into the action phase implemented the concepts adopted in phase two (above). There was a desire to uncover and understand tacit issues that appeared to be preventing modern methods of procurement being implemented as effectively as had traditional methods historically. It should be noted that this contention is an opinion of the co-inquirers and not a matter of fact. Effectiveness, howsoever measured, on traditional procurement routes can not be measured retrospectively due to the lack of available data.

Organisation one

Having applied the modified toolkit to the contracts being procured, there were a number of sizeable projects (by value) to apply this to as well as what would be considered as more routine value contracts. By reflecting on cycles one and two it can be seen that having implemented the change, the use of the toolkit process was accepted. However, gaining stakeholder commitment to undertake the change had historically been more challenging. Midway through this phase, the views of staff were requested on the toolkits appropriateness and use. The disconnection from the quality assurance process was perceived by the staff as irrelevant. To this effect it did not matter if there was an association or not to this. Views on the process mapping itself yielded some practical issues. The first of which was the fact that whilst all project management staff had access to a computer, they could only use the links to the process map if their computer had the correct software. If not, the process was in 'read only' format. The second challenge was the view that the process maps still contained inadequate information in some areas. An example was quoted of the 'EU Directives'. The process map made reference to these and contained a link to the Directives. However, this did not articulate how to apply the Regulations, only the need for compliance.

The soft market testing event was held in preparation for the procurement of repairs and maintenance contracts for mechanical and electrical services. Fundamentally, this is to establish what the market can provide. The co-researcher described this as a relaxed and relatively informal event. An introductory presentation was provided by Organisation one and the views of how the service could be packaged to obtain optimal value and effectiveness was debated. The questions on how to procure and manage the contract more effectively were raised. An interesting perception emerged that if there is an in-house DLO, as is the case, the procurement process is a process to satisfy the Regulator and not necessarily a genuine open market procurement opportunity. The consequential result of which was claimed to be a reduced interest, even if there was genuine open market procurement intentions of the client.

Other views centred around the apparent inability to specify the required service. This was exemplified by the use and reuse of historic documents which may have been updated for regulation changes but not necessarily suited to modern methods of procurement, as they have their origins in association with traditional procurement. The adoption of modern methods of procurement also questioned if the role of the client had changed in the administration of the contract. There was a consensus that managing modern contracts required a wider skill set as was more akin to project management than technical compliance with a specification of works.

During the individual meetings with existing contractors, the above issues were explored further. The in-house DLO management team noted a number of initiatives that they had offered in relation to delivering the requirements of the contract but in a different manner that had been rejected due to the fact that this change would require a divergence. This was attributed to a reluctance to depart from more established ways of working.

The main external contractors perceived the biggest obstacle was changing the mindset and culture. Traditional procurement approaches had been embedded for some considerable time. The change in procurement route could not lead to a change in the way in which contractors have a role unless the client side are open minded to this.

The joining together of the service plan and the toolkit required client staff to score the objectives of the service to be procured differently and not a three way split of time, cost and quality. The business case used the modified framework in order to assess performance. Due to the time scale of projects, some of which run for a number of years, it will not be possible to capture in this research how effective this is in the long term. Feedback from the project review meetings found it hard to quantify some of the objectives, in particular how contractors can contribute to local economic growth and sustainability.

Organisation two

The process mapping whilst being used was still not contributing to more successful procurement. In this sense, success refers to the reduction in the volume of questions from bidders and other non productive outcomes. On one project procured during this phase, the process of procurement was aborted and recommenced. This was on the basis of technical inaccuracies in the specification. The co-researcher noted that had a 'sign off' of the contract documents been held, this should have prevented the need for this eventuality. Upon further investigation it became clear that there had been a sign off by a more senior member of staff, but this process had been somewhat vague and had not detected the deficiencies. This posed questions to if staff were following and implementing the process maps.

The ability of client staff to observe how a comparable contract was being managed in another location did not yield any value in terms of identification of how to change the inputs of the contractor to achieve better outcomes. Whilst some processes were different, in particular co-location of client staff and contractors staff in one office on the basis that this will improve communication, there were no discernable advantages.

The co-researcher reverted to individual meetings with contractors and in particular the JVC. There was a recurring criticism from organisation two that the budget was always being over committed. As such, the cost measure on the business case was always failing. The response to this was to transfer some client held functions to the JVC, including the responsibility to contain the budget. This way the responsibility to deliver the procurement objectives became shared and in some cases transferred. Gaining approval to transfer the responsibility of funds will require significant organisational commitment. It was not clear to the co-researcher if this would be possible or indeed practical. However, it remains a consideration for changing the inputs of contractors in order to improve outcomes.

The business case process of measuring outcomes of the original procurement strategy had not been an obstacle for Organisation two. Making

the link to the toolkit was not perceived as value adding. The co-researcher noted that there appeared to be a lack of clarity on the need for change.

Organisation three

The concerns for effective procurement remained throughout this phase. Despite the toolkit not only identifying the process but also having an associated time constraint in which to expedite matters, time overruns were common features. The manifestation of this would be significant delays in assessing the pre-qualification questionnaires (a core phase when using the Restricted Procedure of the EU Procurement Directives). This was a result of a number of causes including the apparent failure to specify from the outset the required format of information to be provided and the inability to allocate time to do the assessment, which would typically involve between eight to twelve client staff, which led to a fragmentation of the process over a number of weeks as opposed to the 14 days afforded by the toolkit. This posed the question of if the time scales in the toolkit were realistic or if it was a case of ineffective administration of the process. Further delays were still encountered in responding to bidders enquiries in a timely order. Upon further analysis these could be categorised as either responding to technical issues or legal issues.

Debating potential changes to the role of the contractors offered a number of variations. Following Organisation two, this also identified the value of transferring some client functions as a way of removing duplication of effort. Of interest was the view to transfer the call handling function from the client to the contractor. By this it is meant the transfer of responsibility of taking repairs and maintenance requests from the residents of Organisation three from the client to the main contractor. The perceived benefits of doing so were increasing the number of repairs undertaken successfully at the first call. As such, this would be increasing the quality and time measures of the business case. Whilst this at first glance would appear to be a useful measure, it also contained significant cost implications. The co-researcher noted the almost academic application of the main contractor to this review. In particular the

reference to the need to 'partner' in line with Latham, Egan⁴⁰ *et al* and yet the apparent inability to specify how this should apply in practice. In stark contrast, one of the sub-contractors of significantly smaller organisational size could offer a practical solution to managing the contract that could be implemented with relative ease and did not require organisational approval. This related to the ability of the contractors staff to accompany client staff to do surveys so that they may reduce lead in time and ensure technical correctness. Arguably a very simplistic measure but one which could have positive time, cost and quality implications.

Organisation four

During this phase the following years external repairs and maintenance contracts were procured. This amounted to nine separate procurement episodes with contract values up to £12.5 million (over a five year contract term). Noted in phase two was the acceptance of the modified toolkit and emergent from this phase was a potential gap in the process maps. This was in relation to the mandatory ten day 'standstill' obligation⁴¹. The process mapping includes the time allocation when there is no challenge made by a bidder but is silent upon the additional time spans required when there is a 'request for a debrief'. Whilst this did not result in operational difficulties for Organisation four, it did highlight a gap in the process, that if followed without reference to other information sources, could create sub-optimal procurement.

The key factor to attempt to gauge was if the toolkit was promoting client skills and leading to more successful procurement. Recognising that this organisation had tended historically to have few abortive tender episodes, made it hard to gauge the impact of the toolkit. There was anecdotal evidence that reference was made to the process mapping, as noted above, but this does not necessarily show a chain of causation of use to successful outcomes.

⁴⁰ As described in Document Two, page 24

⁴¹ As described in Document Two, page 12

The contractors forum in this phase was aimed at highlighting negative practices so that potential resolutions could be identified. One of the main contractors (a DLO from another social landlord) notes a tension in the quality of data provided. The solution offered was to place a small number of the contractors staff into the call centre of Organisation four. There were no cost implications of this and it would provide technical support and improve communications. Whilst there were some logistical issues to clarify on data protection, this was seen as a practical solution to which both client and contractor receive a mutual benefit.

The other main contractor took the view that capturing stock condition data at the same time as undertaking works was of value, as was the willingness to provide basic energy advice to end users in association with annual servicing. Neither of which have potential for increasing procurement outcomes, only in very broadest terms, but worthy of consideration.

The business case and the ongoing lack of interest in maintaining this did not yield any further interest in this phase. The co-researcher concluded that this was potentially due to the fact that as there was already a high degree of emphasis placed on risk management as an organisation, the procurement approvals and review process was already in place, this led to a perception of duplication of organisational effort with no added value.

Organisation six

The focus of the process maps were called into question as being overly holistic. Upon further investigation there was a perceived need to develop differing tiers of process maps that would take account of larger projects. The issue highlighting this limitation was the abandonment of a procurement project on the EU Restricted Procedure and the subsequent requirement to implement a 'Best and Final Offer' (BAFO). The need for this has resulted in no bidder submitting a compliant bid under the former procedure. This creates something of a dilemma to arrive at sufficient information within the process maps and with reference sources to guide staff for the more unusual events

without the process becoming unwieldy. The use of the toolkit was not seen as useful or necessary.

Discussions with contractors led to the reappraisal of specification levels for a number of key components. Historically, the organisation had specified to a reasonably high level on the assumption that this would create reduced maintenance during the life of the component. By utilising contractors experience as well as purchasing power, there was a potential noted to lower some unit costs without a corresponding reduction in quality. The in-house team were not able to provide access to wider purchasing power as external contractors but they were able to provide a detailed analysis of where the client is spending their money. The level of intelligence had not been something that client staff had previously considered, with some interesting and unexpected results.

The business case sensitivities noted under the previous phase had somewhat undermined the nature and intentions of this. Service managers were required to undertake a project review at the completion, which in effect was assessing project success with reference to original objectives. This was noted to be a compromise but still enabling a review process to take place. The outcomes of which did not yield any significant changes over the phases and cycles. Both cost and time overruns were regular occurrences with end user satisfaction remaining broadly static.

Organisation seven

In order to respond and address issues raised in phase two i.e. the alleged irrelevance of the toolkit to this organisation, the co-researcher established a project value level that the toolkit processes were mandatory to follow. This would leave lower value projects at the discretion of staff. The rationale was to try and establish if the hitherto rejection of the toolkit was due to the perception of a lack of skills leading to the need for a toolkit, the lack of ability to apply the toolkit appropriately or some other as yet undefined reason.

The need for the toolkit was promoted by a breach of the organisations financial regulations on the procurement of a new contract. This helped to highlight the need for some form of quality assurance and process control. Moreover, the decision to partially outsource some of the specification tasks was made as the client staff were not able to successfully complete this task. It is noted that the toolkit in its current form does not address pure technical deficiencies.

Part of seeking to support the technical development of future procurement projects was to canvass the views of contractors on how existing contracts could be specified in future phases. As part of the contractors meetings, the need for changes were identified and included the potential for differing contract strategies. This included changing the procurement route to enable the design element to be transferred to the contractor. Such an approach has its origins in 'design and build', a widely used approach in the social housing sector but more commonly for either new build or major regeneration schemes as opposed to multi site repairs and maintenance. The perceived benefits of doing this would transfer the responsibility for developing 'technically correct' performance specifications to the contractor. These would be vetted by a consultant to ensure the proposed specification actually achieved what the client required.

A further debate upon changing the inputs of contracts was to suggest the adoption of the procurement route and contract strategy that large scale private sector landlords use. In particular a suggested utilisation of a 'facilities management' approach. There are a number of variations of this approach and in relation to that transpiring from the contractors meetings, this may mean procuring fewer contractors who have cross cutting responsibility for a number of areas of service and not the existing single trade basis. The example quoted by the co-researcher was to have one mechanical and electrical contractor that deals with all 'M&E' repairs and maintenance. This can be contrasted to the use of a multitude of specialist contractors looking after mechanical or electrical repairs which can then be further subdivided into

specialist items such as passenger lifts, door entry systems, heating and ventilation etc.

The adoption of any of the suggested alternative contract strategies not only changed the inputs of the contractor, which in their opinion would approve the procurement outcomes, but also fundamentally changed the role of the client.

The co-researcher wanted the business case to create a culture of Organisation seven being a 'learning organisation'. This was on the basis that there was an acceptance that the organisation could improve its 'successes' in procuring contracts and achieving better outcomes. It was the co-researchers contention that the first stage in this was measuring existing performance and 'designing out' problems in future contracts. The response to the business case had been largely positive. The closer connection to the toolkit had not marred this but by the same token had not led to any differing outcomes from procuring contracts. The co-researcher took the view that over a longer period of time (i.e. beyond the time limitations of this research project), providing the interest in maintaining a business case could be sustained, there was the potential for utilising this to 'drive' improvements and hence use it as a mechanism to improve the outcomes of time, cost and quality.

Summary of key findings for Cycle Three
Phase one (Not applicable as this is the planning phase)
Phase two <ul style="list-style-type: none"> • The issue of culture and its potential impact appeared increasingly; • The ability of contractors to offer alternative or supportive strategies developed in a dichotomy of national contractors offering strategic level systems (e.g. IT systems) with smaller contractors offering more operational functions (e.g. undertaking hitherto operational client functions).
Phase three

- Despite several iterations of the toolkit, it remained not possible to identify process control measures that, if implemented, would lead to enhanced outcomes of the procurement process;
- The recycling of previous contract documents is seen as a barrier to improving outcomes due to the different procurement approach adopted (i.e. traditional –v- modern procurement);
- Within the organisations represented, both local authority and ALMOs had a propensity to procure more effectively than housing associations but no discernable improvement was detected by the use of toolkits or business case;
- The modification of an evaluation process that merged time, cost and quality data (to try and avoid the propensity to weight cost on every occasion) did not yield a differing outcome.

Validity procedures

Having undertaken a cooperative inquiry that followed an ‘apollonian cultured’ research project, in that each phase followed a pre-agreed structure that was systematic in both action and reflection phases, validation was considered during the reflection phase of each cycle. Each phase four of the cycles was used to reflect on the data and then to apply this to planning of the forthcoming phase. Following the closure of cycle three, an end of project review was undertaken. This was aimed to capture the observations of cycle three but also to look across all cycles and phases in order that meaningful conclusions may be drawn. The following Case Level Matrix was developed:

Case Level Meta Matrix (All organisations and all Cycles)

Research question reference	Perceived underlying issues	Intervention Strategy	Principal Observations (over three phases)
1	Lack of policy and procedures leads to sub-optimal procurement	Review procedures in place Review the qualification level of client staff	Initial review of existing procedures showed some gaps (e.g. not updating recent regulation changes) and a tendency of staff not to

	<p>Inadequate client skills leads to sub-optimal procurement</p>	<p>Put a structured process in place that provides a framework of best practice and provides standardisation</p>	<p>observe these.</p> <p>Large difference on the qualification level of staff available within client organisations</p> <p>Putting a structured 'toolkit' of best practice in place was initially received well by some client staff but perception diminished over the three phases. Irrespective of perception, larger organisations found it easier to adapt to new processes in comparison to smaller organisations.</p> <p>Local Authority and ALMO organisations tended to have less abortive procurement processes than housing associations</p> <p>No difference / benefit could be measured as a result of the toolkit (e.g. fewer abortive procurement processes)</p> <p>No difference of outcomes detected due to the three differing values of contracts</p> <p>No improvement noted by linkage toolkit to quality assurance systems</p> <p>Some emergent and apparent cultural issues of</p>
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			<p>not accepting a framework to work within (a reluctance to accept the need for such based on prior perceptions of success)</p> <p>The use of process mapping as part of the toolkit revealed some limitations and a lack of flexibility to cover most eventualities (i.e. three toolkits had to be assembled to cover most variations). Further modifications were required for integrated client / contractor 'models' (i.e. the JVC from Organisation 2).</p> <p>The more mechanistic organisations tended to have more formality and tended to have process maps in place.</p> <p>Smaller organisations tended to rely upon external consultancy support which introduces a further 'client skill' need.</p> <p>The wider focused evaluation model (i.e. merging time cost and quality into a number of variables) did not yield a different outcome.</p>
2	The inherent knowledge of the contractor is not effectively captured and used to best potential	Identify how the procurement and management of contracts can be changed to reflect more appropriate inputs that	<p>Contractors 'added value' had two distinct differences:</p> <p>National contractors offered 'systems' (e.g. IT) solutions. These required no changes</p>

		<p>lead to higher outcomes</p>	<p>in the actual role of the contractor. Suggestions were hard / not possible to implement as they required significant structural changes and/or investment.</p> <p>Local, regional or DLO contractors offered process changes (e.g. the contractor undertaking some traditionally held client roles). These suggested changes did require the contractor to change their inputs. Suggestions were possible to implement with relative ease and at no / little cost. Some contractors (tending to be those categorised as national) were harder to engage in the process.</p> <p>The joint venture company (i.e. formed of both client and contractor into one body) did not identify any greater propensity to have more 'successful' outcomes than separate client and contracting arrangements</p> <p>Identification of a number of apparent client inadequacies that show the potential to be supported by the input of contractors</p> <p>General perception of limited contractor engagement at</p>
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			<p>appropriate times preventing timely input (example of not undertaking value management / cost engineering thus preventing time, cost and quality potential improvements)</p> <p>Some contractors held the view that the general procurement strategy is inappropriately focused and more responsibility would be better placed with the contractor (example of design & build procurement route was provided)</p>
3	<p>The lack of a process to gauge effectiveness of the construction primary procurement variables does not promote the future development of procurement and management of contracts</p>	<p>Put a business case in place to scale effectiveness</p>	<p>Split outcomes on the effectiveness of a business case. Some positive inferences starting to emerge (e.g. Organisation 7 in phase 3)</p> <p>Linkage to the toolkit failed to yield any difference.</p> <p>Cultural 'suspicion' of the need to formally measure outcomes and the cultural inability to accept the term 'business' (changed to Service).</p> <p>Perceived as lacking in practical application</p> <p>The weighting of importance placed on cost did not</p>

			<p>change to reflect the complexities of major projects.</p> <p>The fragmentation of variables (as shown in Figure 5) did cause some organisations to consider how success was being measured, particularly as the 'traditional' time, cost and quality were merged</p>
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Of significant importance to the role of the facilitating researcher (i.e. myself) was to help enable the collective co-researchers to create an understanding and to have clarity on the actions taken and those to be taken in the following phases. Almost inevitably, some of the emergent issues and themes raised issues of validity. On a number of occasions the potential for the project to suffer a loss of focus on the research questions required intervention. Indeed a view of one of the co-researchers was that by the more 'fluid' nature of cooperative inquiry as a research methodology there is an inherent risk of going into new areas that may not be fully relevant to the original scope.

Notwithstanding the aforementioned view, the 'research cycling' manages the phases of action and reflection and detects any divergence. The ability to 'signpost' the next phase based upon findings to date and anchored back to the research questions, reduces the risk of a loss of focus. Divergence is not necessarily a negative concept. The phase four reflections positively promoted refinement and divergence in some areas. To have not done so may well have reduced the potential of future phases.

The process of authentic collaboration of the inquiry enabled the research questions to be considered within a peer group but also one of which that had differing characteristics on their approach to procurement. This is in part due to the fact that gaining seven (ultimately six) organisations who manage the process of procurement in exactly the same format would be challenging and

in all probability nonexistent. It also provides the potential to identify processes that may work well with a particular procurement route but do not have general applicability to the sector as a whole, due to these differences.

Maintaining critical subjectivity required a delicate balance to be struck. Not accepting findings at 'face value' and challenging assumptions was managed through the reflection phase and aided by the fact that the co-researchers had known each other for a number of years prior to the commencement of this project. As such there was an existing rapport that enabled open and 'challenging' debate that may have to have been more sensitively managed if the inquirers did not have a pre-existing relationship. Central to this process was not to dismiss findings but to ascertain if findings did have wider generalisability or if they were unique to the organisation in question. Any that were unique could not enter the next phase as there was no apparent added value of doing so, other than to one organisation. The need for rigour in applying validity measures was aided by the use of the case level matrix that recorded issues, intervention strategies and outcomes. Assessing and challenging the 'chain of causation' that are shown in the matrix prompted debate on the potential existence of control variables and a collective view on if the perceived outcome was that which was shown in the matrix or if there was an extraneous factor.

The co-inquirers took the view that there was a potential for both Organisation four and seven to be claiming an outcome when this was more questionable. In particular, the case level matrix for Organisation seven recorded an apparent lack of ability during phase two, cycle two, for staff to quantify conformity with regulations. The co-researchers did not consider that the link was as clearly defined and that there may be other factors having an influence that had not been accounted for.

Heron (1999) made the observation that some form of peer review audit, to help ensure validity, was considered important as was the need to validate that the inquiry process had obtained reliable data unbiased by group dynamics. As noted previously, the co-researchers had known each other

prior to this research project. Moreover, they are all of a similar background (Chartered Surveyors or Architects). This had both positive aspects and potential limitations. The similarity of background enabled a common understanding to be arrived at more readily. It also promoted uniform application of the agreed action in phases two and three of the cycles. Limitations on the interpretation could have developed as a result of the fact that all researchers were of a similar 'background' and that this in itself may introduce a 'professional bias' within the group and that this could lead to unreliable data.

An intention to circulate the combined matrix for comment to a wider audience could only be useful if there was sufficient awareness of the organisations represented, so meaningful conclusions could be made. This conflicted with the agreed protocol and could only be overcome by a significant deletion of organisation detail to avoid identification which would render the analysis meaningless.

In response to this, the matrices were provided to the Chair of the Housing Maintenance forum⁴² for comment at the closure of each phase four. The Chair is a national speaker at conferences and has authored numerous publications⁴³ on the topic of repairs and maintenance in the social housing sector. He is perceived to be a leading speaker on this subject and has been so for many years. Of equal importance to his industry 'standing' was the fact that he is not from the same professional background as the co-researchers.

Feedback received in respect of this made a significant contribution. A number of challenges were made to question the conclusions reached and if the evidence was robustly in support of this. In particular, the use of the toolkit and the observations made at the end of cycle one was subjected to a number of challenges. The outcome and observations were not ultimately rejected but the conclusions made were reviewed and made clearer.

⁴² The best practice organisation that all of the co-researchers attend as a matter of course and referenced in Chapter four

⁴³ As noted in Document Two, Document Four and Chapter three of this document

The overall outcome of the peer review process has two important observations. The first was the potential impact of organisational culture upon effective procurement being seen as noteworthy and potentially one that has been overlooked historically (including in this research project). The second was that there has been a long and established focus upon the role of the client and yet very little review upon the role of the contractor. A number and often very basic examples were noted that could help to deliver better outcomes. Whilst these remain untested, they do show a potential benefit worthy of future investigation.

In relation to the other findings, it was considered that these did not yield any new concepts but did in the opinion of the peer review reinforce concepts, in particular the perceived ineffectiveness of the role of the client.

A further peer review process was utilised at the conclusion of all cycles. The findings were discussed with the national policy officer from the National Housing Federation (NHF) by way of a structured interview. The NHF is a nationally recognised organisation that has the mandate of promoting best practice in the social housing sector and across a number of areas including property maintenance. The willingness to undertake a review transpired as a result of the NHF issuing a research brief for providing a 'best practice' guide on how to manage construction contracts within the social housing sector. This covered all phases including that of procurement. The findings of this research has direct relevance to the proposed study and the opportunity presented itself for the outcomes to be reviewed.

Feedback focused in particular on the role of the contractor and how the co-researchers had engaged with representatives in order to explore how their role could transform in order to achieve different outcomes. The response would have wished to have seen the co-researchers providing a more structured process in order that more of a consensus of opinions could be reached on a number of key topics / areas. The identified intervention strategy associated to this aspect was thought to have benefited from a number of supportive headings, enabling uniform consideration. Notwithstanding this, the

findings in particular regard to the role of contractors was not dismissed nor was the reliability or consistency of the approach taken discredited. How findings had been arrived at could be seen and were thought to be reasonable and logical albeit not as structured an approach as the consultees would have adopted.

Validation was also a process of concluding the 'research triangulation'.

Acknowledging the process as offered by Bell (1993, 64):

“cross-checking the existence of certain phenomena and the veracity of individual accounts by gathering data from a number of informants and a number of sources and subsequently comparing and contrasting one account with another to produce a full and balanced study as possible”.

The ability to consider the findings of prior documents in this project as well as subjecting the findings of this phase to both an internal critical review and an external review enabled the cross-examination of emergent issues from a number of sources and individuals. This affords the ability to synthesize the conclusions reached as well as to gain agreement on further research areas. It is also aimed at providing as fully a study as possible, subject to the stated limitations noted in chapter six.

6. CONCLUSIONS

Introduction

The methodology of cooperative inquiry draws on a four-fold extended epistemology. The conclusion of the cycles of cooperative inquiry enables the reflective consideration of the knowledge outcomes. Reason (1988, 228) notes *“the practical knowing is the outcome of cooperative inquiry”*. As debated in chapter four, within the parameters of cooperative inquiry, there are four ‘stages’ of knowing. Taking these in the order offered by Heron (1996, 54):

Figure Six:

Stage of knowing	Knowledge outcomes
Propositional	Raises the contention of restricted client abilities together with identified intervention strategies
Experiential	Knowledge gained infers that the intervention strategies do not tend to generate improved outcomes when looking at each organisation individually. The role of the client is seen as ‘passive’ in a number of organisations
Presentational	This extends experiential knowing and infers that as a collective group of organisations there are opportunities to review and refine the role of the client
Practical	Bringing together the observations, challenging these and developing a revised conceptual framework

The four phase extended epistemology achieved through the casting and recasting of a number of cycles was established in order to ensure the outcomes are well-founded. As noted by Reason and Heron (1995,127-28) *“ideas and discoveries tentatively reached in early phases can be checked*

and developed". The conclusions reached in the early cycles had significantly changed by the end of the process. The ability to apply and refine the concepts, in particular the stage of deep immersion, provides an insight through an action research based methodology which provides the identification of the 'practical and experiential knowing'.

Objectives

The research questions for this document enabled the examination of how client capabilities could be enhanced for modern procurement approaches. The objectives were to identify what modifications are required in order to respond to perceived deficiencies.

Over the course of the inquiry, little if any discernable improvement in effective procurement could be ascertained by the use of three 'toolkits' that are aimed at providing a semi-controlled environment in which to operate within. This poses a number of considerations. The first of which is if the selected toolkits are the most appropriate? During the embryonic stages of the research a wide array of toolkits were considered and it was felt that no one fitted the circumstance closely enough and, as such, a hybrid of three toolkits was adopted. The second question emerging is if there is another variable that is influencing the outcome? By reference to the observations noted in chapter five, there are a number of instances in which it was claimed that there is an apparent reluctance to accept the need for a toolkit and/or to accept that this needs to develop and change in order for it to retain focus.

In considering the role of the contractor in influencing outcomes, a number of suggestions were noted that vary from relatively minor 'system' modifications (e.g. the example of one contractor wishing to undertake traditionally held client side inspections in order to improve upon the quality) to fundamentally rethinking the procurement route (e.g. the example of adopting a design and build philosophy). Moreover, the outcomes of the research suggest that out of those contractors involved in this project, the national level contractors offered longer term solutions, which may require new systems to be put in place and potentially an element of client investment. Conversely, smaller regional

contractors and direct labour organisations tended to offer highly practical solutions which could be implemented more readily and requiring little or no client investment.

Engagement with contractors as part of this research noted a contrast between national and local organisations. Those considered to be national were perceived as harder to engage whilst the local contractors appeared more willing. Whilst this was not a focus of the research, the role of the contractor generally shows the potential for further investigation, as noted below.

The involvement of contractors in the application of procurement was largely perceived as too late in the process for them to have an effective input. In particular, contractors took the view that they could help deliver enhanced time, cost and quality variables if they were involved at an early stage and were able to offer alternative strategies.

The use of a business case proved to be a challenge to some organisations and was met with hostility on some occasions. In other organisations, a business case or comparable process was already in place and was readily accepted as a method for gauging success with original objectives. During one cycle of the research it was noted by the co-researchers that there was a predominant focus on cost to the potential detriment of time and quality measures. In response to this, an amalgamated criterion was established and put in place. This prevented a three way choice of time, cost and quality in order to try and focus more carefully on success measures. This intervention did cause some organisations to evaluate how success was being measured and to consider other criteria in forming the business case.

Conceptual framework

Throughout this research project, a number of conceptual frameworks have been developed. With reference back to the models shown in chapter three of this document and by contrasting this to the outcomes of the research, the following refined conceptual framework is now offered:

Figure Seven: Inference of findings

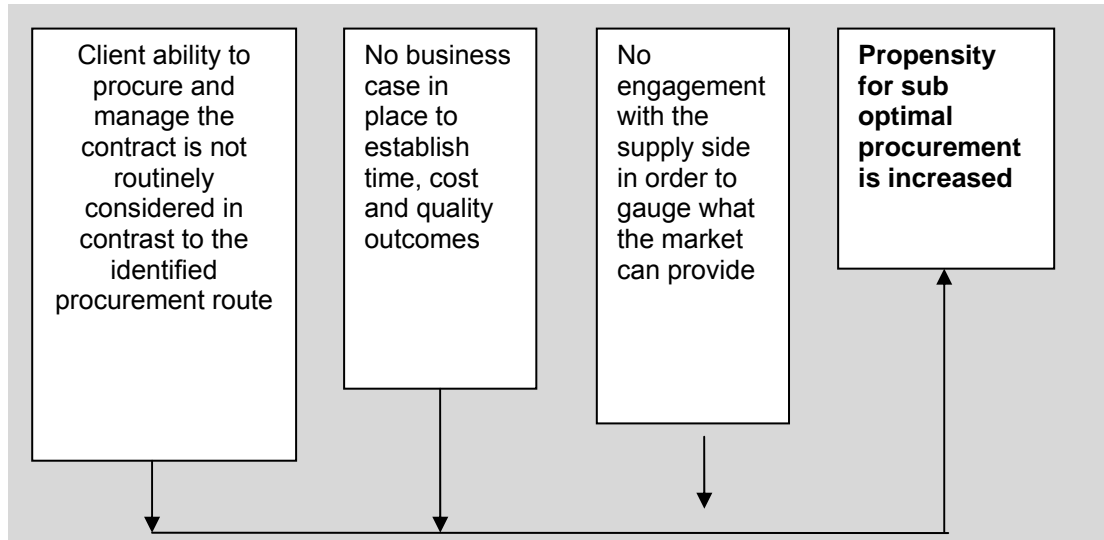


Figure Eight: Suggested amendments

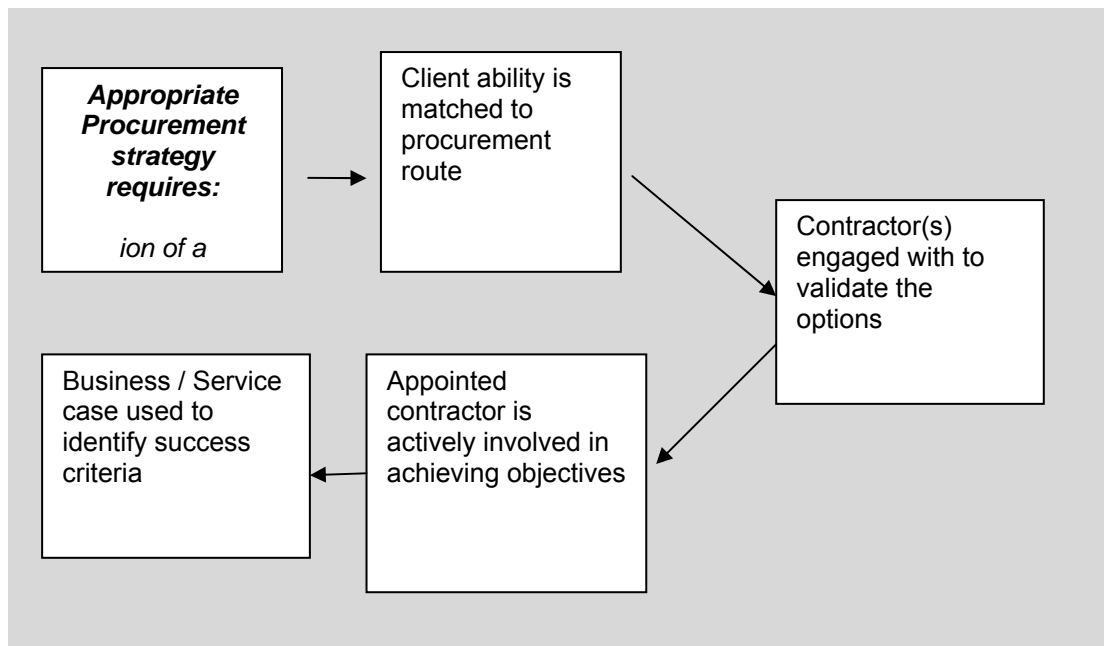


Figure seven models an overview of the key findings of this research project. The fragmentation of the role of the client i.e. the differing stances adopted by

client bodies in applying broadly comparable procurement techniques, was noted. Some organisations adopted a central procurement function, others outsourced the client functions to consultants with the remainder having a combined role of procure and management of contracts. Whilst the co-researchers did not identify an optimal solution to this, the value of having this level of fragmentation was not identified.

Some organisations had a business case. Others had no record of the objectives to be achieved and no measures in place in which to gauge success. Whilst the putting in place of a business case was not always perceived as 'value adding', it did enable key variables to be consistently measured against objectives. Whilst this in itself does not promote client skills, it does provide a measure of effectiveness.

A number of suggested alternatives were offered by contractors. Some of these would require substantial organisational change in contrast to those that could be implemented forthwith with no cost implications. The failure to engage with the supply side of the market results in the client organisation making assumptions on what can be provided, presumably based upon historical knowledge. This was perceived by the co-researchers as a missed opportunity and has the potential to crystallise in lower performance on time, cost and quality measures or abortive procurement events.

Figure eight brings the inferences from this research together into a revised conceptual model. It shows a level of demarcation of the inputs required and critically includes the role of the supplier. The model also invites the potential for client organisations to match client skills and abilities to the procurement route. This suggests that modern procurement approaches should only be pursued if the client has access to the level of skills and experience required to utilise this form of procurement. In this regard, the inference is a key requirement for the relevance of modern procurement approaches is to ensure the client organisation is sufficiently equipped and experienced to implement this, either directly or indirectly.

Generalisability

In relation to generalisability of the findings, there are key challenges facing the sector. As far back as the 1940's⁴⁴, the ability of the client to procure and manage construction contracts effectively have been questioned. This research indicates that even when a defined framework in the form of a toolkit is put in place, this does not necessarily address perceived deficiencies. It is also suggestive that as a sector, effective and timely engagement with the supply side of the market is not routinely considered. Only one of the six organisations represented would have engaged with the market place (i.e. the soft market testing undertaken by organisation one) had it not been for this project. Moreover, contractors participating in this project recorded their anecdotal perceptions that this scenario is by no means unique to the organisations represented. The conclusions of this project in relation to supplier engagement is not calling for 'away days' and the like, that were part of engaging with suppliers for this project, but to have a timely dialogue with suppliers so that a more robust approach to procurement can be developed. This conceivably could take on many forms and will need to be influenced by the 'type' of contract to be procured and ultimately managed (type meaning value, specialities required etc..).

Limitations

The intensive nature of the cooperative inquiry process does tend to lend itself to a small sample. Indeed Reason (1996) did identify a suggested upper limit on the number of co-researchers within a cooperative inquiry process of twelve. This presents issues for the generalisability of findings. Whilst care was taken to include local authorities, ALMOs and housing associations the combination of this resulted ultimately in six organisations being represented out of a sector of over 2000 housing associations, in excess of 85 ALMOs and a not insignificant number⁴⁵ of local authorities. The validity procedures provide some reassurance that the findings are logical and support more anecdotal findings from leading practitioners, but nevertheless generalisability is an accepted limitation of the research.

⁴⁴ See Document Two

⁴⁵ No precise figures are available for retained local authority housing providers

Upon embarking on this phase of the research it was intended to review seven organisations through the cooperative inquiry process and to have four cycles of the inquiry phase. Organisation five was removed from the process during the early stages, for the reasons previously recorded. The proposed last cycle was also thwarted by a further co-researcher being unable to continue in the process. Heron (1996, 80) notes *“three (cycles) would seem to be an absolute minimum for the total number of inquiry cycles”*. Accordingly, the minimum number of cycles would appear to have been satisfied although it is perceived that a further cycle would have further strengthened the findings and may have yielded further future research areas.

The potential problem of utilising a new orthodoxy is considered by Heron (1996). The subjective-objective process of cooperative inquiry prevents a clearly articulated research strategy to be developed at the outset but one of a wider framework in which to explore the action and reflection phases in order to determine the consequential phases. From an academic perspective this project would suggest that cooperative inquiry, as a form of action research, was particularly useful in testing and re-testing the research questions. The iterative nature appears particularly helpful in this. However, the approach in this instance was not without limitations. The need to have a critical mass of both co-researchers and the number of cycles proved demanding.

The role of ‘facilitating researcher’, not actively participating in the action phase of the research, meant the role was one of gaining common agreement from the co-researchers on the intervention strategies and the observations. Heron (1996, 23) notes this as ‘partial form’ cooperative inquiry, due to the fact that not all researchers are actively involved in the action phase. It would neither be practical or possible to participate directly in the action phases as this requires ongoing access to all six organisations simultaneously as well as altering the group dynamics of the client teams that were studied. Relying on the interpretation of others and their observations does carry a risk of introducing differing understandings that may have not been arrived at if the entire process had been undertaken by one individual. As with other issues, an attempt to constrain this is made by the validation process and hence

reinforces the need for such, although it is acknowledged that an element of risk in relation to interpretation will subsist in any cooperative inquiry no matter how robust the validation process.

Ethical issues

The reasons for selecting the co-researchers have been debated in chapter five. An ethical consideration is avoiding the scenario of 'telling the researcher what they wanted to hear'. As the facilitating researcher, there is no way of validating the outcomes observed were those cited, although the validation process to an extent looks for supportive information for the contentions offered. Moreover, all of the co-researchers operate at a senior level within their respective organisations. This raises an ethical issue for senior managers imposing a number of tests through the action phase for which more junior members of staff are expected to observe and implement. This raises the potential for the outcomes achieved to differ for what may occur if a new process had been introduced without any resultant scrutiny on the outputs.

Notwithstanding the above, the apparent failure of the toolkit 'trials' to bring about improvement and the reluctance of some organisations represented to accept the need for these, would tend to indicate that this ethical concern has not been a factor i.e. there does not appear to have been any over-reporting the observations.

Conclusions

The general theme and focus for the entire research project was assessing the relevance of modernised procurement against a body of literature that is suggestive in questioning the effectiveness of the role of the client organisation.

Having developed research questions these provided a framework for the study. The completed inquiry comprised a number of iterations of offering suggested improvements, applying these in practice, recording the outcomes

and contrasting these back to the questions. In summary terms, the inferences reached are:

- Client side capabilities to effectively utilise modern procurement approaches would appear to be limited;
- The role of the Client and commitment to modernised procurement is not always consistent and could be summarised as 'passive' in some organisations;
- The application of a semi-controlled process (i.e. the toolkit) did not yield enhanced outcomes consistently;
- The role of the contractor / service provider does show potential for increasing involvement which may enhance the level of outcomes;
- The use of a process to gauge effectiveness (i.e. a business case) is not always in place;
- Larger national contractors tended to offer suggestions for improvements based on systems (e.g. IT systems) in contrast to smaller local or DLO contractors who tended to offer more operational / practical solutions.

Whilst the usage of a toolkit as a process of control did not yield enhanced outcomes within the context of this project, this should not allow the conclusion to be drawn that these are not suited and will not bring about improvement. The fact that the hybrid toolkit that was utilised in this project failed to promote better outcomes should not prevent the identification of a more appropriate framework from being developed and adopted.

During the concluding review process, consideration to the potential of adding to the body of knowledge was given. A number of 'micro level' issues were raised, in particular the potential role of the contractor, of which there appears very little literature on. At a 'macro level' there was a perception that this project joins the small but expanding literature base that fundamentally questions the relevance of modern procurement approaches. Justification for this was obtained through the action phases in so far as the inquiry could not identify a process that could adequately guide the client organisation through

the procurement and management of repairs and maintenance contracts to more readily achieve the required time, cost and quality outcomes. It was felt that this at least generates an inference that modern procurement approaches have questionable relevance. If the client cannot apply the requisite techniques, this should 'cast a shadow of doubt' on the procurement route and its relevance. This is in contrast to the stated benefits, particularly of the earlier literature, of enhances time, cost and quality outcomes, these were not identified within this project.

Having sought peer review on the robustness of the conclusions reached, the following was noted:

"The phrase of the 'passive client' is not new to me and a phrase that is not 'lost on me' from my experience of working in the social housing sector for over 30 years. It is not all the contractors fault. Client-side competence needs to greatly improve. No matter how you try to adapt systems to support the role of the client, the willingness and enthusiasm remains the same – virtually none existent. The pressure placed on housing organisations to adopt modern procurement has resulted in the wrong procurement decisions being taken at the wrong time and by the wrong organisations"

Simpson, K (2009) (Transcript of a conversation).

Future suggested research areas

This research project did not set out to consider culture. It was however a recurring theme and topic within the consideration of findings phase. In particular terminology became an important issue as did the apparent reluctance to change. A reluctance to accept the need for a framework to operate within was noted directly from one organisation and more tacitly from others. All of the above issues would appear to have implications relating to the organisational and professional culture and potentially worthy of further investigation by others.

The 'type' of contractor utilised irrespective of the procurement route would appear hitherto to have received little attention. The findings of this Document, i.e. the added value tended to be more longer term and harder to implement,

further research should be conducted on identification of optimal client and contractor relations.

Contrasting a traditional procurement route to that of a modern approach has a number of issues and obstacles in arriving at an equitable comparison. There are so many variables that could influence this and potentially distort the outcomes, it is hard to identify a clear research strategy that could address this. However, the body of literature that questions modern procurement approaches is now developing. Whilst this is not conclusive on the matter, it does start to raise the need to fundamentally question if modern procurement does have more to offer in contrast to traditional procurement routes.

As noted above, the toolkit utilised in this project did not lead to enhanced outcomes. However, this does not mean that any toolkit will fail to drive improvements. Accordingly, a potentially rewarding area of further investigation would be to identify a toolkit(s) that would promote enhanced outcomes more readily.

The findings and timing of the research by the Audit Commission 'Better Buys' (2008), as detailed in chapter two are worthy of noting. The conclusions reached by the Commission suggest that smaller organisations tend not to be able to apply modern procurement approaches to the same level of 'success' as larger organisations. This was in part attributed to the lack of time and resources that smaller organisations can commit to the process of procurement and management of the resultant contract.

The availability of time was not an issue or an outcome noted in this research project. However, some support for the contention offered of smaller organisations not attaining the same levels of outcomes could be seen. Potentially of further interest was that Organisations one, two and six were either local authorities or ALMOs (the latter of which are wholly owned by the relevant local authority). During the action phase, these organisations tended to apply the procurement process with greater ease in contrast to

Organisations three, four and seven, all of which are housing associations. Whilst the sample size would prohibit any meaningful conclusions been drawn from this aspect, it raises a hypothesis of local authority client organisations having a propensity for a higher level of relevance for modern procurement approaches in contrast to housing associations. This hypothesis was not tested as part of this research and is suggested as a potential further research area.

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Document Six

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1 INTRODUCTION

The former documents comprising this research project endeavour to show and plot a number of research approaches aiming to explore the relevance of modern procurement within the social housing sector. This document does not seek to build upon the former documents in so far as undertaking further research methods, but records reflections and experiences gained in completing a process taking nearly four years from commencement to completion.

Throughout the research project a diary of events, critical incidents and observations were kept. This is nothing more than a collection of thoughts on what the issue was (or at least appeared to be) at that particular point in time, a number of 'blockages', moments of apparent inspiration on what methodology to adopt including who to undertake parts of the research with. It records some frustrations which, with the benefit of hindsight, some of which the researcher would like to see now as key turning points in both professional and personal development.

The focus of the study was in part influenced by access to data, material and practitioners as well as a long standing interest in the topic. To an extent, the interest was fuelled by a predominant and potentially influential body of knowledge offering a view that modern procurement approaches are suited to social housing repairs and yet anecdotal experience of a number of practitioners telling them something quite different. By reference to the overall findings, these are not surprising. However the number of emergent concepts are of interest. The importance of these cannot be understated as these significantly influenced how later stages of the research were undertaken.

2. THE LEARNING PROCESS

Assessing the relevance of modern procurement approaches in the social housing sector has led to an investigation utilising both qualitative and quantitative research techniques. In order to provide as fuller answer as possible, this document records the use of action research in the form of 'cooperative inquiry', which utilises an iterative approach.

A variety of definitions for action research exist. From a personal experience, the researcher had found the following to be particularly helpful in framing the concept:

“Action research is a form of collective self-reflective enquiry undertaken by participants in social situations in order to improve the rationality and justice of their own educational or social practices, as well as their understanding of these practices and the situations in which these practices are carried out” Kemmis and McTaggart, (1988, 5)

“.....action research.....involves the researcher working with members of an organisation over a matter which is of genuine concern to them and in which there is an intent by the organisation members to take action based on the intervention” Eden and Huxham, (1996, 1)

Stewart (2006) notes the evolving nature of action research and that a common feature of recent and current action research projects is a focus on professional practice and such projects are good examples of where the distinction between 'researcher' and 'research subject(s)' becomes difficult to sustain since the action researcher in these cases is often researching their own practice.

McNiff and Whitehead (2002) note that although there is some debate about the origins of action research, it is widely accepted that the approach was developed in the USA in the 1940s and is primarily associated with the work

of Kurt Lewin. Lewin was focused not just on understanding the causes and origins of behaviour but also on bringing about change in practices. Lewin promoted research by collaborating with his 'research subjects' and involving them in the definition of the 'problem' and selection of 'solutions'. Stewart (2006) noted that these processes of involvement were also the means and methods of generating evidence which was shared, analysed and interpreted in a collective and participatory manner. Thus, the collaborative and participatory design feature of action research was established. The approach was iterative and his projects went through a number of stages. This is also now an established design feature of action research.

The 'experiential learning' process associated with action research (Kolb, 1984; Revans, 1982) is not without its critics. In particular, a number of sources make reference to the ability to generalise from the findings of action research due to the greater propensity to have smaller research samples due to the logistics of working collaboratively with co-researchers. Moreover, from a theoretical 'learning' style, it does not appear to have such a clearly articulated research methodology as can be seen in, for example, case based approaches. Notwithstanding this, the experiential learning cycle offered by Kolb (1984) does closely match the phases of an inquiry. The four stages of experiential learning which follow from each other: Concrete Experience is followed by Reflection on that experience on a personal basis. This may then be followed by the derivation of 'general rules' describing the experience, or the application of known theories to it (Abstract Conceptualisation), and hence to the construction of ways of modifying the next occurrence of the experience (Active Experimentation), leading in turn to the next Concrete Experience.

Honey and Mumford (1986) have built a 'typology of Learning Styles' around this sequence, identifying individual preferences for each stage (Activist, Reflector, Theorist, Pragmatist respectively). Having undertaken a self assessment sometime ago, the researcher's natural propensity of a learning style was that of 'pragmatist', (people who are keen to apply new ideas and are keen to see how things work in practice). Having completed the DBA, one would anticipate that the learning style is more evenly balanced, in particular

regard to that of the 'Theorist' (people who can interpret their observations into their own cognitive models) and the 'Reflectors' (people who are cautious and thoughtful, preferring to consider decisions).

The participatory style in search of practical solutions led to the choice of the methodology adopted. Whilst under the 'broad heading' of action research, the 'actual' method utilised was cooperative inquiry. The methodology has been described as:

"...a participatory, democratic process concerned with developing practical knowledge in the pursuit of worthwhile human purposes, grounded in a participatory worldview which we believe is emerging at this historical moment. It seeks to bring together action and reflection, theory and practice, in participation with others, in pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities". Reason and Bradbury (2001,1).

The casting and recasting of emergent concepts was managed through a process of phases and cycles. In contrast to many other methodologies, the ability to define a concept and then apply this to a practical situation for a period of time before considering its effectiveness, was central to the process as the 'facilitating researcher'. Moreover, the ability to gain access to a number (albeit small) of organisations that are classified as social landlords to conduct concurrent action phases did reveal emergent concepts for the suggested intervention strategies.

The need to conduct an investigation on a sophisticated professional area of practice such as the relevance of a procurement route requires a methodology that will be able to reflect that complexity. The process of making sense of relationships, in a business context, also tends to lend itself to the research approach adopted due to the action and reflection phases (Schön 1984; Gould and Taylor 1996; Baldwin 2002).

The difference of cooperative inquiry in contrast to what has been described as 'traditional qualitative methods' was noted by Heron 1996 and summarised by Baldwin (2002, 1) as being useful because *"it locates the meaning of*

experience with those involved rather than with the researcher". This theoretical perspective of the application of cooperative inquiry usefully defines for the researcher the outcomes of the process. It is this search for the 'meaning of experience' and the collective ownership of learning from the inquiry process that *prima facie* offered great potential to explore the subject matter and to gain an insight into the research area. The role of the facilitating researcher in the learning process appeared to be enabling the co-researchers to critically analyse how they conceptualised the tacit knowledge acquired so that the process becomes 'transformative' in contrast to merely 'informative' (Heron 1996). Moreover, McNiff (2002, 8) helpfully summarises in relation to 'living forms of theory' that "*a tension exists between those who produce abstract theories about practice and those who produce personal theories from practice*".

The 'culture' of the learning process was described and defined in Document five as being 'Apollonian' in contrast to that of 'Dionysian'. The former of which has been described as 'planned, ordered and rational' (Reason 2000). This style or culture of learning felt appropriate in that it offered a firmer structure to operate within in contrast to the latter offering less defined boundaries. Whilst this has the potential to restrict the outcomes as well as to control, it is a limitation that did not appear to mar the approach or the creativity of the reflection and planning phase for the next action phase.

A theoretical framework of action research learning is offered by McNiff, Lomax and Whitehead (1996, 71). "*we review our current practice, identify an aspect that we want to improve, imagine a way forward, try it out, take stock of what happened, modify in the light of what we have found, continue with the action, evaluate and so on*". This summarises precisely the theoretical 'underpinnings' of Document five and the associated 'cycles' of learning development that transpired.

By reference to Document five, this has relied significantly on the theoretical concepts offered in a number of publications by McNiff and separately by Reason. In making sense of the concepts and attributes of both action

research and in particular of cooperative inquiry, personal development was achieved by the action and reflection phases. The ability to assess knowledge outcomes under the four headings of 'experiential, presentational, propositional and practical' (Oates 2003) enables consideration by reflection on learning of both the subject matter and the process of learning.

3. PERSONAL DEVELOPMENT

The researcher's hitherto academic and professional background under the broad heading of the sciences leads to an association more naturally into the term now recognised as 'critical realist'. Having a natural inclination to seek to quantify concepts in order to gauge differentials, success and the like. The key turning point for this occurred during Document three. This was an interpretivist / ethnographic based piece of research, for which grounded theory was utilised. Having initially embarked upon Document three with a certain amount of scepticism as to what the outcome could be due to pre-conceptions as to the apparent limitations, which were found to be incorrect. Of some surprise the approach uncovered a number of emergent concepts, none of which were particularly significant in terms of the overall findings but were significant in so far as demonstrating the value of understanding how people make sense of relevant issues. Moreover, it was this phase of the research that led to the conceptual framework that was developed in Document two being completely rewritten, which remained virtually un-amended thereafter.

The interpretivist style of Document three facilitated what was described at the time as a 'filtration process' enabling the researcher to return to key concepts from a differing perspective and ultimately crystallising the outcome based on generating the theory directly from the 'field' as opposed to a pre-determined hypothesis testing style. This felt unstructured and somewhat unprepared. In practice what it required was the suspension of preconceptions. Mays and Pope (2000) make the point that no research is completely objective and reflexivity cannot to some extent be avoided. This was reinforced by Bulmer (1979, 652) stating "*business researchers are typically sensitive to the conceptual armoury of their disciplines and it seems unlikely that this awareness can be set aside*".

Notwithstanding these potential limitations, in regard to personal development, this phase of the research also yielded the potential of a 'control variable' that had previously not been considered. This was the potential for the 'type' of contractor to influence the outcomes as opposed to purely focusing upon the role of the client. In particular this related to the in-house contractor, a direct labour organisation (DLO). Whilst this particular line of enquiry was not pursued in Document five, due to the availability of the co-researchers and the fact that not all of them had access to organisations that have a DLO, the potential influence of this factor remains a key area recommended for future research.

Heron debates the distinction of the learning achieved through a cooperative inquiry process. This is noted as "*to regenerate a culture of competence by **altering** skills or alternatively to **import** skills*" [emphasis added] (1996, 113). The learning process of this inquiry did not seek to differentiate learning styles. By reflection attempts at both altering skills and importing skills can be seen. The former by endeavouring to get contractors to amend their inputs and the latter by utilising an amalgamated best practice toolkit. In terms of personal development, greater attention and recognition to the 'types of learning' and how this can be enabled are now made. Previous studies undertaken by the researcher have not led to the consideration of this and yet it would appear to be of significant importance in reflecting on management practice.

4. PROFESSIONAL DEVELOPMENT

The DBA programme exposes the student to a number of ontological and epistemological perspectives. These are not constrained to 'positivist versus interpretivist' approaches but a more fundamental and over-arching encouragement to be challenging on assumptions and critical awareness. It is perhaps this concept in terms of professional development, that is taken from the programme the most. The fundamental challenges that this has presented in terms of values, understandings, habits and practices are far reaching.

The level of critical subjectivity required has implications for professional practice. As a Management Consultant operating at a 'strategic level' any subsequent involvement in specific pieces of research has been developed by the exposure to an array of research strategies and yet it is the intense critical subjectivity and challenging the assumptions that has fundamentally altered how issues are perceived. This is not restricted to particular pieces of research but to any data or information collected for analysis. A very simplistic but hopefully useful representation of this is that one data set that was presented contained information recording a period of time taken in relation to construction. Upon closer examination, it became apparent that the data had been potentially distorted by some entrants being made in calendar days with others in working days (i.e. six working days or six calendar days are not the same period of time).

Developing as a professional researcher over the four year period, has enabled the researcher to adopt a more open-minded approach on the research strategy. Historically, some form of quantitative methodology would have been used irrespective as to the 'natural fit' or otherwise that this has to the proposed research. The DBA has fundamentally altered this due to the

ability to recognise qualitative methods and to appreciate the potential values that these may have.

Reason (1988, 58) debates the need for a 'central skill' in a cooperative inquiry *"to sustain and interweave such a range of sophisticated procedures throughout an inquiry clearly requires wide-ranging skills, which are all, I believe, different aspects of developing a high-quality awareness"*. Reason goes on to note that subordinate to the high-quality awareness is the concept of 'bracketing'.

Having concluded a cooperative inquiry, developing the skill to bracket-off concepts, does appear to be a key learning point for professional development. Document five required a number of concepts and emergent findings to be bracketed in order that effectiveness could be measured. An example of this was both the connection and disconnection of the toolkit to participating organisations quality assurance regimes. This enabled inferences from any consequential association to be considered.

5. THE END OF A JOURNEY

In specific relation to Document five, the researcher was in search of a methodology that would provide an insight into problem resolution and to enable a number of attempts to generate potential solutions. Accordingly, cooperative inquiry appeared to match this need well. What the researcher was totally unprepared for was the amount of effort and energy that this would necessitate. Effectively managing seven, ultimately six, co-researchers over a period of just over a year was underestimated considerably and as such shows a further personal development area. Some comfort was obtained on the conclusions of Mead (2001, 199) when recording his cooperative inquiry experience:

“I found that it took a considerable amount of energy and attention to hold the whole process together. Although we shared the tasks of arranging venues and of ‘rounding people up’ for meetings and keeping those informed who, for whatever reason couldn’t attend, the cooperative inquiry can at times seem anything but cooperative”.

Considering that Mead was / is a senior Police Officer, who was undertaking a cooperative inquiry within his Force and presumably has a certain amount of influence to exercise over others, the ability for the facilitating researcher to keep six other individuals focused, reporting regularly back and planning for the next phase, when there is no such ability to exercise control, was underestimated. The other primary risk was that of further ‘drop out’. The project lost co-researcher (organisation five) during the first cycle. The project was at further risk of losing another co-researcher towards the end, which did preclude the ability to enter into a fourth cycle. The risks of using cooperative inquiry need to be acknowledged, as hopefully do the rewards. Reason (1988, 19) helpfully summarises the challenges as *“the design for cooperative inquiry is a simple concept, yet it is a formidable challenge in practice”*.

The conclusion of the entire project does not claim to have identified the universal panacea that will 'cure' the perceived inadequacies of the modern procurement approaches in the social housing sector. The findings and outcomes of the five former Documents, in particular Documents three to five (inclusive) would appear to at least raise the spectre that one cannot uniformly assume that a particular approach to procurement will meet the needs of construction clients that all emanate from the same sector. This is precisely what a number of government sponsored reports appear to do. The gross generalisation fails to pay any credence to the uniqueness of social landlords, their circumstance and the skills and abilities that they have at their disposal.

Returning to the objectives established at the beginning of this 'research journey':

"On a personal level, having been employed in the construction industry for some twenty years and being a management consultant for procurement activity within the social housing sector, I am interested in the topic and proof or not of the hypothesis is of importance and value."
Coupar, G. (2005, 28)

The key question to pose at this juncture would appear to be if this criterion has been satisfied? It has not been satisfied in one regard as the formative hypothesis has mutated as the research project has developed, as did the associated research questions and conceptual framework. This was due to emergent concepts of later stages changing the focus as well as adopting research questions that were suitable to use within a cooperative inquiry method. Potentially not a clear 'yes or no' answer as one may like but a strong inference that there are a number of tensions as well as raising the potential for further associated research areas.

The journey of the Doctorate was both richly rewarding and incredibly frustrating in equal measures. The potential to uncover something new, no matter how (in)significant provides the necessary motivation. The staged approach of the course, allowing an 'apprenticeship' in qualitative and quantitative methods afforded the opportunity to try out a method that potentially would not have been utilised due to preconceptions. This can be

clearly seen by reference to Document one and the intentions at that juncture to undertake a quantitative questionnaire based research strategy in Document five. The researcher would not have envisaged utilising an action research based approach at the outset nor to have found Document three so rewarding. The pivotal point in the change of approach occurred at the end of Document four, at an action learning set meeting. Debate was had on what the intentions were for Document five, which at that time had developed into a combination of focus groups and questionnaires. The contribution and value of these in specific relation to my research was by no means discredited. However, in assessing the potential 'added value' to take a perceived problem and solution into the 'research field' and through a number of iterations to explore this and reflect upon this, cooperative inquiry appeared to be well suited.

Turning to the frustration, the apparent sheer inability of the co-researchers to identify a 'toolkit' that would ensure consistency and 'effective' procurement (howsoever defined) was somewhat disappointing. As a group of collective researchers, an identification of one concept would have been encouraging and yet this managed to elude the group despite developing a number of best practice toolkits and hybrids thereof. Looking on the positive side, the outcome at least enables future research to consider this and adopt differing strategies with potentially greater success. Some reassurance is found in McNiff (2002, 98) when debating the merits and tensions of action research, *"..proof seldom appears; we can hope only to provide evidence to support a reasonable claim that something is effective"*.

A key question would appear to be, if a different strategy was adopted, would there have been a different outcome? Whilst this is impossible to answer it would be hard to identify how the original research strategy for Document five, i.e. focus groups and questionnaires, would have yielded enhanced outcomes. However, the researcher remains open to the potential and in considering what would be done differently with the benefit of hindsight, undertaking a concurrent process, possibly relating to Delphi technique would appear to have value.

Having spent some fifteen continuous years at a number of universities reading a wide range of subjects, the key differential of the DBA would appear to be that it does not seek to teach the student in what would be considered a more traditional format. Instead it enables the development of a professional researcher by exposing the student to a range of methodologies. This requires a completely different learning style.

Having completed the programme it feels appropriate to reflect briefly on the emotions and tensions created by the course. One of the key features of studying at this level would appear to be that of resilience. All of the courses referred to above, every exam and assignment was passed, usually by some margin. Accordingly, the result in the need to amend Document one was something of a surprise. Even more so as this was the first assessment on this course. Upon reflection, this was not just important – it was essential. By this reference is made to the need to respond to a potentially negative situation and to go on to achieve the requisite standard and to use the experience on subsequent assessments.

Managing the demands of the course along with managing a consultancy business and family life required a delicate (sometimes very delicate) balance to be struck. The many hours a week spent travelling does not always lend itself to quality study time. So managing these competing demands was by no means easy. Some perverse satisfaction was achieved by speaking reasonably frequently to other DBA students, who were all going through equal tensions.

The research 'journey' has been rewarding, stimulating and challenging. There have been a number of false starts and wrong turnings along the way. At the completion of this and looking back over the process, the ability to use and apply a number of research strategies and techniques, with the critical awareness to examine issues in much greater depth and clarity will hopefully be a skill that can be applied for many years to come.

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