

## Poplar HARCA: Community-focused procurement partnerships

This case study has been produced by the [Buying Social Justice](#) research project as part of its exploration of how public procurement is being adopted by public sector organisations to advance equality in employment. It is one of a series of case studies that feature good practice in the use of public procurement by infrastructure and transport bodies, local authorities, housing associations and universities in England, Scotland and Wales. The purpose is to present examples of good practice in how public procurement can incorporate objectives to promote equality, diversity and inclusion in the workforce. By presenting a selection of examples from public bodies of different sizes and sectors, it is intended that other organisations may consider adopting similar measures in their procurement practices.

All the case studies, together with other publications and outputs from the project, are available on the [Buying Social Justice](#) website.

### Background to the organisation

Poplar HARCA (Housing and Regeneration Community Association) owns and manages over 10,000 homes within the London Borough of Tower Hamlets. The housing association was created in 1988 as part of a large-scale stock transfer of 2,100 properties from the London Borough of Tower Hamlets. It was one of the earliest of the so-called ‘transfer housing associations’ created to enable private finance to be accessed to fund social housing regeneration. Such regeneration was and is much needed in the area in which Poplar HARCA operates. The ward of Poplar, where most of its properties are located, is the 40<sup>th</sup> most deprived out of the 633 London wards.

The origins of Poplar HARCA are of relevance to its good practice public procurement activities today. The relatively new transfer housing associations differ in a number of ways from older, more traditional housing associations, some of whose origins can be traced back to the 19<sup>th</sup> Century. The transfer housing associations tend to have a more distinctly local focus, strong commitment to tenant participation in their governance and are more likely to engage in ‘functional diversification’ into community facilities in addition to their direct housing provision.<sup>i</sup> Examples of all these features can be found in the way that Poplar HARCA works in partnership with the construction sector to deliver improvements to the local area for the people who live in it.

Poplar HARCA has a broad definition of its organisational purpose, encompassing the development of homes and places within its local community, but also committing to do this “with social justice at our core.”<sup>ii</sup> In support of this, the association invests around £4 million a year in community initiatives which are partly funded through the social value elements of its development-related procurements and delivered through its Communities and Neighbourhoods Directorate (CaN). The services offered by CaN help local people to access work and training, support initiatives to promote health and wellbeing and provide opportunities for young people to develop their creative skills. Its community initiatives are also open to residents of adjacent boroughs such as Hackney and Newham.

Poplar HARCA’s Director of Communities and Neighbourhoods explained how the involvement of tenants and residents is a core principle upon which the housing association was founded and continues to operate, right up to Board level.

“Our early board structure was one third residents, one third local authority and one third independents, and that has developed over the years to a resident majority board and then a community majority board where, in essence, for every position on the board [...] we look for our own residents first. If we can't fill those positions, we can't fill that area of expertise, we then look more widely within Tower Hamlets and then, if that wasn't available within Tower Hamlets, we would look more widely round London or nationally to find those individuals. So, there's a really strong residents' heart to the organisation and governance. Also, the involvement of residents in the plans around what we're going to do for their homes and their estates meant that there were really closely involved at estate level as well.”

#### Equality, Diversity and Inclusion (EDI) policy

Poplar HARCA also seeks to represent the local community amongst its own employees as the main focus of its EDI policy. Tower Hamlets, as well as being a relatively economically deprived borough is also one of the most ethnically diverse in London. Forty-four per cent of its population identify with an Asian heritage, and just over a third of the population (35%) identify as being of Bangladeshi heritage.<sup>iii</sup> However, Poplar HARCA's EDI objectives<sup>iv</sup> have a broader focus than ethnicity, also covering what it terms 'multi-variate' diversity which includes considerations of age, faith and belief, sexual orientation, gender identity, parental and caring responsibilities and disadvantages related to socio-economic and educational background.

Key EDI objectives for the organisation include making recruitment as open as possible to encourage applicant diversity, ensuring existing staff have opportunities for training and development, and internal succession planning that aims to 'mitigate access barriers' for under-represented groups within the senior levels of the organisation. There is evidence that these objectives are bearing fruit - a quarter of Poplar HARCA's senior management and five of its 12 Board members are women. A quarter of its senior staff are from an ethnic minority, although that is not representative of the highly diverse local community. Poplar HARCA is seeking to address this, and one of the actions that the organisation committed to in 2021 as part of its EDI 'Roadmap'<sup>v</sup> is to 'identify succession pathways across the business and mitigate access barriers' to enable more internal career progression.

Poplar HARCA's EDI Roadmap also includes commitments to encouraging greater diversity within their supply chains. These supplier-oriented EDI activities include seeking to engage with local SME traders and contractors and aiming to use local community organisations to deliver some of the interventions that the social value elements of their tendering requirements help to fund.

The organisation does not have a dedicated EDI team, but considerations of under-representation of, and opportunities for, disadvantaged and marginalised groups are embedded throughout its activities. Poplar HARCA includes EDI targets in its bids for funding which are subsequently reflected in key performance indicators for a variety of teams within the organisation when those bids are successful. Those teams include the Development team, who lead on procurement activities and the Employment and Training team, who sit within the CaN Directorate and whose role is to deliver initiatives aimed at improving the employability of local residents.

#### Procurement policy

Poplar HARCA has secured funding for a £2.5 billion programme of regeneration to develop new education, health, faith and community spaces, as well as much needed affordable housing for local people, and requires a considerable procurement programme to enable its delivery.

Poplar HARCA's procurement policies cannot be easily linked back to a single policy, as it has been mainly through the development of collaborative relationships rather than written guidance that they have sought to bring a community focus to their procurement activities. Many people who

work for Poplar HARCA share a deep commitment to the local community, often with a previous history of either local authority, youth or community work. Efforts have been made to encourage a similar commitment amongst the procurement specialists, whether internal or external, on projects ranging from small contracts for repairs through medium-sized construction projects, such as the building of a youth centre, to large-scale regeneration projects such as the Teviot estate.

The CaN director spoke of how Poplar HARCA's internal procurement specialists were persuaded, in part, to begin to include social value considerations in their work by a growing awareness of such issues amongst potential suppliers. He explained:

“So as an example, we're procuring a service and that might be for a repair service, it might be gas servicing or something like that. We would be looking for additional benefit that we could get from that contractor, whether it's apprenticeships or other opportunities or whether it's funding towards our activities that happen in the area. Often the difficulty is that the person who's procuring that service, just sort of thinks, well, all they're going to do is they're just going to add more money onto the contract value and they're not going to be very good at doing it because it's not their area of interest. So I'm reluctant to go down that path because it's adding to my time. It's asking them to do something they're not confident in [...] I think what's been really helpful is that the firms themselves have become more and more interested in highlighting their work and linking it much more to their core offer. So I think that in a way, our [procurement] staff have been the hardest to convince because they're the ones who are thinking, you know, I'm the custodian of doing this good service. And so I don't want to distract my contractors. Actually, the contractors are going, we can do a better service and give you a lot more of this. And we're interested in it, and we've got some great examples of things we can do.”

External procurement specialists work with Poplar HARCA on a consultancy basis on larger-scale regeneration projects and are brought in from both the private, built environment sector and the not-for-profit social housing sector. In both cases they have brought specific expertise that has helped Poplar HARCA reflect its social justice ethos at each stage of the procurement process.

## **Procurement stages**

### Specifying requirements and pre-tendering

Poplar HARCA's innovative approach to procurement, particularly for its large-scale projects, is evident from the specification phase. Within the CaN Directorate, the Resident Engagement Support Team (REST) play a crucial role in ensuring that residents are involved at the early stages of drawing up a plan for a redevelopment. The detail of this stakeholder involvement is determined by relevance to the project being planned. For example, when designing the specifications for the Spotlight Youth Centre, a group of young people, representing those who would later use that centre, were involved. For the regeneration of the Teviot Estate, the Poplar HARCA Youth Empowerment Board also contributed, via a co-design workshop, but so did all the residents of the existing estate who would be affected by the redevelopment. Local residents were invited to visit other large-scale regeneration schemes to help inform potential design ideas for the new estate and were asked to contribute to setting the priorities for the project's social value aspects. There was also a grassroots exercise which involved CaN staff engaging in 'unstructured conversations' with over 300 residents in the locality and asking for their views on the proposed development and the priorities they had for improvements to the area. Approximately 200 suggestions were gathered, themed into four broad areas; community, home, streets and parks, and prioritised by creating a value tree<sup>v</sup>.

The Housing Association Charitable Trust (HACT) assisted Poplar HARCA with this process, on a consultancy basis, helping to gather and analyse stakeholder views to produce a list of themes. The HACT consultant mapped the themes onto 12 of the 88 possible social value outcomes set out in HACT's UK Social Value Bank.

The 12 outcomes identified as relevant for the Teviot project included full-time employment; apprenticeships and general training, as well as access to the internet and good overall health. Interestingly, the employment, apprenticeships and training aspirations of residents were for a broad range of opportunities, broader than just traditional manual labour construction jobs. This reflected the more general negative perception of site-based roles in construction in the local community. The Assistant Director, Employment and Training explained:

“We generally don't have a huge number of people coming through our door saying we want to work in the construction industry [...] The profile of people we work with here is mainly Bangladeshi women [...] they're more likely to want to go into care or health or education as they usually have caring responsibilities, childcare, multiple children needing to be dropped off to school, picked up. So the timings of the [construction] sector, the kind of culture of the sector, isn't really somewhere they would want to be.”

Local residents who were interested in employment in the construction sector tended to be more interested in administrative roles, or roles in architectural design and planning that would be supporting the redevelopment of their area. This interest in professional roles associated with regeneration and development projects echoed the preferences expressed by young people consulted over the development of Poplar HARCA's Spotlight Youth Centre some years before. As the Assistant Director for Employment and Training recalled:

“When we were building our Youth Centre [...] we actually made it a requirement from the construction company that they would take two management trainees from us, and we would recruit the people ourselves [...] We managed to get two people from the local community. One was female, one was male, and the female was from the Bangladeshi community, and it was quite interesting because at that time there weren't many Bangladeshi young females coming forward to work in construction and wanting to have a career in construction and do a management traineeship.”

For the much larger Teviot Regeneration project, however, the desired employment and community outcomes were more complex and were summarised on a spreadsheet that formed the basis upon which the social value element of the tender documents were presented to prospective bidders.

Tendering, evaluation and contract award

The commitment that Poplar HARCA has towards generating social value for the communities they serve and a desire to work in partnership to deliver their regeneration projects sends a powerful message to prospective bidders about the factors that will be important for winning the work they are tendering for. The Teviot project's Invitation to Tender (ITT) emphasised the importance of the 'close and strong community spirit' that already existed on the Teviot estate, as well as the priority that was given to elements other than just cost (with the evaluation clearly weighted 75% in favour of quality and just 25% in relation to cost). The messaging to prospective bidders was even more emphatic in its prioritisation of the social value elements of the tender requirements, including a statement from Poplar HARCA on its commitment to “generating social value for the Teviot Estate and its residents”.

The tender documents also made clear to bidders that they would be expected to deliver, not just promise to deliver, the social value elements of their bid just as much as other aspects of the requirements, and that financial penalties would be applied if their social value commitments were not delivered. The specialist private sector consultant who also worked with Poplar HARCA on the procurement stages of the project noted that this helped identify bidders who were serious about social value and those who were not:

“That was the bit that the first stage of the tender process, lots of the contractors went oh, we don't really like that. And we turned around and went well, that's not negotiable. Poplar HARCA want this and either offer us some social value that you're actually going to deliver, and you're prepared to sign up to the penalty if you don't do it, or you know you're not really welcome to be a partner. So that was the bit that was really, really key and quite unique.”

For prospective bidders who were serious about delivering social value, they were asked to detail the 'added value' that they would bring if they were to be successful in their bids. The successful bidder not only proposed a considerable social value element in their bid, but also offered to bring an element of profit sharing to the joint venture partnership being offered by Poplar HARCA. The Teviot Project Director explained that “if the LLP [Limited Liability Partnership] does very, very well and delivers a profit over the margin agreed, then there's what's called a super profit clause, which actually means eight percent of the super profit then has to go back into the social value pot or comes back to Poplar HARCA to invest further in social value in the community.”

The procurement consultant on the Teviot project said, of the winning bid:

“It was an inspired offer [...] on top of their social value offer within their financial model that they submitted to us, they set what their profit level is for becoming your joint venture partner [...] If they made more profit, they were then going to give a percentage of that back, which was quite fantastic really because it incentivises everybody within the organisation or within the regeneration to want to make a profit to therefore be able to give more back to the social value.”

The Teviot LLP has created a 'Community Chest' fund through which the social value fund promised as part of the winning bid is distributed to local community projects who contribute to local economic development, including but not exclusively through employment and training opportunities and support for local supply chains.

#### Contract management and monitoring

The partnership approach and stakeholder involvement that characterises the early stages of procurement within Poplar HARCA continues into contract management and monitoring of the joint venture's social value objectives. A social value board is a key element of the partnership company's governance structure, and it brings together resident representatives with representation from the Poplar HARCA CaN Directorate and the Social Value manager from the chosen contractor. HACT also provides an assurance function, overseeing the delivery and measurement of the project's social value strategy and plan. Should any shortfall in the delivery be identified by HACT, the contractor's Social Value Manager would be required to prepare and present an action plan to Poplar HARCA and HACT within 20 working days or face financial penalties. Alongside the social value board is a social value resident steering group, which aims to ensure that residents have an input to the community-oriented elements of delivery throughout the 15-year period of the project.

## Good practice highlights

The Poplar HARCA Employment and Training team play a noteworthy role in helping to develop local residents' skills and aspirations and linking them to available job opportunities, including those created through Poplar HARCA's ambitious regeneration programme. The team offers one-to-one support to residents from employment coaches who work with individuals to put together an agreed action plan for their training and development. That plan might include training courses, help with CV writing, job application forms or interview preparations. For some the help might be in the form of volunteering to help build confidence and general work skills. Sometimes they provide signposting to initiatives being run by other voluntary sector organisations, such as Women into Construction.

As a result of these activities, in 2022-2023 Poplar HARCA helped place 290 local people into jobs, enabled 1,215 to achieve at least one qualification and gifted 145 laptops with data to eligible trainees and jobseekers, 100 of whom are over 50's<sup>vi</sup>. It has also delivered a programme of community initiatives which, during 2022- 2023, included provision for:

- 2 community cafes serving low-cost nutritious meals, five days a week to local residents
- 7,134 people attending in-person health & well-being sessions at Poplar HARCA Community Centres
- setting up the Poplar Boat Club and enabling 18 women, the majority of whom are from an ethnic minority background, to take up paddle sport for the first time
- enabling weekly sessions for 20 Asian women, playing in two football teams.

For Poplar HARCA, its EDI objectives, focused on enhancing opportunities for the ethnically diverse community it serves, sit at the heart of all it does, including its procurement activities. Where it seeks to enhance employability, this is done with individual needs, aspirations and preferences in mind, rather than being solely centred on the labour requirements of contractors.

Another important feature of this case study is that it provides an example of what a relatively small organisation like Poplar HARCA can achieve through seeking partnerships with other organisations that align to its values, with each organisation contributing to the area of the procurement process where it has particular expertise.

Other notable features include:

- The maintenance of a 'golden thread' of social justice objectives from the initial procurement requirements through to the monitoring of outcomes.
- The involvement of stakeholders as a second 'golden thread running through their regeneration projects, starting with decisions to go ahead with the redevelopment through design phases, and also incorporating sustainability features.
- The contribution made by Poplar HARCA through its delivery of individual employability and general life skills interventions aimed at the employment preferences of the ethnically diverse community it serves.
- The clear message to potential bidders that their social value commitments have to be genuine and deliverable within the timescale. Bidders are also encouraged to make innovative offers that would enhance social value outcomes for local residents.
- A conceptualisation of social value that encompasses a broad range of community-oriented outcomes delivering direct and indirect employment opportunities created through the funding of local community initiatives.

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<sup>i</sup> Maturing Assets: The evolution of stock transfer housing associations by Hal Pawson and Cathie Fancy. 2003. The Policy Press, Bristol for the Joseph Rowntree Foundation.

<sup>ii</sup> [Creating Opportunities Together: A Strategy for 2021 – 26. Poplar HARCA. 2021](#)

<sup>iii</sup> England and Wales Census 2021 - TS021: Ethnic Group: Population by ethnicity and local authority. <https://www.nomisweb.co.uk/> Accessed 13.09.2023

<sup>iv</sup> [Poplar HARCA Equality, Diversity & Inclusion: Creating Opportunities Together \(2021- 2022\)](#)

<sup>v</sup> [Creating a Value Tree](#)

<sup>vi</sup> We do Things Differently. Poplar HARCA Communities and Neighbourhoods Annual Report (2023)