Bulletin

nhmf
National Housing Maintenance Forum

Issue 13 - 2011

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Setting the standard for repairs and maintenance

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Welcome

Liz Circuit, Deputy Secretary (National Housing Maintenance Forum)

At the beginning of 2009, the Tenant Services Authority's pink campervan pushed Corporate Social Responsibility (CSR) firmly to the top of the affordable housing agenda. Considering who our stakeholders were, their relative importance and the strength of their voices was key. Residents too began to speak up about what they felt was most important in good service delivery.

The start of 2011 brought a new CSR. This time standing for Comprehensive Spending Review (CSR), it appeared time and time again in the media. But these two CSRs seemed at odds – the latter looking at cutting the money we spend on the societies we work amongst, while the former often perceived as an expensive exercise to understand the social and environmental impact of business activity. It seemed a joke that a Google search for 'CSR' returned three pages of results on Corporate Social Responsibility when the sector was being asked to make deep cuts.

However, as the Government's spending cuts bite and maintenance services need to do even more for even less, it turns out these two CSRs are complimentary. Unless we identify our stakeholders and how they need to benefit from any activity, then it is inevitable that our time, effort and money will be wasted. Recession brings tighter budgets and new opportunities in equal proportion, giving us the incentive to see business review as critical.

The role of the National Housing Maintenance Forum (NHMF) is to promote good practice in building maintenance. In 2011 this means pulling together the lessons learnt by the affordable housing industry over the last 30 years in order to help you improve the quality and the efficiency of your maintenance service delivery.

This edition of the NHMF bulletin brings together articles and case studies looking at how different stakeholders can join together to raise performance throughout the sector.

2011 is the year for enhanced cooperation and understanding between all the stakeholders involved in the provision of affordable housing. Residents, operatives, contractors, landlords, developers, regulators, politicians and tax payers should have an interest in the availability and quality of housing and public buildings in this country.

In response, NHMF is, for the first time, actively encouraging clients and contractors to attend training courses together. Stimulating lively debate, they are a useful opportunity to see familiar problems from a fresh perspective.

The ultimate goal for everyone is the provision of good quality buildings for homes, schools, hospitals and a multitude of public and private facilities. Each stakeholder can make a contribution to the care and development of these buildings through good communication and sharing their knowledge. There has to be a constant flow of information along the chain of communication in both directions, supported by face to face conversations and real understanding. Without this, the opportunity for driving better performance through knowledge and understanding will be lost.

The National Housing Maintenance Forum (NHMF) promotes best practice in maintenance and manages the development of the M3NHF Schedule of Rates. For more information visit www.nhmf.org.uk

NHMF is serviced by M3

M3, 5 Commonside East, Mitcham, Surrey CR4 2QA
020 8254 5580 | info@m3h.co.uk | www.m3h.co.uk

Housing's brave new world

James Tickell, Director (Campbell Tickell)

The world of housing is in flux. As the fog of war begins to clear we can begin to see what the future may bring.

The next few years will not be comfortable for housing associations. Vulnerable tenants and deprived communities will be at the sharp end of cuts in public services, not to mention rising food and fuel prices. The ranks of the unemployed will swell with those losing their jobs in the health service, local authorities and other public organisations. A new system of benefits will be implemented against a backdrop of reduced public spending, and pensions are set to drop too.

In the housing sector, our twin regulatory and inspection bodies are to be scrapped. Our funder - the Homes and Communities Agency - is set to become our regulator. And some rents will rise to 80 per cent of market level, with proceeds funding more near market-rent homes.

Functioning as social businesses, housing associations will need to get better at strategic asset management, 'sweating' existing assets to produce new homes. Property maintenance will be an increasing challenge, even if the loss of inspection will mean that excellence becomes less of a priority for some.

So where is the silver lining?
Well – for a start – it could have been so much worse. Housing associations have not had to make swingeing job cuts (yet). The rent-setting formula has been agreed for the next few years, and brings much-needed stability in income streams. Even if 80 per cent market rents are far from being social housing, at least there will be some development of new homes to satisfy the intermediate market. And given how much we've loved to complain over the last few years, the reduction in regulation and inspection can't be all bad.

Looking at the bigger picture, the Big Society agenda plays to many housing associations' strengths. We are about neighbourhoods, partnerships with tenants and civil society for social change. The new government may not love associations, but for now, we are at least a necessary evil, with an important role in delivering new homes. There are genuine new freedoms for associations, with the possibility of moving to a more independent future.

True, there are many questions, but at least there is a system, and people who are keen to make it work, so that some people, albeit not those in the greatest need, will be housed by it.

The new world will be risky, uncertain and uncomfortable. But in less than four years a new government will be in power, with new priorities, which we hope will include social justice and housing. So let's all make the best of things for now, so we and our tenants survive these turbulent years, ready to take things forward when the time comes.

Changing times at the HCA

Alison Mathias, Strategy Manager (Homes and Communities Agency)

It's a new world following last year's elections and the role of the HCA is changing. The Localism Bill and the Comprehensive Spending Review have significant implications for the HCA: it will become a smaller investment and regulation agency, working with local authorities at their request, enabling them to achieve ambitions for their own areas.

Ongoing HCA programmes include investment in 150,000 new homes and delivering the Decent Home Standard backlog programme to a further 150,000 local authority homes. In addition, we will use enabling expertise to add value to investment, for example by making the most of public land and other assets, or by helping councils to attract private finance.

From 2012 the HCA will take on the financial and governance aspects of social housing regulation. We are committed to being robust and transparent in regulation, protecting tenants and taxpayers and commanding lender confidence. Here's two areas of the HCA's work that will particularly affect housing providers...

Affordable Homes

The Localism Bill is currently going through Parliament. It takes forward "radical reforms, including flexible tenancies and changes to the way social housing is allocated". The housing minister Grant Shapps said, "Given the huge pressures on public finances we must also ensure that we get more for the money we invest in new social homes. Alongside the Bill, the introduction of Affordable Rent will represent a significant first step towards giving social landlords much greater freedom to respond to local housing need."[1]

The Affordable Rent programme is becoming the mainstay of our affordable housing offer. It provides for the development of homes to be let at between social housing and market rent levels. This will mean that more homes can be built for social housing grant.

As well as building new affordable rent homes, social landlords will be able to convert vacant social rent properties to Affordable Rent at re-let, at a rent level of up to 80 per cent of market rent. In order to do this, they will have to reach an investment agreement with the HCA about how additional rental income will be reinvested in the supply of new affordable housing.

Charging higher rents on re-lets will allow registered providers (RPs) to finance the development of more new homes: so the Affordable Homes programme puts social landlords managed stock under the spotlight. The HCA has published a Framework Agreement[2] which will form the basis for bids from social housing providers interested in offering affordable rent.

Feed in Tariffs Statement

The HCA has published a statement[3] which clarifies the rules around Feed-in Tariff (FIT) for our investment partners.

FITs are one way in which the UK will comply with the EU Renewables Directive 2001/77/EC. The Directive sets an 'indicative target' that 21 per cent of EU electricity consumption should come from renewable sources by 2010. Administered by the Office of the Gas and Electricity Markets (Ofgem), through energy companies, FITs are designed to incentivise small scale (under 5 MW), low carbon electricity generation. The tariff is paid for all electricity generated, whether used on site or not.

FITs are for technologies that generate renewable electricity, such as anaerobic digestion, hydro power, micro-CHP, photo-voltaic and wind.

Because FIT is determined after construction and administered by utility companies, it looks like a revenue rather than a capital subsidy. But FIT is designed to compensate for the capital cost involved in installation and therefore cannot be claimed if grant has been received for the installation itself. Property services directors should be aware that eligible installations installed as retrofit without public subsidy or grant, are likely to be eligible for FIT.

Good condition existing social housing stock is a key part of a thriving community and continues to be a priority for the HCA in the new era.

> "Given the huge pressures on public finances we must also ensure that we get more for the money we invest in new social homes"

Useful links:

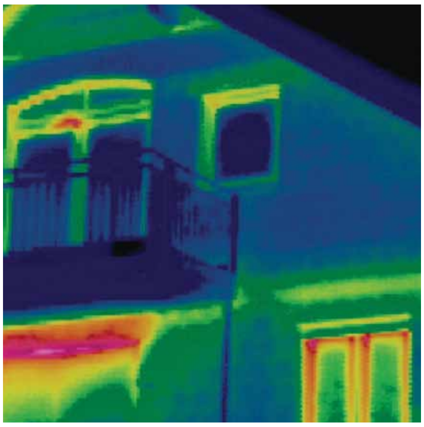
[1] http://www.communities.gov.uk/statements/corporate/localismbillsocialhousing

[2] http://www.homesandcommunities.co.uk/affordable-homes.htm

[3] http://www.homesandcommunities.co.uk/HCA-issues-Feed-In-Tariff-guidance-for-partners?p=2&f=0

Hot topics

Housing in brief



Lobbying on the Energy Bill and Green Deal

The Energy Bill will provide for energy efficiency improvements to be made on all existing homes by means of the Green Deal. Its Energy Company Obligation (ECO) will ensure funding for energy efficiency improvements for vulnerable households, such as those on low incomes or in hard to treat properties.

The National Housing Federation are briefing MPs on a number of issues that need to be resolved for the Green Deal and ECO to work for social housing;

- Consent not to be unreasonably withheld by landlord or tenant. Without this, one objection could prevent a whole block of flats benefiting from Green Deal improvements. This is relevant to all properties in multi-occupancy, whether blocks of flats, or terraces of houses
- ECO should be available for Green Deal providers to bid for in an open and fair way, and not monopolised by energy companies so as to further increase their profits
- The standard assessment procedure (SAP) used to produce Energy Performance Certificates (EPC) is not an accurate method to assess the likely fuel bill savings for poorer households.

The Green Deal explained by Energy and Climate Change Minister, Greg Barker, p16

New publications

Repairs and Maintenance: a guide to delivery was launched at the NHMF annual conference in January 2011. 180 individual copies and 38 asset management packs were sold in the first three months. The new asset management guide will be launched at the NHF conference in September 2011.

The NHF are also planning a complementary publication entitled *Board Members' Briefing* to help housing association boards and local authority cabinet members understand the importance of stock maintenance and asset management.

NHF response to Government consultations

The NHF's responses to a number of consultations can now be found on their new website: www.housing.org.uk/publications, including;

- EU procurement
- Home building red tape and the proposed Local Standards Framework
- Community Right to Buy – Assets of Community Value
- Community Right to Challenge
- Feed-in Tariffs: Fast-Track Review
- TSA's 'Use of Powers' under sections 247 and 249 of the Housing and Regeneration Act 2008

Tenant cashback proposals

The government has announced a cashback scheme as part of its radical agenda for housing. Under proposals announced by Grant Shapps in April, social housing tenants would receive up to £1,000 from their landlords to take responsibility for their own repairs. It will be piloted for a year by Home Group, Hastoe, and Green Vale. Other associations and local authorities are invited to join in.

The pilot providers will consider the scope and scale of the scheme, its costs and benefits and the practicalities of implementing and operating the scheme. Two formal consultations are required before the scheme can be introduced:

- Proposed Directions to the Regulator (TSA) expected in June 2011
- Proposals to revise the TSA resident involvement and empowerment standard to include cashback, likely to be Autumn 2011

Further information can be found at www.communities.gov.uk/housing

M3NHFSCHEDULE

Release 6.1 of the M3NHF Schedule of Rates and Repairs Ordering Schedule are now available. Pricing is on the same basis as Release 6. A new section covers the installation and maintenance of energy efficiency measures. The main change is to the contract documentation which has been comprehensively revised and restructured in consultation with Anthony Collins Solicitors to bring it up to date with all current regulation and best practice.

M3NHF Schedule of Rates contract documents: 21st century edition, p23

Fire safety guidance

The NHF and NHMF have contributed to the DCLG sponsored sector guidance document on fire safety in purpose-built flats. The guidance is now available on LGID's website: www.lga.gov.uk.

> “Our commitment to apprentices has increased”

Learning from the recession

Mike Turner, Development Director (Ian Williams)

Year-on-year growth, shareholder profits, and pots of funds on offer for community projects; it wasn't a dream, it was the reality of social housing facilities management in 2009.

But in 2011, the demise of two major players, impending abolition of the Audit Commission, unemployment rates that are at a 16-year high and a poor World Cup performance to cope with, some are left more like Gazza circa 1990; crying like a baby.

Spending cuts, it was assumed, would increase investment in maintenance rather than asset replacement. At this, the facilities management sector developed a dangerous confidence and drive for growth. They expected their order books to expand far beyond what their contracts defined, but the orders never materialised. The expectations on returns seemed to promote the only way to grow as being acquisition. But the result was ultimately inconsistent integration and poor financial control.

So now we've made our rather uncomfortable bed, do we have to lie in it?

Looking forward, it's my belief that the facilities management sector can rise to the challenges ahead, and for those who survive 2011, the recession brings fresh opportunities.

The future

Thanks to the Localism Bill, local communities and companies will have more say in what is done. There's also a chance for facilities management providers to play a role in tackling local unemployment and developing new cost-effective services and products that respond to a community's real need.

> “History has shown us that recession breeds innovation”

Small to medium companies should benefit from the fall-out of 2010. Price has always been a driver and in a recession it becomes even more so, but now there's a keener desire; to ensure that the level of service required can be delivered for the quoted price. As DH Lawrence would put it, we 'trust the tale and not the teller'; experience and current delivery is valued more than spin and promises. Rather than putting their eggs in one cheap basket, housing providers are looking to separate contracts out and spread the risk.

Ian Williams Ltd has already seen some of their clients respond by moving to multiple providers, rather than bundling all their services together in a single outsourcing. It's time their partners considered changing their ways too. A commitment from facilities management providers to localised service and local benchmarking, will be a commitment from the best providers to at least give a flick and a nod to their clients' local offers at the very minimum. Outsourcing does work, we just need to prove it.

Short-termism

Another group to benefit should be young people and those looking to enter the sector.
At Ian Williams our commitment to apprentices has increased, as we believe a flexible, skilled workforce and limited sub-contracting offers us the best chance to meet the needs of clients and gain a competitive advantage. A direct delivery model supports this strategy and longer contracts which don't put emphasis on short-term price gains should mean more apprentices can be recruited.

The way the recession has refocused thoughts on short-termism should mean environmental benefits. The green agenda is now much more deliverable, with companies being forced to develop alternative products that save money. History has shown us that recession breeds innovation.

> “Outsourcing does work – we just need to prove it”

From the gloom of the recession, opportunities have sprung to improve the way repairs, voids and maintenance services are provided to social housing tenants. Both in terms of cost saving and sustainability. And the environment exists to prove that outsourcing can and does work. The good have a chance to get even better. For the bad? The future is rightly looking ugly.

Has Finance been in touch about component accounting?

Joshua Warren, Managing Director (Keystone)

The latest International Financial Reporting Standards (IFRS) recommend that component accounting is introduced by March 2012.

Component accounting requires organisational financial statements to account for housing assets by their constituent parts. Put simply, under component accounting regulations, the land, structure and key components of a house, such as the windows, bathroom and kitchen, need to be listed separately in the accounts.

As most of us are more familiar with accounting complete programmes of works, this change to accounting individual properties and their constituent parts brings with it an enormous data burden. There are three specific challenges for your organisation…

Who will do it?
Can properties be broken down into their components accurately by a finance department without the engagement of the asset management team?

Amongst the early adopters of component accounting, the breakdown of properties into their components seems to be gathering pace in the finance teams without any input from asset management.

This is a mistake. The introduction of component accounting must result in a single, organisation-wide view of the remaining life of the assets and their replacement cycle. Finance departments cannot hold one opinion of remaining life or replacement cost and asset management another. Minor discrepancies are likely to creep in due to the high volume of records, but widespread divergence in the figures will not pass muster with the auditors. This may not be to everyone's liking; finance and asset management need to be joined at the hip when it comes to component accounting.

What about divergence?
What level of divergence between the asset management database and the financial component accounting register will be acceptable to the auditors?

There are two stages to component accounting – firstly during the initial implementation of component accounting and secondly thereafter. During implementation, auditors will generally want to see overlap between the asset management database and the financial component accounting register although they do not expect a 100 per cent match given the nature of the information flows.

Significant variances will no doubt be heavily questioned by auditors as they have a duty of care to ensure the organisation's financial statements are a true and fair reflection of the organisation's finances.

Once component accounting is live, this link between asset management and financial accounting will need to be maintained and policed so divergence does not creep in. Significant divergence will prevent auditors from signing off an organisation's accounts. When setting up component accounting, we'll need to be thinking about a long term strategy for maintaining it.

Will arbitrary figures work?
Can finance teams fudge the component values using a property matrix and an arbitrary percentage-based breakdown of present asset values in the balance sheet?
It may seem a good shortcut, but hopefully you've picked up by now, the answer to this question is a resounding 'No!' Widespread and blind use of this method will not be accepted.

Having said that, in specific situations where all other reasonable data sources for component values have failed to deliver reliable information, this approach would be accepted as a last resort. But only as an interim solution whilst more reliable information is found. It buys the organisation time but does not provide a solution, and the implications of remedying this short-term fix might not be worth the initial gain!

So whether we like it or not, the introduction of component accounting is going to bring the finance and asset management functions closer together. Component accounting cannot be implemented by a finance team alone, so the outstanding question is a simple one; has Finance been in touch yet? If the answer is no, then pick up the phone as they need the input of asset management and cannot succeed without you!

What killed Steve McQueen?

Julian Ransom, Associate (Ridge Property and Construction Consultants)

Did daredevil action man Steve McQueen die leaping fences on a motorbike? Or racing fast cars? No, Steve died aged 50 from mesothelioma, a cancer caused by his exposure to asbestos. Pictured in the 1971 film Le Mans, McQueen's heat resistant body suite, pulled over his mouth and nose, was lined with the fibres.

In March 2011 Dianne Willmore's estate received £240,000 in damages after the High Court judge ruled that exposure to asbestos fibres as a school pupil had caused her incurable lung cancer. At Dianne's secondary school, more than 30 years earlier, ceiling tiles containing asbestos were stacked in the corridor and in the girls' toilet while workmen re-routed some cables. Prankster classmates disturbed the tiles further by hiding belongings within the ceiling cavity.

This landmark case has set a new precedent; if the asbestos exposure was avoidable, then the duty holder can be prosecuted. This ruling is likely to pave the way for similar claims nationwide.

Why is this significant to social housing providers? Well, for 'duty holder' read housing association, ALMO, or council. And February 2011 saw the HSE begin unannounced inspections of construction sites across the UK, including checks that asbestos compliance was being carried out. If ever there was a good time to review your own organisation's asbestos compliance, then perhaps this is it!

> "In February 2011, the HSE commenced unannounced inspections to construction sites across the UK"

Most organisations recognise the importance of gas safety, and report quarterly to the board regarding CP12 compliance. Death from carbon monoxide poisoning is instantaneous, so we treat it seriously. The same importance is rarely placed upon asbestos risk management, though perhaps the only difference is that asbestos can take 40 years to kill you.

Following UKAS, ARCA and RICS accredited asbestos training, my experience in undertaking asbestos audits and compliance work for over 20 housing associations, ALMOS and housing groups, has highlighted a number of recurring themes, demonstrating the extent to which asbestos is not being treated with due care.

- Out of date asbestos management plans, policies and procedures
- No strategic asbestos risk management review body or steering group
- Poor communication between asbestos surveyors and employers, resulting in significant differences in the interpretation of guidance, which are not picked up
- Inconsistent risk evaluations applied to asbestos survey results
- No defensible strategy for the survey programmes adopted
- No re-inspections undertaken
- Non-compliant terminology, algorithms, or methodology upon electronic registers
- Overall risk assessments based purely upon material risk assessments
- Insufficient controls for unlicensed work by DLOs
- Residents not formally or comprehensively advised of asbestos material within their homes
- Non-existent refurbishment surveys prior to planned works
- A lack of impartiality as contractors employed to recommended removal are also those who will be paid to undertake it
- Asbestos removals not updated in the register
- Asbestos registers not consulted by external contractors or DLOs
- Asbestos processes or use of data by contractors not audited
- Processes routinely outside any compliance protocol, for example tenant DIY approval, disabled adaptation and voids
- Insufficient or infrequent asbestos awareness or recognition training.

> "Interpretation of guidance and working protocols need to be rehearsed at an appropriate level, evidenced and regularly reviewed"

Like other compliance aspects, a suitable asbestos re-inspection protocol should be developed, tested, implemented and reviewed.

Interpretation of guidance and working protocols need to be rehearsed at an appropriate level, evidenced and regularly reviewed. After an HSE inquiry has commenced, it is too late to start implementing procedures. Published guidance requires re-inspection of any asbestos containing materials identified at intervals not exceeding six to 12 months, regardless of risk posed or location. In the absence of re-inspection, should material deteriorate and exposure to fibres occur, any prosecution will be extremely difficult to defend.

> "Most organisations are unwittingly not complying with published HSE guidance"

As most asbestos legislation and guidance was originally conceived for non-domestic, commercial buildings, it is not always clear how the principles should be applied to a tenanted domestic portfolio. From practical experience in developing template protocols and associated compliance management frameworks, most organisations are unwittingly either not complying with published HSE guidance, or in some cases, even their own asbestos policies or management plans. The chances of asbestos fibre release, HSE investigation and prosecution are therefore considerably magnified. More importantly, your staff, contractors and residents maybe at life-threatening risk.

HSE guidance requires asbestos management plans are reviewed at least every 12 months. If it has been longer since this was undertaken and reported to your board, take this opportunity to commission a robust, informed and comprehensive review to identify any gaps in compliance.

Service or surplus?

David Poat, Head of Responsive Repairs (Raven Housing Trust)

Whether an in-house repairs team or an external contractor is best is much contested amongst social housing organisations. But whichever model you choose, or are stuck with, running it effectively will be the key to its success.

I joined Raven Housing Trust just over a year ago, and keeping Raven's in-house maintenance operation seemed the obvious choice; their 6000 homes were mostly within a 50 square-mile area and their customers were pleased with the DLO's performance. But I did some research and found some interesting results.

The good

- Customer feedback was excellent, although STATUS survey results were not quite as strong
- The attitude of staff was well regarded
- The time-to-repair performance was exceptional

The work was getting done quickly and the customers were happy, but…

The bad

- The DLO's financial performance was unpredictable, creating uncertainty at board level
- The trading statement results fluctuated month on month and client budgets were rarely achieved
- There was a general lack of trust that the financial IT system was delivering accurate information
- Teams were working in silos, so managing the customer's experience was difficult and there were black holes in the repairs delivery process

So there were unpredictable finances, combined with a lack of reliable financial information and the opportunity for some customers to get lost in the system. And there was more…

The ugly

- Performance management was focused on the price paid for repairs, rather than on what it cost the DLO to deliver them. This was fuelled by benchmarking the DLO's performance against the private sector

My research concluded that the ultimate cause for the problems, including the fluctuating financial performance, was that the DLO was being managed as a contractor.

Wanting to prove their value for money, the DLO work force became more focused on productivity and high work volume rather than service delivery and cost reduction. This was combined with an uncompetitive level of overhead recovery and a lack of detailed knowledge of what works actually cost.

Amid a highly competitive market place of local traders with minimal overheads and well established contractors adept at managing price and risk, it was virtually impossible for Raven's own DLO to act like a contractor and compete with other contractors on the basis of price. It seems obvious, but with plenty of good contractors out there, there is absolutely no value in creating an internal contractor of your own.

The obvious conclusion was that the in-house approach should be kept, but the board needed to decide how to make the DLO commercial

model work. Increased emphasis on service delivery and cost control was essential. My challenge was to convince the Board to make the necessary changes.

Ringing the changes

To bring the Board with us, we engaged with principal board members and customers in the detailed workings of future business plans and commercial models, demonstrating the financial benefits of adopting a new approach.

A working group of subject matter experts and customer board members helped shape the thinking. Their support of the proposed way forward was included in the presentation to the board. M3 Consultancy provided essential third party validation and this proved invaluable in securing support for the proposals.

Focusing on the questions and concerns the Board may have, helped present a compelling case for the change. The Board expected a fresh perspective, greater financial predictability, clarity on value for money, improved management capability and a new approach to performance management. All of these issues were considered in the board paper and presentations.

> "It was virtually impossible for the DLO, managed as a contractor, to compete on the basis of price"

The Board approved the proposal to retain and grow the in-house team, and to use a commercial model to manage the DLO, focusing on service and cost, rather than contractor performance. The trading statement was to be the benchmarking tool and not the principle driver of performance. Excellent performance would be incentivised, and value for money would be evidenced.

The Board approval was only the first step of the many in our attempt to deliver excellent performance. But perhaps the most exciting development is the un-shackling of front line staff from the constraints of being a contractor. We hope the front line team will realise their full potential in delivering the service that customers demand at a cost the business can afford and will be able to explore ways they can deliver added value beyond their current trade team roles.

Method or madness?

Steve Welch, Director (4i Solutions)

"Our external provider already takes on all the risk, why bring it in house? It may reduce our costs, but the leadership and drive isn't there to support it. Surely a joint venture would deliver the best of both worlds?"

4i Solutions suggest that the method used to deliver maintenance services isn't as important as the thinking that shapes the decision. The choice should be made with real understanding of the strategic needs of the service, value for money, organisational appetite and the frontline staff. Get these right and the delivery vehicle becomes very much less of an emotive subject.

The most successful maintenance services have four things in common:

- They're run professionally and commercially
- They have buy-in at all levels
- They've invested in infrastructure and training
- They're concerned both with productivity and service delivery

Developing a maintenance service with these characteristics can be done in four steps…

Stage 1. Preparation
Significant change is affecting maintenance service delivery. There are government-led changes to the way the sector operates, funding cuts and increased VAT. The result is uncertainty and instability in the market. Capturing context and background information about your organisation and its market is a prerequisite to deciding your maintenance strategy.

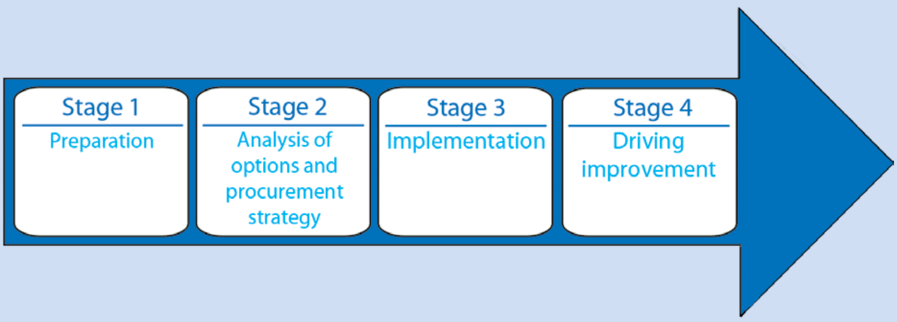
Engage stakeholders involved in your maintenance service and ask what they think. Capture data to reflect what's really going on in your service delivery. Shaping organisational appetite, commitment and drive to improve maintenance at this early stage will help achieve buy-in when it comes to implementation.

Stage 2. Analysis
When making your decision it's essential to remove opinion and rhetoric – a factual decision making process will help you come to the best, and not just the most popular, decision. You'll need to improve transparency and capture real data to support the decision making process. Including a range of stakeholders will help make sure you've thought about the options from all angles.

When considering an option, develop a detailed financial business plan that identifies the costs and resources required. Think how an effective procurement strategy could be achieved, that will support difficult and often conflicting aspirations and be OJEU compliant.

Stage 3. Implementation
How this happens will depend on the model you've chosen, but you'll need to focus on delivering meaningful involvement for frontline staff and creating effective ownership of the service. Remember, you're delivering increased levels of value added governance not added bureaucracy.

Stage 4. Driving improvement
For improvement to be integral to your maintenance service, you'll need to plan for it. Transparency in your true costs, performance and productivity is essential. You should continually evidence value for money in your maintenance services and complete regular maintenance health and performance checks. A focused approach to managing risks and opportunities will help you stay on track.



Is every repair an emergency?

> "11 per cent more of our customers are satisfied"

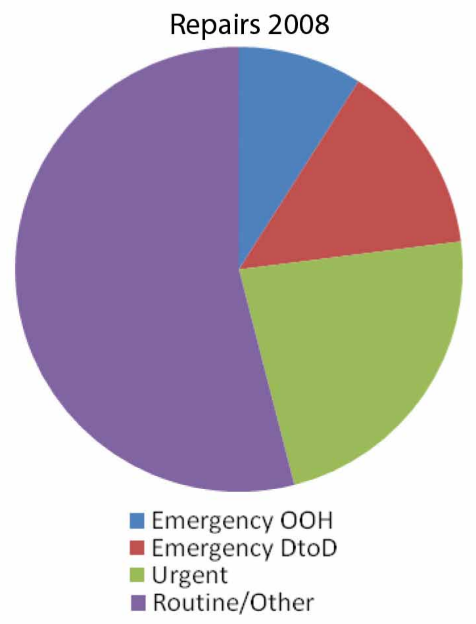
John Barnes, Head of Asset Management (Housing Solutions)

What happens if you remove repairs priorities and simply ask, 'when is convenient?' Does every repair become an emergency? Does every customer ask for a next day repair?

In response to customers' needs Housing Solutions (HS) radically overhauled their responsive repair service. Put together in partnership with residents, the new repairs service is designed to specifically meet their needs and expectations.

During consultation we asked 80 customers to assign a priority level to each item in a list of repairs. The result was over 20 different targets. The only conclusion was that the level of inconvenience and difficulty caused by an outstanding repair are individual to each customer and depend on their circumstances.

So Housing Solutions central commitment is simple; to offer convenient appointments, a quick response to emergencies and a single job reference which stays open until the repair is complete to the resident's satisfaction.



The service

There are no more 24-hour, seven-day or 28-day repairs completion deadlines. HS offer a four hour response time to emergencies – whether these are requested directly by the customer or are required to control a risk to the occupants or building. Other than that it is all about a convenient time. Rather than focus on the priority we simply ask the customer 'when is convenient' based on their availability and the problems the fault is causing them. The customer service advisor and the customer agree on a time that works for both parties, be that the next day, the next week or the next month.

The repairs team increased the number of evening and Saturday morning appointment slots, and if a member of our repairs team could not fix the fault on the first visit they would immediately book a convenient follow-up appointment from site. The customer would keep the same job number too, just as when an emergency 'make safe' has been carried out but the fault not repaired. An electronic customer sign-off on PDAs empowered the customer to decide when the repair was finished.

The results

The lead measure of the change was always going to be customer satisfaction. Since the change process started in 2008 the number of residents reporting satisfaction in post-completion surveys has increased by 8 per cent. STATUS survey results reinforce the day to day results showing an overall increase in satisfaction with repairs and maintenance of 8 per cent.

Interestingly an average repair takes 1.5 days less to complete than under the previous priority-based system. We are keeping over 99 per cent of the appointments we make and 11 per cent more of our customers are satisfied with the time taken to start work.

Have we had an increase in emergency repairs? No. The number of emergencies has actually dropped.

Repairs and maintenance: a guide to delivery

As maintenance services move away from priority and target based approaches to more flexible delivery tailored to the needs of individual residents, providers need to find new ways of working. The latest publication from the NHF, and sponsored by the NHMF, will enable landlords to develop and deliver an effective service that meets the expectations of their tenants and improves the sustainability of their stock.

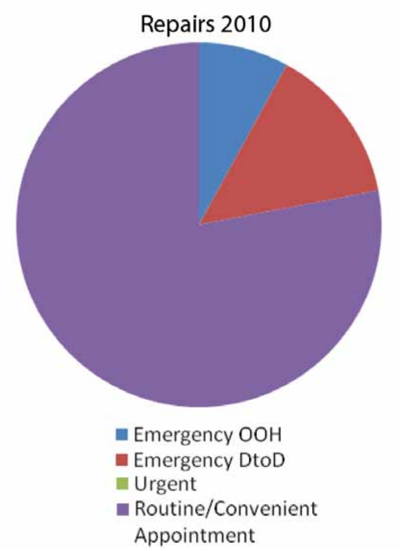
Published in January 2011, it's up to date and covers the 'Review of social housing regulation,' reflecting the expectation that social housing providers will take the lead on new policies improving the energy efficiency of existing homes such as the Green Deal and Community Energy Saving Programme. It is an essential guide for those involved in the repairs and maintenance of affordable housing and the physical regeneration of urban or rural areas.

Authors:
John Kiely,
Mervyn Jones,
Mark Lupton,
Peter Rickaby
£45.00, available from
www.housing.org.uk/publications.aspx

> "An average user will request around 3.5 repairs a year, but some tenants were ordering more than 30"

Home MOT

John Barnes, Head of Asset Management (Housing Solutions)



So what have we learnt?
That customer-lead service provision works.

It took time and effort to move away from the structured system of priorities and some repairs were carried out quicker than they needed to be, but our experience is that customers haven't started requesting everything same or next day and are quite happy to agree something that works for both parties. But we had to give the customer and the customer service advisor the freedom to agree between them when the repair should be completed and honour the agreements made. In any cases where the flexibility is being misused it is important to discuss this with the customer afterwards and take action to address the situation if it becomes a regular occurrence.

Housing Solutions has an annual repairs budget of £1.3 million and needed to make savings.

But where could we start?
Looking at where our budget was spent, we found 2.5 per cent of the residents were using 11 per cent of the budget. But neither the age of their property or recent planned maintenance activity seemed to significantly alter their high use. Targeting this high usage seemed a logical first step towards reducing our costs.

So we identified the top 100 persistent high users and invited them to take part in a home MOT scheme. An average user requests 3.5 repairs a year, but some of these tenants were ordering more than 30!

The scheme began with a visit from the maintenance team to deal with any outstanding problems and check the condition of their home. The tenants were then offered a £100 reward if:

- They did not use the repairs service for 12 months, except for genuine emergencies
- Their home was kept in good condition - a check at the end of the scheme ensured repairs weren't being ignored in order to qualify for the bonus
- They allowed access for an annual gas safety check
- They had a clear rent account and no neighbour nuisance issues

We made clear at the start that the bonus payment was a one-off and another payment would not be offered if usage increased and then dropped. To help them along, residents were given advice on basic DIY and a small toolkit.

The results
The home MOT scheme is in its third year and has cost just over £20,000. The savings though are staggering; Housing Solutions has saved in excess of £150,000. All customers who have taken part have reduced their use of the repairs service by more than 60 per cent and 100 per cent think the scheme should continue. Even residents who were invited to take part but declined, have independently reduced their usage of the repairs service.

Not all the high use was abuse though, and an important part of the scheme was understanding the households we were targeting. High usage households were more likely to include customers with disabilities who found small jobs difficult and single women who felt they didn't have the skills or equipment to complete the repairs. Other underlying causes of dissatisfaction, such as waiting to transfer, were a factor in some cases, and in others it was simply that the high usage had not been challenged.

Home MOT is a very simple idea that has helped us to generate real savings so that we can deliver a more efficient and quicker service to all our customers.

NHMF best practice award winners 2011

Best client Winner: Plus Dane Group

Resident involvement in procurement commissioning

This award submission was from the 12 residents of Plus Dane Housing who nominated the Group for their inclusion and engagement of residents in the procurement process of a £32 million contract for Plus Dane responsive repairs, out of hours emergency works, packaged repairs, work to void properties and gas servicing to 7,000 homes. Sitting alongside this process is the outstanding engagement and inclusion of residents in the process through the Procurement Commissioning Team and Asset Management Engagement Group. 'Our Story' tells you how it was managed and delivered from a residents view point and is an example of good practice for other organisations who want to include residents and give them more of a say in the quality of services they receive.

Runners up: Bournville Village Trust Sustainable Homes, Harvest Housing Group

Best DLO Winner: Blackpool Coastal Housing

Connect: scheduling and remote working solution

Blackpool Coastal Housing (BCH) developed a remote working system with Telecetra to manage all aspects of the workflow on their response repairs and voids.

Their all-inclusive approach, capturing the core business elements, means they can now get the correct technician with the appropriate skills, to attend appointments with the customer, in the most efficient manner with the knowledge and materials to ensure they complete a first time fix.

Automated job recording eliminates the need for timesheets, and provides a more accurate job costing. Connect enables BCH to monitor safe working practices, undertake risk assessments and asbestos alerts and identifies special needs of tenants. It monitors when regular vehicle inspections are due and integrates with GPS vehicle tracking. An automated stores solution ensures parts are available and van stocks replenished efficiently.

Runners up: Mosscare Housing, Radian Services

Best contract Winner: Bromford Housing Group

Excellence in gas maintenance

The submission covered the wider aspect of gas maintenance including Bromford's approach to gas servicing and repair, investment planning and delivery, voids processes and advice.

Gas maintenance has high levels of internal and external scrutiny, through regulation, management and internal governance. Despite the high risks, many organisations struggle to achieve the desired results. Bromford Group's approach is an excellent example of good contract management and partnership. The teams delivered challenging targets and dealt with a myriad of issues with humour, respect and the customer as their primary focus.

For four years in succession Bromford have achieved 100 per cent gas safety certification at year end, and for the last 2 years, 100 per cent of repairs were within target timescales.

Runners up: Harvest Housing Group,Great Places Housing Group

Best use of IT Winner: Wolverhampton Homes

Buzzsaw is an online project collaboration service for design and construction teams, to enable Wolverhampton's project-related information to be easily shared between their construction partners.

The pioneering way Wolverhampton Homes uses this system allows them to manage access to this secure system so all of their partners have current data relating to programme management and monitoring. This has significantly enhanced the partnership's productivity and reduced document handling and retrieval costs.

Overall Buzzsaw has made a very complicated process simple. The way Wolverhampton Homes are using the system is pioneering in itself and shows excellent collaborative working. Buzzsaw has helped dramatically improve the way they can address the needs of their tenants.

Runner up: Worcester Community Housing

Green and lean

Nicola Durrant, Neighbourhoods Green Project Coordinator (NHF)
Liz Somner, Green Space Manager (Helena Partnerships)

The national drive to tackle unemployment and create a culture of volunteering could be a godsend in social housing's quest to do more for less. Using volunteers and young people cuts the cost of managing our open spaces, provides opportunities for training and apprenticeships, and increases resident satisfaction.

Neighbourhoods Green

Neighbourhoods Green is a national partnership initiative supported by the National Housing Federation. It demonstrates the importance of green space and supports housing providers and community groups to raise the quality of their design management and safe use.

The Green Space Service

Helena Partnerships in Merseyside have taken on the Neighbourhoods Green challenge and adopted an innovative approach. A housing association with 13,000 homes on 49 estates in St Helens, Helena's portfolio includes a large number of public landscapes. Until 2009, all grounds maintenance was provided by a single external contractor and improvements were carried out as one-off interventions. A review of Helena's environmental operations in 2008 recommended an in-house 'Green Space Service' be established to improve the landscape management and value. The service was set up through consultation with residents and resulted in a 30-year business plan that re-profiled budgets which otherwise would have been outsourced to pay contractors.

Helena's new in-house service started in January 2010 with the following objectives:

- To develop an improved standard of maintenance through improved horticultural approaches

Involving young people in landscape improvements
(C) Liz Somner

Green base fun day, Helena Partnerships (C) Liz Somner

- To deliver on-going improvements to green spaces to make them more enjoyable, bio diverse and attractive
- To develop an improved service in partnership with residents, communities and other stakeholders

The operational service consists of four area-based teams carrying out maintenance of grass, planting areas and hedges and one arboriculture team to manage the trees across all areas. An apprenticeship programme began in 2011 to enable local young people to develop landscape skills and gain employment. Each area team has a team leader with operational and community engagement responsibility. These teams carry out green space improvements under the direction of a community landscape architect.

The quality of the service is checked using frequency-based KPIs, cost monitoring, quality inspections and customer satisfaction studies, and continually improved.

A fundamental component of the service is the Green Base; an environmentally sustainable PassivHaus building in the centre of one of the estates. The Base will become a home for the service and a horticulture training resource for the community, with provision for volunteers, apprentices and schools. The team will develop the surrounding landscape with the community, as a demonstration of best practice in landscape management.

> **"Commitment to providing good quality open spaces that meet the needs and desires of local people"**

Landscape training is achieved through a mix of external and in-house programmes, including NVQs, with the opportunity for continued professional development at the Green Base. Landscape skills are complemented by training in customer service and management.

Helena Partnerships' Green Space Service has provided better value for money through savings on profit and VAT. These savings have been used to improve the landscape with a more holistic approach to sustainable maintenance and modifications. There is greater ownership, increased understanding and an aspiration for green space throughout the community.

At the heart of Helena's Green Space Service is a commitment to providing good quality open spaces that meet the needs and desires of local people. The provision of multi-functional spaces that offer valuable opportunities for play, exercise and socialising can provide a cost effective solution to some of the problems that make green spaces a liability rather than an asset.

Visit www.neighbourhoodsgreen.org.uk to find other best practice case studies, ideas, links to funding opportunities, tool kits, publications and resources.

The Green Deal

Greg Barker, Energy and Climate Change Minister (DECC)

> **"Through our 'Green Deal', we will encourage home energy efficiency improvements paid for by savings from energy bills"**
>
> The Coalition: our programme for government (May 2010)

Tackling climate change, securing our future energy supplies and making a permanent transition to a low carbon, high growth economy is an urgent and vital task. At the heart of the Government's strategy to achieve this is energy efficiency - being smarter about the energy we use by making the most of a precious resource and eliminating waste.

The Green Deal

Homes and businesses account for a quarter of all CO2 emissions, so improving energy efficiency in this sector should make a big impact. The Government's Green Deal is about doing just this - providing a long term solution to energy inefficiency for properties across Britain. And it will cut residents' energy bills along the way too.

So how does it work?

The Green Deal, due for release in Autumn 2012, will make it as easy and financially attractive as possible to do work like lagging lofts, filling in wall cavities and taking further steps to reduce energy use in the home. Green Deal

Providers will offer consumers these energy efficiency improvements to their homes, community spaces and businesses at no upfront cost.

The Energy Bill will legislate so that payment of the costs can be made through a charge in installments on subsequent energy bills. The Green Deal promises that expected financial savings on energy usage will be equal to, or greater than, the installment repayments attached to the energy bill. In other words, even paying back the upfront costs, your energy bill will not increase.

And the plan comes with consumer protection. The Green Deal will only help customers finance work recommended by an accredited adviser and undertaken by an accredited installer. To prevent against rogue traders, private firms will require proper accreditation, a quality mark and insurance-backed warranties in order to become Green Deal Providers.

Green Deal finance will remain with the house rather than the occupier, so residents would only pay the installments while occupying the property and enjoying the benefits. This also means the Green Deal will be available whether people own or rent and, because it's not like personal debt, personal credit ratings are not a factor. The Deal will work in the same way for businesses, irrespective of size.

Alongside the Green Deal, the Government will also ensure that the major energy companies remain obliged to invest in energy improvements for homes across the country. This means that, for the poorest and most vulnerable, or those living in properties that are particularly hard to treat, there'll be extra support to help them benefit from the measures that the Green Deal has to offer.

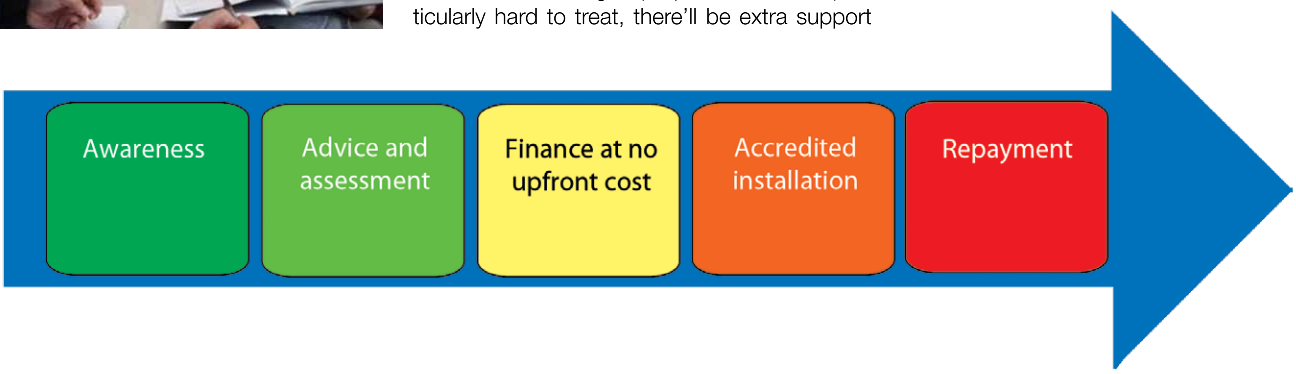
What's next?

At the moment, the DECC is working to ensure the venues and infrastructure for the Green Deal are in place for 2012.

The upfront costs of the Green Deal will be covered by financial institutions and high street retailers. Legislation is being developed to create the right framework in which companies can invest the capital necessary to meet the scale of the challenge.

The Green Deal will create huge benefits for local authorities. Local councils could choose to become Green Deal Providers, and so benefit financially. Or simply making their residents aware of the Green Deal, they could cut their carbon emissions, raise the standards of housing stocks, reduce fuel poverty and improve the environment and well-being of residents. There's also opportunity for private companies, local authorities, neighbouring councils and community groups to work together to roll out innovative solutions for energy efficiency on a street by street basis.

Insulation installers and others in the retrofit supply chain all stand to benefit from this long overdue energy efficiency makeover. By 2030, it's estimated the Green Deal could support up to 250,000 jobs as part of a new energy efficient industrial revolution. So it's important that the insulation and construction industry prepare their workforces with the appropriately skilled people to provide the quality installations and services the Green Deal will demand.



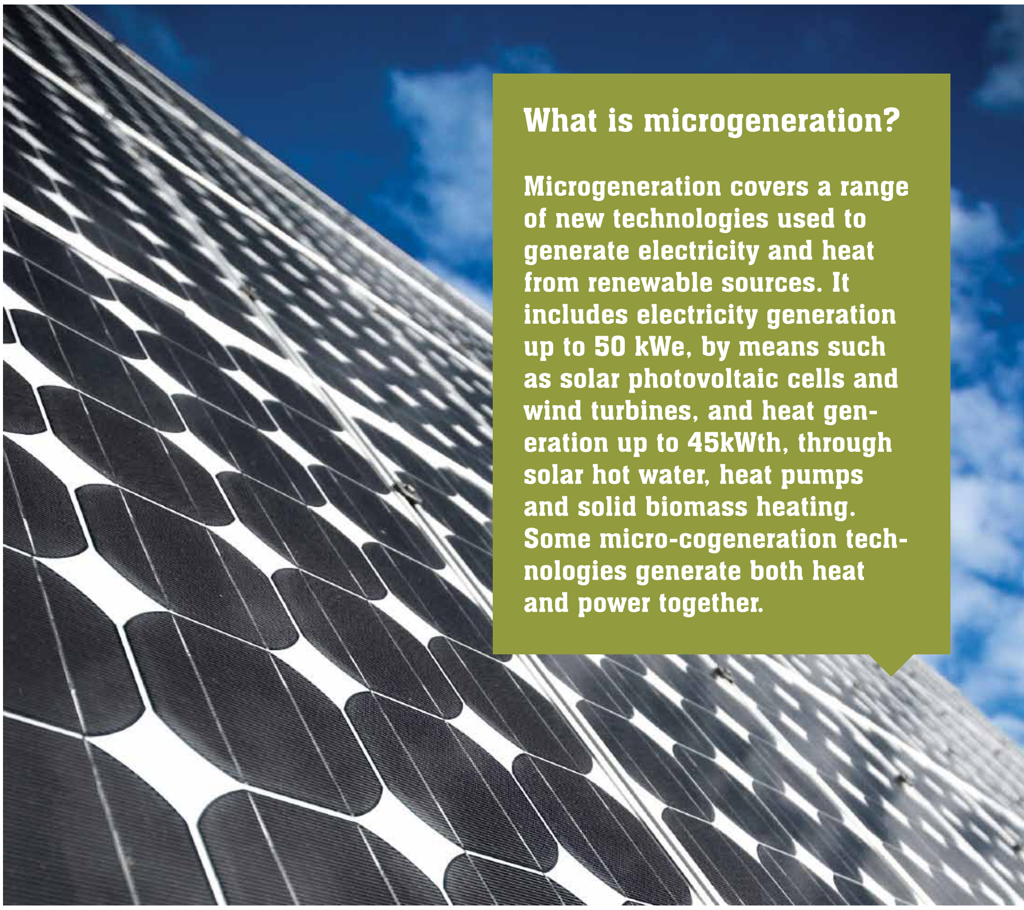
Microgeneration – achieving a standard

David Cowburn, Managing Director (NAPIT Certification Ltd)

Climate change, international targets and government policy are all colliding to make energy efficiency and renewable energy massive issues. But while the marketplace and government policy seem set to drive continued growth in microgeneration installations, anyone contemplating an energy efficiency installation needs to think carefully. Existing trade qualifications simply don't cover all of the requirements that must be met for microgeneration installations, making competent installers scarce. Combine this with high investment costs, long term returns and the risk of miss-selling and you've got a hazardous situation for consumers.

That's where the Microgeneration Certification Scheme (MCS) steps in. To help consumers and suppliers overcome the challenges of installing microgeneration and carbon-reducing measures, it certificates approved installers, ensuring they are able to meet all the regulations and standards required for microgeneration installation, giving consumers peace of mind.

It covers microgeneration installations which will either be from renewable energy or in some cases carbon reducing technology, such as gas fuelled micro-CHP and mains electricity powered heat pumps.



What is microgeneration?

Microgeneration covers a range of new technologies used to generate electricity and heat from renewable sources. It includes electricity generation up to 50 kWe, by means such as solar photovoltaic cells and wind turbines, and heat generation up to 45kWth, through solar hot water, heat pumps and solid biomass heating. Some micro-cogeneration technologies generate both heat and power together.

What regulations apply to microgeneration?

Regulations vary by country, but in England the following regulations apply:

- Building Regulations 2010 relate to issues such as structure, passage of sound, combustion, conservation of power and electrical safety (the Wiring Regulations BS7671)
- Electricity Safety, Quality and Continuity Regulations 2002 cover connecting to the electricity grid, and require the installer to work with the Distribution Network Operator following engineering recommendations G83 or G59 in design, testing, commissioning and certification
- Feed in Tariffs Order 2010 specifies eligibility for and payment of feed-in-tariffs for the generation and export of electricity. For microgeneration it does require both the equipment and installer to be MCS approved. A similar set of regulations will be developed in 2011 for the Renewable Heat Incentive
- The Clean Air Act covers the installation of biomass appliances in smoke control areas. Other Environmental Agency issues include extraction and discharge of ground water for heat pump work or hydro-electric technologies
- Planning permission differs from one technology to another. Some technologies do not require planning permission if installed in accordance with the General Permitted Development Order (GPDO). Details can be found on www.planningportal.gov.uk

The MCS is an internationally recognised quality assurance scheme, supported by the Department of Energy and Climate Change. It certificates both the technologies and their installers, allowing them to carry the certification mark. Approved installers are audited to ensure that they can be relied upon to fit MCS approved equipment in compliance with technical standards. So consumers get properly calculated performance predictions, correct commissioning and handover of installations, and good documentation.

MCS requires approved installers to follow a consumer code of practice approved by the Office of Fair Trading (REAL Assurance Scheme) which includes requirements to give reasonable advice prior to contract, follow good contractual practices, handle complaints and dispute resolution matters professionally as well as provide warranty protection.

Further information about the scheme can be found at www.microgenerationcertification.org

Making the most of the renewable gold rush

Robert Rabinowitz, Director (Environmental Markets BRE)

"In any market, as in any poker game, there is a fool. The astute investor Warren Buffet is fond of saying that any player unaware of the fool in the market probably is the fool in the market."
Michael Lewis, Liar's Poker

An emerging market

The renewable energy market in the UK is immature but growing fast. Some industry analysts are predicting a 'gold-rush' phase with annual deployment of solar PV in the UK increasing a hundred-fold within the next five years.

In this market, social landlords should be careful about selecting the right partners. Making money from renewable energy sources requires a long-term commitment. The equipment needs to generate energy for 20-25 years to earn the targeted level of returns; installed incorrectly, photovoltaic (PV) panels will generate far less electricity than expected and be a fire risk. Social landlords need to trust their partners to install and maintain equipment in the long term, without damaging their property. They also need to be sure that the installer has the financial strength to survive changes in government policy.

PV for free

"PV for free" companies are a significant market force. In this approach, a third party owns and operates the solar panels. Tenants are then given the electricity generated by the panels for free while the tariff is paid to the company that owns the panels.

This model has a few advantages

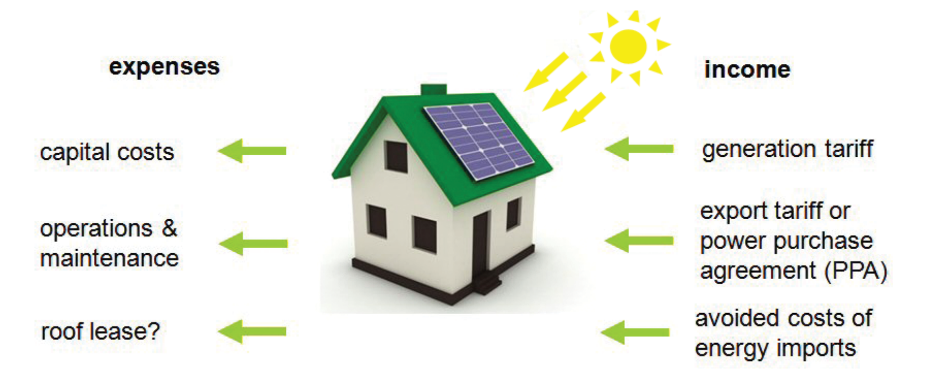
- Obviously, it does not require the social landlord to invest up-front, although some small contribution may be required
- Installation, monitoring and maintaining the equipment is handled by a specialist organisation, removing many associated risks
- If tenants receive electricity for free, this can make a contribution to reducing fuel poverty
- The social landlord may receive a rent in return for the use of the roofspace

The primary drawback of the model though, is that there is little or no financial upside for the housing provider, as any profits go to private investors. PV for free companies are also only likely to focus on installing solar PV panels rather than considering other renewable technologies. There may be occasions when solar thermal is a better use of roof space from an environmental and financial perspective.

There is also the issue of equity. The PV for free company may only target properties that earn the highest returns and will pass all the benefits of the scheme onto the lucky tenants whose homes are suitable. If the social landlord had control, they could apply their own selection policy to tie in with fuel poverty targets, maintenance schedules and carbon reduction targets. Or profits from one installation could be used to fund retrofit or other energy efficiency measures for another household, perhaps more needy but harder to treat.

What other options are there?

There are numerous other ways of financing renewable energy deployment. Banks are developing new models whereby housing associations can set up their own separate companies that own and operate the microgeneration equipment.



5 reasons you should be investing in renewable energy

1. The social housing sector is in a strong position to take advantage of the Feed in Tariffs (FIT) and Renewable Heat Incentive (RHI).
2. It has control of large property portfolios, allowing landlords to capture economies of scale in deployment.
3. Landlords with in-house maintenance operations can reduce costs further by training their own staff to fit and maintain equipment.
4. At the same time, housing providers can claim the highest generation tariff rate of 43.3p per kWh for solar PV panels installed on individual dwellings, instead of the lower rates that would be received for larger installations.
5. The sector's strong commitment to reducing fuel poverty and its carbon footprint give it a direct driver for deploying renewable energy.

Or, under a lease-based approach, a social landlord could lease the solar panels over a 10-15 year lifetime. The revenue from the panels would pay for the lease over its lifetime. At the end of this time, the landlord owns the panels and collects the final 10-15 years of revenue as free cashflow.

Both of these approaches are designed to reduce the upfront investment required, while retaining the very significant profits earned once the loans are paid off. However, other approaches may ultimately be more profitable for social housing providers. For example, a shared equity approach that draws on private equity investment may achieve a better balance of returns between the parties.

Whatever the options for investing in renewable energy, social housing providers should be aware of the full range of financing options. In order not to play the role of the fool in the market, any deal they sign up to needs to share the risks and rewards of renewables securely and equally.

Low carbon retrofit: getting the specification right

Peter Rickaby, Director (Rickaby Thompson Associates Ltd)

The UK is committed to reducing carbon dioxide emissions by 80 per cent by 2050. Energy use in dwellings accounts for 29 per cent of total emissions, and since 80 per cent of these dwellings are expected to still be in use in 2050, this reduction target has significant implications for the domestic sector. The Climate Change Commission has set a statutory intermediate target of 34 per cent reduction by 2020, but even this is a challenge, requiring a step-change in the performance of housing.

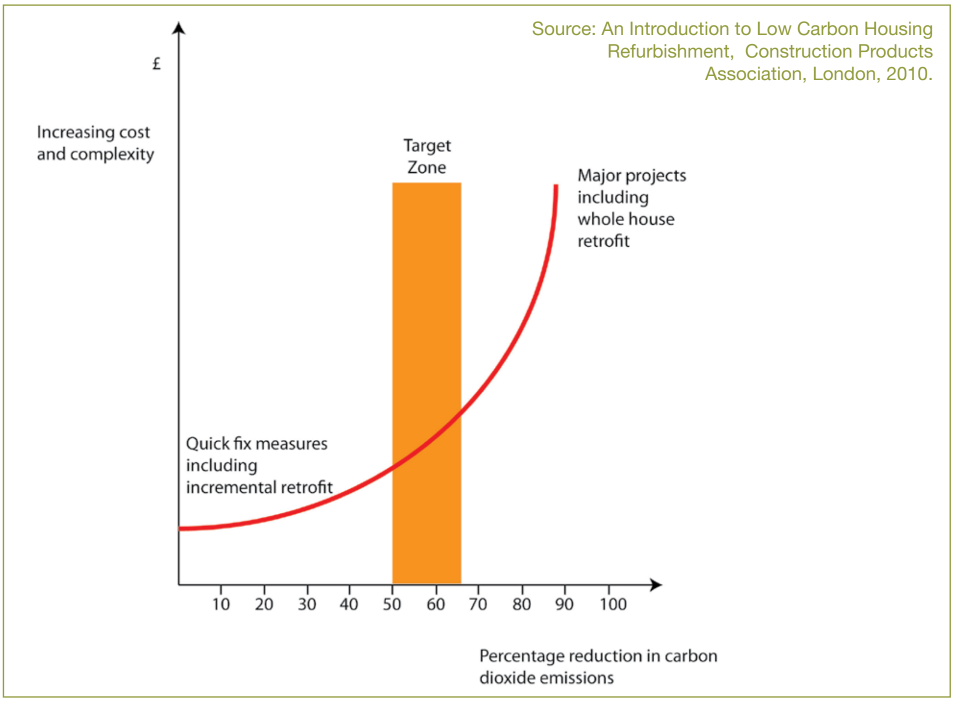
What does this mean for social housing, and what standard of refurbishment is needed?

Minimum energy standards are set by the Building Regulations, but these fall short of the standards needed to reduce emissions in line with national objectives. Landlords need to establish their own low carbon retrofit standards in line with national targets, the condition of their stocks, and the resources they have available.

Initial attempts with improvements designed to reduce emissions by 80 per cent have proved technically challenging and prohibitively expensive, with refurbishment costs averaging £90,000 for single dwellings.

The target zone

The cost of retrofit is proportional to the reduction in carbon dioxide emissions. Projects involving 80 per cent reduction in emissions lie at the top of the curve, while measures-based



improvement programmes such as ‘Supplier Obligation’ schemes lie at the bottom of the curve. The target zone is where investment is cost effective – where emissions reduction is at a maximum for every pound invested. This zone moves up the graph as fuel prices increase, because greater fuel cost savings justify greater investment in improvements.

The target zone for housing retrofit should be between 60 and 65 per cent emissions reduction at current emissions factors. The cost of this level of reduction is half that of reducing emissions by 80 per cent – around £25,000 per dwelling at 2010 prices.

Every dwelling need not be improved to reduce emissions by this amount. The targets only refer to average reduction across all stock. A shortfall on some stock may be compensated for by deeper emissions reductions elsewhere.

If housing retrofit can reduce emissions by between 60 and 65 per cent, the remaining 15 to 20 per cent reduction to meet the 2050 target can be achieved by

- Decarbonisation of the electricity grid, for which there are ambitious plans
- Allowable solutions, such as local renewable energy supplies
- Replacement of some of the least efficient dwellings with new, ‘zero carbon’ homes after 2016

Low carbon retrofit specifications

A unique retrofit plan will be necessary for every dwelling, for implementation over twenty years or more, but some solutions may be common:

- Solid wall insulation (internal or external)
- Ground floor insulation
- Reduced thermal bridging
- Air-tightness
- Whole-house ventilation with heat recovery
- Solar water heating (funded via the Renewable Heat Incentive)
- Solar PV (funded via the Feed in Tariff) to generate zero carbon electricity, offsetting the emissions associated with lights and appliances

Other options such as communal biofuel heating will be appropriate for flats, where there is rarely sufficient roof space for other renewable sources of energy.

Low carbon retrofit is difficult and costly, so successful projects require careful specification. A poor improvement specification may leave the dwelling with twice the heat loss (and twice the emissions) associated with a good specification.

Relish™ innovation in practice

Colin Farrell, Senior Partner (Faithorn Farrell Timms)

The Relish™ (Residents 4 Low Impact Sustainable Homes) project was an initiative aiming to provide a cost-efficient solution to reducing energy consumption in occupied homes. Since its launch in 2010, it has been recognised by Constructing Excellence as an Innovation in Practice Project, and won the prestigious Sustainable Housing Award in the Constructing Excellence London and South East 2010 awards. In February 2011, we released our Relish™ Phase One report, looking at what the project had achieved in its first 12 months. So what did we find?

More than Decent Homes

Phase One focused on the wider implications of behaviour and lifestyle changes on energy use, specifically the impact of low-cost retrofit when coupled with resident engagement and education. Relish™ Phase One set out to prove how a pragmatic and cost effective approach to retrofitting can not only exceed the Decent Homes standard, but also contribute to the Government's sustainability and fuel poverty agendas.

The results of our first year demonstrate that by spending £6,500 in addition to Decent Homes type works, and providing a tailored education and support programme, it is possible to significantly reduce households' annual fuel consumption. Over the 12 month period, one Relish™ household saved a staggering £368 on their annual fuel bill – a 29% reduction compared to the previous year and the equivalent of approximately five weeks rent for that tenant.

Education and improvement

A household that received tailored energy efficiency advice and absolutely no retrofit or energy efficiency improvement works at all, still saved £223 on their annual energy bill - an 18% reduction compared to the previous year.

Interestingly, in the reverse situation where a Relish™ household received retrofit energy efficient improvement works but no education or support, the energy costs were reduced but by only a negligible amount; £38 per year – a 4% reduction compared to the previous year.

Within our report, we explore the reasons for these diverse results and the implications of relying on theoretical (RDSAP) data alone to calculate energy savings and carbon reduction.

Best practice

Our study concluded that the best results in terms of energy reduction occur where sensible energy efficiency works are carried and supported by a post-completion programme of education and support to help users understand the impact of their behaviour has on energy consumption.

The effect of resident education and support exceeded our expectations, particularly amongst residents that were previously inefficient energy users.

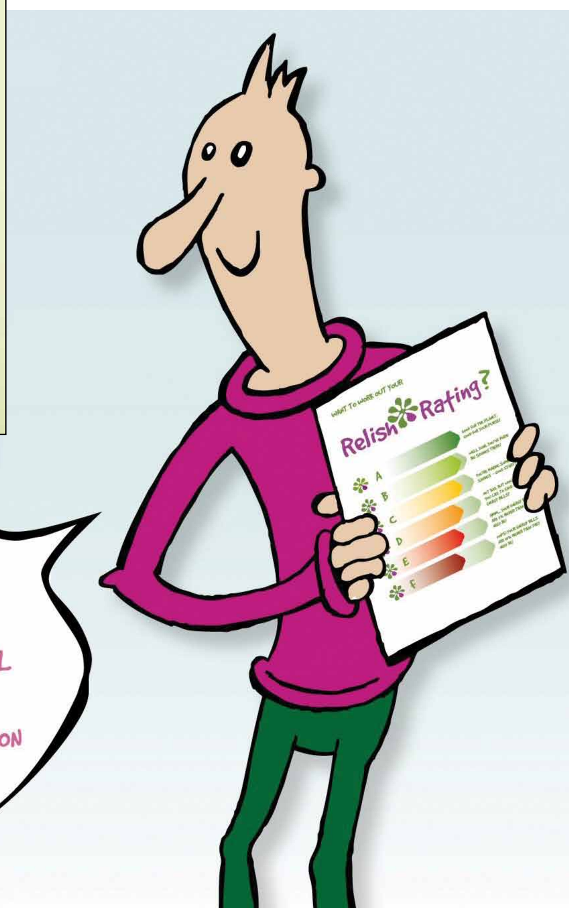
As a result of the study, we now understand better how lifestyle plays a significant role in energy use, potentially having a greater impact than physical fabric improvements alone. The report highlights the importance of resident engagement in helping to drive down waste, carbon emissions and fuel bills.

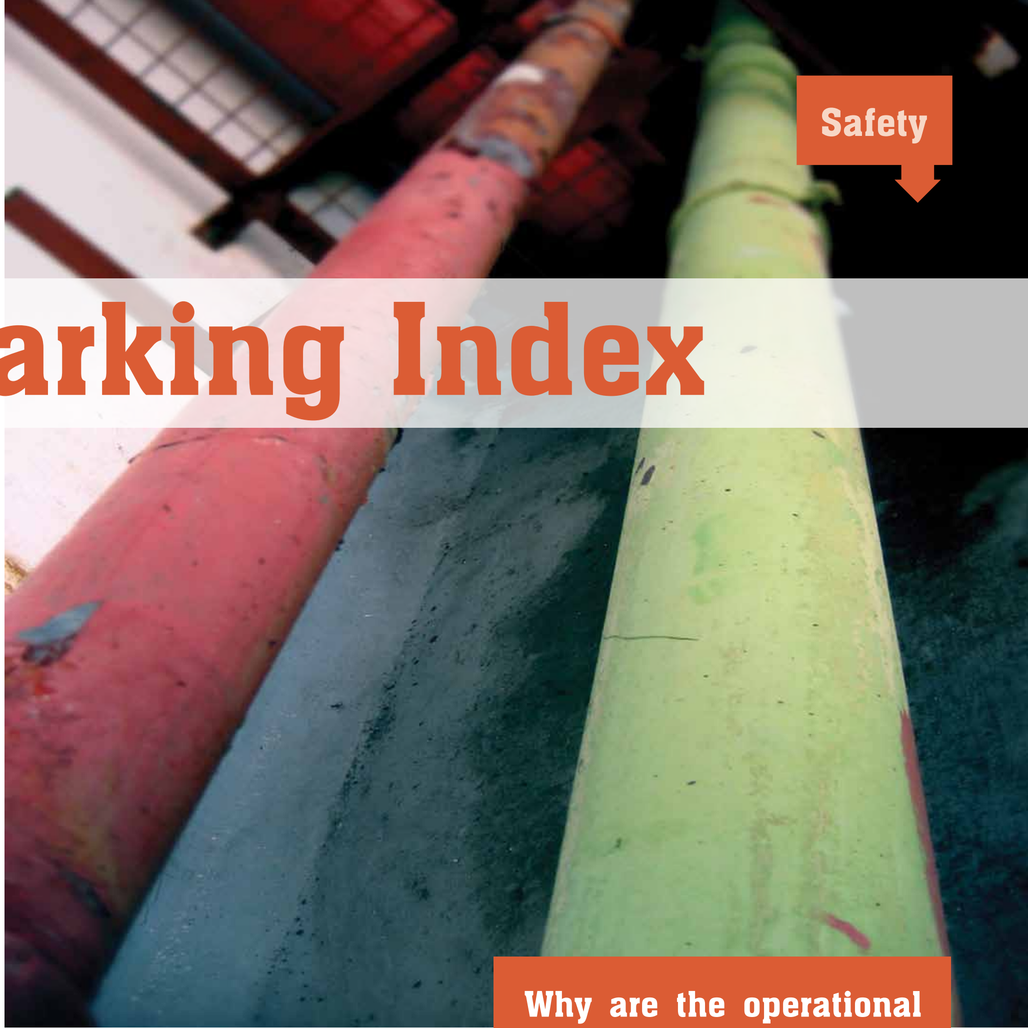
During the pilot phase we calculated that Decent Homes improvements, alongside the two key Relish™ approaches – low cost, low carbon works and resident education – can achieve up to 64 per cent of the government's 80 per cent target for carbon emission reduction.

The next phase will expand the resident sample, to see how our approach can be rolled out on a larger scale. Relish™ Phase Two will work with 159 households.

Visit the project website www.relish.org, to learn more and download a copy of our report.

Relish is a partnership project between Worthing Homes, Faithorn Farrell Timms and Rydon, supported by the University of Brighton.





The Gas Benchmarking Index

Mark Seaborn, Managing Director
(Pennington Choices)

In 2009 Pennington Choices carried out our first Gas Benchmarking Index with 20 social landlords. Repeated in 2010, there were some recurring weaknesses in the gas servicing and repairs policies and procedures of social housing groups.

- The landlord's legal and regulatory obligations were insufficiently detailed, and in some instances not even acknowledged
- Procedures for quality assurance checks of a tenant's own appliances were inadequate
- 'No access measures' were informal and arguably contentious
- A contractor's competence post-procurement was insufficiently reassessed
- Quality assurance methods post-inspection were lacking
- The policies and procedures set out with regards to leaseholders lacked clarity
- The interpretation of performance indicators and how to deal with voids in the performance indicator IT systems was a source of confusion amongst landlords
- Lower levels of legal compliance than at the financial year end were common, and some landlords were unable to produce or measure legal compliance
- There was also significant variation in the approach to monitoring

Why is policy important?
Policy is important as it's the only way for the governing body to demonstrate that the organisation understands the legal and best practice requirements upon it. Using policy documentation, organisations can set out their position on items of practice, and establish a standard against which staff can be held to account. Policy implementation also allows self certification to the regulator.

Many landlords have good practices but they aren't in their policy. Even if you are doing the right things, you've got no way of proving it. Your practice and policy should match, so make sure you capture your practice, check it and write it in your policy. The Gas Benchmarking Index produced model best practice policy and procedure documents.

Why are the operational procedures so detailed?

Gas is too high risk to be brief: it needs to be well documented! Most procedures are found in the contract documents, focused on access and what the contractor is responsible for, but the only time they are reviewed is when the service is being re-procured. To make them easier to use, make sure your procedures come with clear timeframes, roles and responsibilities.

Statutory requirements

When it comes to gas safety there are statutory requirements a landlord has to comply with in their policy & procedure documents:

- Gas Safety Regulations 1998
- Section 3 and 4 of the Health and Safety at Work Act 1974
- Regulation 3 of the Management of Health and Safety at Work Regulations 1999

If you are a registered provider of gas repairs and maintenance, there are also requirements set out by the TSA and the HCA that should be met. You should set out an annual report for tenants on how you are meeting the statutory requirements that ensure the health and safety of the occupants in their homes and how you intend to meet the requirements in the future.

Managing fire safety

Kevin Manning, Head of Asset Management (Wolverhampton Homes)

There are a myriad of legislative and technical requirements for fire safety management. But success or failure is ultimately measured by the impact our decisions, policies and actions have, in reality, on our communities and the safety of our residents.

A fire safety practice checklist

Accurate stock condition information: knowing your stock and assets

- Have you identified, categorised and prioritised all your stock for the purposes of your fire risk assessment (FRA) programme? Does this inform the frequency of your FRAs?
- How robust and accurate are your FRAs? Would they be judged as fit for purpose? The Regulatory Reform (Fire safety) Order 2005 provides guidance on the contents of these risk assessments.

Fire safety policy and procedure: corporate statement and approach

- Does your organisation have a single comprehensive strategic policy and procedure for fire safety? This document should outline as a minimum your legislative requirements, work scope, FRA procedures, staff roles and responsibilities, record keeping and monitoring procedures, health and safety audits and equality impact assessment.
- For example, it should include protocols for the installation, maintenance and servicing regimes for smoke alarms, sprinkler systems, wet and dry risers, emergency lighting, class O painting programmes, signage, fire safety equipment, lightning conductors, extinguishers, combustible materials in communal areas, refuse chutes and hoppers and bin chute rooms and so on. The importance of procurement, control of contractors and allocation of financial budgets for this work must not be underestimated.

Responsible person: clarity of roles

- Has your organisation identified a responsible person to ensure compliance with the Regulatory Reform Order and for co-ordinating and assessing the FRAs?
- The management of fire safety is more than 'one person'. In accordance with its corporate fire safety policy an organisation must ensure that all senior managers and frontline staff understand their specific roles and responsibilities, thus ensuring that these duties are carried out.
- Are these officers competent and have they received the necessary training and instruction?
- Do they have the authority and mandate to fulfil these functions and are these duties stated within their job description and personal specification?

Introduction of Fire Stopping Certificates: simple but effective

- Are operatives or engineers engaged on your work required to complete a fire certificate to confirm they have not compromised fire safety but have undertaken the necessary fire stopping to the correct specification and identified any fire safety risks they have found?
- A completed certificate should be required for all refurbishment, alteration and maintenance works where the integrity of the fire stopping may be affected.

Resident awareness and fire safety information: not just about bricks and mortar

- Do you hold specific knowledge of the needs of your tenants, leaseholders and the general public?
- Do you have access to tenant profiles in terms of how the demographics of a building occupancy can change over time?

> "Success or failure is ultimately measured by the impact our decisions, policies and actions have in reality on the safety of our residents"

- Do you place fire safety information into all tenancy handbooks or tenancy start-up packs and are Home Fire Safety Checks offered?
- In blocks of flats or maisonettes, have all residents been made aware of the appropriate action to be taken in the event of a fire? Do they know the evacuation process and procedure?
- Do you have a personal evacuation plan (PEP) for more vulnerable tenants?
- Have residents whose first language is not English been given access to clear and understandable fire safety information?
- Is evidence available to demonstrate that you have fully assessed and responded to the needs of vulnerable residents in relation to fire safety?

Establishment of a fire safety committee: effective co-ordination and control

- The establishment of a fire safety committee chaired by the policy process owner and attended by key stakeholders ensures health and safety compliance. Its terms of reference can commission audits and fundamental service reviews. This limits complacency and continually monitors the consistency and standard of the service.

M3NHF Schedule of Rates Contract Documents 21st century edition

Andrew Milross, Partner (Anthony Collins Solicitors)
David Miller, Director (Rand Associates)

The M3NHFSchedule of Rates contract documentation has now been comprehensively revised and updated. It is the industry standard pricing document for housing maintenance contracts and now complies with the new Constriction Act provisions, as well as all current regulations.

Still flexible
Although the M3NHF Schedule has its own set of contract documentation, it is often used with a number of different forms of contract, including JCT, NEC and TPC/PPC.

The M3NHF Schedule remains a detailed but flexible modular contract. This flexibility is given through a number of options that are selected in the Contract Details document, such as the option for a service provider to supply either an invoice or an application for payment.

Bespoke as standard
The operational detail within the M3NHF Schedule documentation means that it is no longer necessary to prepare the bespoke specification type documents that the other, less detailed forms of contract require.

The M3NHF Schedule contract documents are designed specifically for housing maintenance, so the housing-specific procedures (such as on-site variations, tenant damage, CRB checks, no-access procedures etc) are already included. Of course, they should always be compared to the client's own procedures and amended where necessary.

In a number of areas, the contract documents for the M3NHF Schedule contract build on the experience of other standard form contracts. For example, following the Connaught and Rok experience, the client can now terminate the contract for insolvency-related events as soon as the service provider states publicly that it is taking steps towards insolvency. But the choice is their's; rather than this being automatic, the client can choose whether or not to terminate the contract.

Improved balanced
Although the new contract documents are designed to protect the interests of the client rather than the service provider, they are more balanced than the previous version. For example, although the client's representative is given a wide discretion to administer the contract, the duty to do this fairly and impartially, as implied from the case law, is now written into the contract. This helps the client and service provider know where they stand and highlights this duty to the client's representative.

Performance management
As well as the usual termination provisions for major breaches and the possibility of using a break clause, the new M3NHF Schedule contract documents include a number of measures to help clients manage performance. Poor performance will be considered default by the service provider, and could ultimately lead to termination of the contract. Performance measures include:

- KPI monitoring, with termination for default if the service provider fails to achieve set minimum acceptable performance levels after having been given a warning and an opportunity to improve
- The right to get another contractor do the work at the service provider's cost where an order is not completed or a defect is not rectified on time
- The ability to suspend the issue of orders whilst a breach of contract is being investigated
- The ability to serve a default notice for either repeated breaches of contract or a breach of contract that is not put right after a warning, with the number of default notices being a KPI for which there is a minimum acceptable performance level

The revision of the M3NHF Schedule contract documents means that the contract is fit for purpose for all types of housing maintenance activities in the 21st Century. This makes the use of other forms of contract unnecessary where a price-based schedule of rates approach is desired.

The M3NHF Schedule contract documents were updated and revised by a team from Anthony Collins Solicitors LLP led by Andrew Millross, Partner, working in conjunction with David Miller of Rand Associates Consultancy Services Ltd. Andrew was the lead author on the National Housing Federation's best practice guide to Contract Management published in 2010.

Making the most of the M3NHF Schedule of Rates

NHMF are now running training courses to help clients and contractors use the M3NHF Schedule of rates and its additional specialist works modules more effectively. Each training day will involve a mix of plenary sessions and interactive workshops, and you're welcome whether you are currently in contract or still considering running responsive repair contracts under the M3NHF Schedules.

Implementing a contract under M3NHF Schedule of Rates
Thursday 6th October 10am-4pm
The Lowry, Manchester

Get a clear understanding of the M3NHF Schedule of Rates contract process and how to implement your own contract.

Evaluating and reviewing a contract under M3NHF Schedule of Rates
Thursday 10th November 10am-4pm
Aston Business School Hotel & Conference Centre

Understand the processes involved, and a set of guidelines by which to evaluate your contract and consider options for termination.

Managing a contract under M3NHF Schedule of Rates
March 2012
venue to be confirmed

Get to grips with the process of managing a contract under the M3NHF Schedule of Rates and understand how to evaluate and improve your own contracts.

Tendering a contract under M3NHF Schedule of Rates
May 2012
venue to be confirmed

Get a better understanding of the process, and a set of guidelines by which to tender a M3NHF Schedule of Rates contract and identify the areas of particular concern.

To find out more and book your place visit www.nhmf.co.uk/training

2012 NHMF Conference

Tuesday 24th to Wednesday 25th January 2012
Holiday Inn,
Stratford upon Avon

Book your place
www.nhmf.co.uk/conference

The exhibition provides a dynamic forum for networking, sharing best practice and promoting new opportunities and services. A mix of seminars and workshops address some of the strategic issues within housing maintenance…

Risk and regulation

Speakers from the Homes and Communities Agency (HCA), Department of Communities and Local Government (DCLG), and National Housing Federation (NHF) will explore managing risk in the areas where safety is paramount including fire safety, asbestos removal and gas servicing.

Managing procurement

Sessions will address the transition from procurement to management of maintenance contracts, exploring how stakeholders can work together to deliver the excellent service that customers expect, with high performance and value for money for all. Practitioners will showcase best practice and innovation alongside experts in contract documentation.

Sustainability

To address the energy performance of existing stock, social landlords will need to establish a comprehensive refurbishment programme of nearly all their properties. The last five years have seen numerous schemes and retrofit projects in the social housing sector, but with variable and fragmented outcomes. The conference will review how far social housing has come, what has been learnt and propose where scant funds might best be invested in the future.

Successful communication

Improved communication across the housing maintenance service could deliver significant savings. Case studies will illustrate how the lowest performing element of service delivery can be turned round, without new investment, simply by addressing the way people communicate in service delivery. Workshops will look at each of the communication hot spots; with tenants, staff, operatives and the board.

> **"A number of sponsorship opportunities are available. To find out more visit www.nhmf.co.uk/conference"**

NHMF best practice awards 2012

Proud of yourself? Nominations for the NHMF awards 2012 are now open. The NHMF will be presenting five awards:

Best client: the client organisation that was best at meeting residents' needs in the provision of a maintenance service

Best DLO: the direct labour organisation providing the most cost effective maintenance service

Best contract: the best managed external contract for maintenance

Best use of IT: The best use of information technology for maintenance

Best innovation in the provision of a maintenance service - NEW for 2012

Nominations open in June 2011 and should be submitted by Friday 25th November 2011. Trophies will be presented at the Awards Dinner during the NHMF Conference in January 2012.