

Bulletin



National Housing
Maintenance Forum

Ebanking saves time and money



City of Edinburgh Council has a very active property conservation section, responsible for monitoring buildings and organising maintenance work, recharging the owner where appropriate.

Tim Rayner worked with The Royal Bank of Scotland Commercial Cards to adapt the standard Visa GPC (Government Purchasing Card) and design an innovative, bespoke solution to cater for CEC's specific needs.

They set themselves three core goals.

- pay contractors as quickly as possible
- have a transparent, simple invoice tracking process
- create a 'paperless' back office

The Transaction Data Management solution is a website onto which all projects, contracts and schedules of rates for work are loaded. The works orders for contractors pertaining to each project are

"The value of work carried out over 2005 will amount to £8.7 million, which could have meant 14,000 paper invoices. In processing these, the cost to us in time spent on administration, plus the risk of inaccuracies and human error, is significant – amounting to approximately £55 per transaction."

then issued on the website and each contractor is able to log on, with a unique password and PIN, to access the purchase order which is stored on a web page. They can then issue an invoice from the purchase order on the system and track it via cost centres.

On the Council side, the officer dealing with a particular project can log into the site every day and see the invoices. They can either approve them to be paid in full straight away, or in the event of any anomalies, can amend the amount online to one they are happy with, sign that off to be paid straight away, and arrange with the contractor to discuss the matter 'offline'. Whatever the situation, the contractor can clearly see at all times who is dealing with the matter and at what stage in the process it is.

The contractor is paid, at least in part, within 36 hours if they are a Royal Bank of Scotland customer, and within 48 hours if not. Previously, any query meant

cancelling of invoices, issuing of credit notes, postage back and forth and a potential delay in payment of weeks.

This article by Tim Rayner of CEC continues on page 13

Contents

Ebanking	1
Editorial	2
News	3
Gas checks	4
HHSRS	5
Training:	
Need for training	6
Upkeep	6
CIOB qualifications	7
Energy performance	8
EU Procurement regs	9
Procurement:	
GM Procure	10
LAPN	11
PFA	12
NHMF client visits	12
Asset management	14
A day in the life	15



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The last year has seen some hugely successful initiatives to improve the efficiency of procurement in asset management by working together in consortia. We report on three of these in this year's Bulletin, and the NHMF Conference in January this year had presentations from many more. The National Change Agents for asset management are a good source of information on how to benefit from this experience.

So far, most of these initiatives have focussed on elemental renewal programmes, where much of the big spending occurs. This reflects the government's priority to bring all social housing up to the Decent Homes standard by 2010.

One of the founding visions of those that developed the NHF Schedule of Rates in the early nineties was that it should enable social landlords to work together to deliver response repairs, cyclical maintenance, and void repairs more efficiently, particularly where they had stock scattered across too great distances for a few local contractors to deal with. NCA's remit is limited to "capital repairs", so while they have been very successful in promoting consortia on elemental renewals, they have not been pressing for similar initiatives in responsive repairs and cyclical maintenance. This may be the next big area of efficiency that maintenance managers should be tackling. It will be particularly beneficial to smaller associations, and larger ones with scattered stock. But even the largest of them could make huge savings by agreeing to common contracts.

The savings have to come by allowing contractors to deliver repairs more efficiently, rather than by pressing their profit margins. And that means agreeing

common administrative arrangements, and performance monitoring, so that the contractor can treat all members of a consortium as part of one contract. Further potential savings could come from pooling repairs reporting, and shortening the lines of communication with the contractors.

This ties in with another theme that is rapidly developing this year – the need to raise the standard of contract management and repairs administration. Within a consortium, all members can pool their expertise in contract management, and raise the professionalism with which the contracts are managed. Lead responsibilities can be shared.

Our own survey of the way clients use products developed by M3 Housing under the NHMF's guidance showed a huge gap between best and the average performance in managing repairs and maintenance contracts. Some of this is reported in Nick Wood's article on the client visits. We intend to respond by promoting some of the more effective training initiatives that we believe could help all of us to improve the professionalism with which we deliver a repairs and maintenance service.

There are a number of articles on training in this Bulletin, and we are keen supporters of the CIOB/CIH Technical Qualification. This will be one of the main themes of the NHMF Maintenance Conference in January 2007, where we plan to have workshops and exhibitors that can help us develop strategies for improving our own management practices.

Dave Treanor, Secretary to NHMF

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What's new?

Performance Indicators: Update

The Housing Corporation has carried out a review of its Performance Indicator regime. The consultation closed in February 2006 and over 90 responses were received.

There were a number of policy drivers that fed into the review, including the lessons learnt from the new requirement on RSLs to have external validation of their PIs. This highlighted a number of issues in relation to the repairs and maintenance PIs.

Our aim is to ensure that we collect housing association performance data by means of a suite of indicators that clearly measure the quality of service that housing associations are delivering to their tenants.

This process is coming to its conclusion, and we will announce the outcome in June this year.

www.housingpis.co.uk
Deborah Iltot, Housing Corporation



EcoHomes XB... is here! Early June launch

Last year we described how EcoHomes XB, for existing buildings or managed stock would work. Since then, we've piloted it a second time, and listened hard to the feedback. The result is that we have re-cast XB so that housing associations and local authorities can use stock data that they already have in-house, to assess the current performance of the stock: to plan the most effective interventions to improve the worst cases: and to measure the improvements made.

EcoHomes XB recognises that existing stock includes a wide range of property ages and types. It will help you to identify the best score that can realistically be achieved by your particular stock – the MAX score: and to track your progress towards it.

XB provides a framework that will ensure that you incorporate all the environmental measures that you can, recognising the challenges of the existing stock; and that will enable you to record and measure your achievements.

Alison Mathias, Housing Corporation

New from M3 Housing in 2006

Tenant repairs guides: Our popular handbooks can now be made available on your website or in print. You can tailor the look and the content and even link through to repairs reporting via Housecall if you subscribe to both.

Repairs Ordering Schedule: This is a cut down version of the NHF Schedule of Rates with around 300 composite items for day to day repairs ordering, making it much easier for non technical staff to browse and select the correct items. ROS can be used as an alternative shorter schedule, or to complement the NHF Schedule of Rates for ordering or pricing repairs.

Checkmate: Over the last 6 years Checkmate has built up an invaluable database of benchmarking data on the way repairs are delivered by around 100 organisations, against which members can compare their performance and practices. It can identify areas of weakness, and give useful leads on who might have solutions you can learn from. It is also used to demonstrate where a DLO or Contractor is providing value for money.

This year the questionnaire has been simplified, making it both easier to complete and more relevant to today's priorities, whilst retaining an in-depth view of the way repairs are delivered.

Later this year Checkmate subscribers will be able to enter their data online, and to obtain instant comparisons with the other members. Subscribers can choose the organisations to benchmark against by criteria such as region or size, and drill down to find out more about the organisations they are comparing with.

Housecall: Many new improvements are being worked on, offering a wider range of non-European languages, improved drawings and diagnostic links, and a control panel for customers to configure Housecall. Housecall will be more secure and kiosk-friendly.

NHF Schedule of Rates

Support service: In order to improve the service offered to subscribers, there is a new Support page on the M3 website on which users can email their queries. Visit m3h.co.uk and choose Repairs and Maintenance then click on the Support button. Rand Associates will respond to queries within two working days.

Locator Plus 3: Locator version 3 is now available. It offers a fresh look with new and improved drawings. Best of all is the handy QuickFind: a new way of looking up repairs problems.

For further information:
www.m3h.co.uk or 020 8254 5580

Gas checks

Scheduling gas checks is one thing, gaining access is quite another



Every year over 30 people die and hundreds more are injured in their own homes from carbon monoxide poisoning, usually because of

badly fitted or maintained gas appliances like blocked flues or damaged gas pipes.

If the victim of the leak is a tenant, their landlord may face manslaughter charges and seven-figure damages awards.

Gas regulations

Since the late 1990s, landlords have been under an express legal obligation to check all their properties' gas appliances at least every 12 months. Failure to do regular checks – and servicing where necessary – by CORGI-registered fitters is a criminal offence under the Gas Safety (Installation and Use) Regulations 1998.

It seems that there will always be a hard core of tenants who simply won't let their landlord in to do these checks. The Regulations anticipate problems with access; the landlord is not guilty of a Health and Safety offence if it has taken "reasonable steps" to carry out the inspection. "Reasonable steps" means sending the tenant three or four letters, and offering the tenant specific appointments or the chance to arrange more suitable times. Available appointment times should be flexible (eg after office hours and at weekends). Ideally, publicity should have made tenants aware of why these inspections are so vitally important.

If the landlord has taken reasonable steps to avoid HSE prosecution, yet the tenant still refuses access, the landlord must still

keep trying to do an inspection so as to avoid any potential criminal or civil liability. Even at this stage, landlords cannot simply force entry, but must seek legal advice before taking further steps to get in and do the inspection.

Injunctions

"Mandatory injunctions" are court orders telling tenants that they must permit entry to their landlord. They are granted on the basis of the Gas Regulations and any relevant tenancy agreement (or statute-implied) clause allowing the landlord entry for general repairs. So long as all necessary legal procedures have been followed, a county court will usually grant such an injunction, compelling the tenant to arrange an appointment and permit entry within a set deadline. Refusal is contempt of court, and a circuit judge faced with such a breach of injunction may fine or even imprison the tenant, making injunctions a powerful deterrent for most tenants.

Yet if push comes to shove, a civil judge still cannot lawfully empower a landlord to force entry.

Possession

Meanwhile, taking possession proceedings against recalcitrant tenants to guarantee gas inspection is a blunt and unattractive instrument. In doing so, a household, perhaps with children, perhaps vulnerable, is rendered homeless, and may have to be re-housed, only for the problem to recur. Also, the courts have a great deal of discretion to postpone the possession process.

Statutory nuisance

None of the landlord-tenant powers safely and lawfully allows the landlord in by force to inspect the gas installation. This is where statutory nuisance environmental law comes in handy.

On the basis that checking gas installations is important enough to justify specific HSE legislation, a landlord should be able to convince their local authority that an unchecked property is therefore "likely to be prejudicial to health" and is therefore a statutory nuisance under s.79(f) of the Environmental Protection Act 1990.

On this basis the EPA1990's summary proceedings for statutory nuisance impose a duty on a local authority: if the council is "satisfied" that a statutory nuisance exists, it MUST serve an abatement notice on the "person responsible for the nuisance", ie the tenant. Typically this gives the tenant 14 days to comply with the abatement notice which tells them to make contact and let the inspectors in.

After 14 days without response, the tenant has committed an offence. More practically, the local authority officer can now get a magistrate to sign a warrant for "entry... if need be by force".

This method can be employed not just by local authority housing departments but also by ALMOs, LSVTs, RSLs and private landlords in conjunction with their local authority.

Not only is this a perfectly lawful way of gaining entry by force. It is also free of charge; the entry warrant is the criminal court's response to an offence, not a costly action in civil law. Be warned that regulatory bodies do not want to see forced entry being used too frequently or too early on in the process. But, backed by sound legal advice, it is an entirely valid process.

Peter Marcus, Young Street Chambers

Housing Health and Safety Rating System and the DHS



The Housing Health and Safety Rating System – is here!
It came into force on 6th April. This article sets out
the key facts for housing professionals

Firstly – HHSRS, or “the Rating System” is a complete, fundamental and ground-breaking change to the assessment of fitness in housing that has been in preparation for a decade.

Secondly – don’t panic. It is complex. But social landlords are in the business of maintaining property; and it fits with the ethos and the motivation of the sector that tenants should be safe in their homes. Some of the things that undoubtedly will be found will be relatively simple to remedy.

Guidance produced by ODPM (now DCLG) advises Local Authorities that “informal working with RSLs is seen as preferable to resorting to formal enforcement measures where the landlord has a timetable for making the stock decent. However, occupiers should not be left for long periods in unsafe housing”.

Background

In 2001, the Government required that all social housing should meet the Decent Home Standard by 2010. The first of the four criteria of the Standard is that homes should comply with the Fitness Standard set out in the 1985 Housing Act and updated by the 1989 Housing Act. Under the Housing Act 2004, the Fitness Standard criterion is replaced by The Housing Health and Safety Rating System.

The Housing Health and Safety Rating System: key facts

The Rating System is based on risk assessment and is a calculation methodology.

The system identifies 29 possible hazards that could occur in a property. The hazards are analysed into four groups:

Physiological, Psychological, Infection and Accidents.

Local Authority Environmental Health Officers enforce the HHSRS. They will respond to complaints by inspecting properties. They will assess the likelihood of harm arising from a hazard, and the degree of harm.

From this, they use the HHSRS to calculate a score, which will fall on a scale of A (highest) to J (lowest). Hazards in categories A to C constitute Category 1 hazards, those in Categories D to J are Category 2 hazards. The Decent Home Standard requires homes to be free from Category 1 hazards.

The Rating System identifies those categories of people most at risk from each hazard. Categories include: all people, children under 14, children under 5, older people over 65. The hazard score is calculated in respect of the most vulnerable potential occupier (whether or not such a person is resident at the property).

Local Authorities have a range of enforcement options. These include serving a Hazard Awareness Notice, an Improvement Notice, a Prohibition Order, and (for Category 1 hazards only), a Clearance Declaration, a Demolition Order, or taking Emergency Action (where there is imminent risk of serious harm).

In determining what enforcement action to take, the Local Authority will take account of the degree of vulnerability in respect of the hazard in question of the actual occupants of the property.

Summary

The HHSRS is a culture change. Follow advice on good practice in stock condition surveys. Ensure that frontline staff are able to identify hazards in the housing stock. then focus on remedying the hazard, and making sure homes are safe – rather than on calculating the exact hazard score.

What should housing associations be doing?

- follow DCLG guidance on incorporating HHSRS into Stock Condition Surveys for Local Authorities and RSLs
- incorporate HHSRS into their next stock condition surveys
- incorporate the most common hazards into their stock condition surveys: heat, hot surfaces and fire; trips, between levels, on the level and on stairs; and cold
- aware of three hazards that are not generally included in stock condition surveys: overcrowding, noise and security
- ensure that Stock Condition Survey contractors and staff are able to identify all 29 hazards

The Housing Corporation does not expect Housing Associations to undertake full HHSRS surveys of their properties in order to confirm compliance with HHSRS.

Alison Mathias, Housing Corporation



Training: not an option, a necessity

The construction sector operates in one of the most heavily regulated industries in the UK. It is also one that reportedly does not deliver projects of sufficient quality, both on time and to budget. These facts alone should ensure training is high on any organisation's agenda, but once we consider the personal and organisational benefits then training becomes a necessity and not an option.

Personal benefits include:

- Enhancing career development
- Increasing personal confidence and ability
- Demonstrating that the organisation values its staff
- Providing transferable skills

Organisational benefits include:

- Reduced risk of project failure
- Better staff motivation
- The ability to contribute more to organisational goals
- Less reliance on external advisors

In the past year, Registered Social Landlords have seen their work fall within the scope of the Procurement Regulations; may have been encouraged to form consortia for development and will be faced with new contract forms such as the JCT 2005 series and the NEC3. Without the necessary skills upgrades, staff will find it increasingly difficult to deliver projects and may be encouraged to use unsuitable processes which places them and the organisation at risk.

Without staff development and training, whole groups of people can rapidly become devalued and have a greatly reduced ability to deliver expected results.

Most professional bodies require their staff to undertake continued professional development (CPD) and log time attended in such study. This could include attendance at courses, reading of articles, attending conferences, production of articles for publication et cetera, and many training officers would be well advised to consider these options as well as formal sessions.

Training may vary from very structured recognised courses leading to a qualification to those that deliver specific quick-hit knowledge injections. From an organisation's point of view, it requires a mix of this strategic long term investment in staff and the rapid response to skills upgrading that reflect its changing workload.

Shorter courses can also have a number of formats, from those delivered in national centres as "road shows" and those delivered in-house which are normally tailor made to the client's requirements. In-house sessions are normally best delivered by practitioners rather than academics. Practitioners may have extensive, sometimes conflicting knowledge of the subject matter.

Road-shows normally deliver relatively cheap attendance fees but frequently incur additional expenses such as travel, time off work, accommodation etc.

For many topics e.g. the update of legislation or a refresher on specific skills, a half day course may be adequate. For greater depth of coverage, a few days

This article by Peter Gracia of Knowles continues on page 13



Upkeep

Everybody likes a short cut. If someone tells you: "I can get you from point A to point B easier/faster/cheaper", you're not going to say no

However, as the Director of a charity that promotes good practice through education and training, I believe that one has to be wary of putting all one's faith in short-cuts.

Take a moment to reflect on your own experience. Have you had a bored call centre person reciting a "script", not listening to what you are saying? Have you ever found they lack basic knowledge and just want you to go away?

Compare that to how you feel when you deal with someone who has knowledge that goes beyond the basic script, who is confident in their ability to help you, and who appears to enjoy their job and your interaction.

Achieving such a good standard of efficiency and customer service takes training.

Upkeep was set up to promote good practice in repairs and maintenance through education and training. We are an independent registered charity. We first began providing training courses for housing staff in the early 1990's and now train over 1,200 people per year.

Our focus is training for repairs staff. These staff are often not paid much although the job can be very stressful. Tenants can be aggressive or demanding. They may describe the problem inaccurately and English may not be their first language.

Giving repairs staff a good understanding of buildings is the minimum support employers should provide, and a

commitment to good training can reap enormous benefits.

Over ten years ago our survey showed that repairs takers spent roughly £250,000 of their organisation's money in a year. Getting it wrong costs money – never mind what your tenants think of your organisation!

Our main teaching resource is the Upkeep Exhibition. This is a permanent exhibition designed to show how buildings function. It includes full-size sections of dwellings, including displays showing plumbing services, electrical installations, kitchens, roofs and lofts. The displays give an opportunity for hands-on experience that makes learning stick.

For training about the new HHSRS we have built a new exhibit illustrating hazards. It consists of a kitchen with no ventilation, poor electrics, leaking pipes and a rotten floor. The windows are cracked and the walls are

stained with mould. Seminar participants use this exhibit to practice assessing properties, and spirited discussions can ensue about what is, or is not, a Category 1 hazard!

In 2002 we developed the Upkeep City and Guilds Certificate in Diagnosing Defects and Ordering Repairs. We wanted to give housing staff an opportunity to highlight their skills by achieving a nationally-recognised qualification.

Training motivates staff to learn more and to think about how they can develop their skills. It improves staff morale and retention rates. One of our most satisfying experiences is getting a call from a senior housing manager who says: "I attended your training courses 12 years ago when I first started in housing. Now I want to send my staff to you to learn about buildings."

Annette McGill, Director, Upkeep



Learning how to inspect buildings in the Upkeep Exhibition



CIOB/CIH technical qualifications meeting the skills gap



What are the proposed qualifications?

The CIOB and CIH are developing a range of qualifications designed primarily for technical staff operating within Housing Associations or other Housing Service Providers.

The qualifications will be vocationally-related through a teaching programme (but using a combination of learning and assessment methods). The aim of the qualification will be to equip the candidate through a package of coherent learning with the skills and abilities to do their job. The intention is also to facilitate progression for administration and surveying personnel.

Why is there a need for such qualifications?

Research carried out over the last two years (Reed 2003, Asset Skills 2005, CIOB 2004/5) has identified a growing skills shortage and training need for those who deliver a service in the repair, maintenance and development of housing. The demand is particularly evident from those who respond to enquiries for repairs, deal with contractors for improving and maintaining properties and those who have a technical background but also require customer service skills. The surveys have also identified a vocational requirement for those entering the sector to have a broad understanding of social housing and its context. However, the core purpose is to advance skills and knowledge in social housing in

- * Customer Service
- * Housing Technology and Maintenance
- * Information Technology
- * Health and Safety
- * Supervision, Coaching and Management

At Level 4 (HNC equivalent), specialist qualifications in maintenance management, asset management and housing development are being proposed.

How can these qualifications deliver the sector requirements?

CIOB and CIH award nationally recognised qualifications. They are also professional institutes closely in touch with the needs of the sector, whose membership operate in management and technical roles. Both

This article by Nick Marsh of CIOB continues on page 13

Energy performance of buildings directive (EPBD)



Background

The EPBD from the EU aims to improve the energy performance of buildings. It introduces certificates to inform purchasers or renters of buildings both domestic and non-domestic of the energy performance of the building and of cost effective energy improvements that could be made. A certificate has to be provided each time a property is let or sold.

It was due to be incorporated into member state legislation in January this year. Some features have been included in revisions to the Building Regulations (the original proposed revisions were toned down as being 'gold plating' of the directive). The requirement for certificates has been put back, for up to three years, on the acceptable grounds (under EU rules) that there are insufficient inspectors either specialist or under an accreditation scheme to carry out the surveys. It appears these will come into force in England at the same time as the House Buyers Information Pack (HIP) sometime in 2007 or possible 2008 for rented housing.

Current position

The ODPM (now DCLG) left the responsibility for the design and content of the certificate to DEFRA, who in turn commissioned the Federation of Authorised Energy Rating Organisations (FAERO) to carry out the work. The certificate proposed starts with a graphic similar to those seen on white goods rating the energy performance of the building into 8 bands and includes

possible improvements and general advice to improve the energy performance of the building. However the whole certificate now runs to four pages and includes information not required by the Directive.

The main concern for social landlords is how the certificate will be prepared and authorised. It is proposed by DEFRA that the energy rating system called RDSAP should be used. This is a system based on the Standard Assessment Procedure (SAP) which is a survey of a property with the aim to assess the energy use under 'normal' occupation. It is very detailed and requires a fairly high level of skill. The RDSAP is promised as a simpler version (the RD standing for Reduced Data).

Trial tests by FAREO have shown that surveyors are unable to produce reasonably consistent results on the RDSAP.

Cost

The cost of an RDSAP survey will be expensive as it requires a visit to the property and access internally. The ODPM in its assessment of the cost estimated the certificate would cost £50 which would mean an annual cost to associations of £8 million. Estimates of the cost of the proposed certificate are from £150 - £250 which would cost associations £24 - £40 million per annum for something that will not add anything for tenants. It would be better spent on energy improvements.

These costs still do not take into account the administrative cost for associations. All the work the DCLG and DEFRA have carried out so far is to do with the house buying market.

DEFRA is carrying out a survey to see whether the information usually held by associations/local authorities is sufficient to provide an approximation of the energy performance without the need for separate surveys.

The aim of this is to be able to produce certificates based on existing information eg stock surveys for decent homes. This would reduce costs and free up resources to carry out energy improvement work. DEFRA will be coming back to the NHF.

We have also asked the DCLG and DEFRA whether the approach of looking at the cost effective measures for energy improvement, most of which association should know, be the main part of the certificate. The current proposal is to include improvements that are not cost effective despite this not being a requirement of the Directive.

Baseline

There is no way we can avoid the Directive and the NHF Green Strategy agrees with the objectives to improve energy efficiency but we want money spent on improvements to energy efficiency not on new bureaucracy.

Des Kelly, NHF



New EU procurement regulations



This is an update to the NHF publication *Guide to the EU Procurement Rules* by Anthony Collins Solicitors, published in March 2005

In 2004 the European Parliament decided to consolidate the procurement procedures for works, services and supplies into a single Directive. The UK had until 31st January to implement this into national legislation. This was done by the Public Contracts Regulations 2006 which came into force on 31st January 2006. These Regulations govern the procurement of contracts by local authorities, registered social landlords and other 'contracting authorities'. They apply to all procurements begun (generally when the OJEU contract notice is inserted) after 31st January 2006.

The Office of Government Commerce has issued guidance on the new Regulations. This guidance can be accessed at <http://www.ogc.gov.uk/index.asp?id=1004559>. Included in this guidance is an updated introduction to the procurement rules, and more specific guidance on the following new provisions:

- mandatory exclusion of tenderers who have been convicted of certain offences (such as money laundering and corruption)
- specific provisions for central purchasing bodies (contracting authorities which have been set up to provide goods, works or services to be provided to other contracting authorities)
- express provision for framework agreements (which are subject to strict requirements and are generally limited to a maximum of 4 years)
- rules for enabling contracts to be reserved to factories or businesses

where more than 50% of the workers have a disability ('supported' factories or businesses)

- rules for dynamic purchasing systems – a new online system of purchasing, which can be used for commonly made purchases
- express provision for electronic auctions; and
- a new 'competitive dialogue' procedure for "complex procurements" which allows "dialogue" with potential bidders before seeking tenders.

The other main changes social landlords need to be aware of are that:

- the prequalification criteria now need to be stated in the contract notice;
- the weighting given to each of contract award criteria should now be stated in the contract notice or invitation to tender or negotiate;
- social and environmental considerations can be included as part of the contract award criteria, and can be included as contract conditions where they are relevant to the subject matter of the contract;
- completion of the OJEU contract notice online can reduce the timescales for expressions of interest (or bids under the open procedure) by 7 days;
- making the contract documents available online can reduce the timescales for the return of tenders by a further 5 days under the open or restricted procedures;

- there is a requirement for a ten-day standstill period after awarding a contract but before it is signed. Unsuccessful bidders must be notified of the award, can seek further information and have an opportunity to take court action to set aside the contract award decision.

The thresholds above which contracts must be tendered under the EU procurement rules changed on 1st January 2006 and then changed again when the new Regulations came into force. The new thresholds (net of VAT) from 31st January 2006 are as follows:

- works contracts: £3,611,319
- services or supplies contracts: £144,371

The changes are currently being incorporated into the National Housing Federation Guide to the EU procurement rules and a revised edition will be available later this year. In the meantime much of the current version is still applicable.

Andrew Millross,
Anthony Collins Solicitors LLP

Procurement

GM Procure on site date in sight

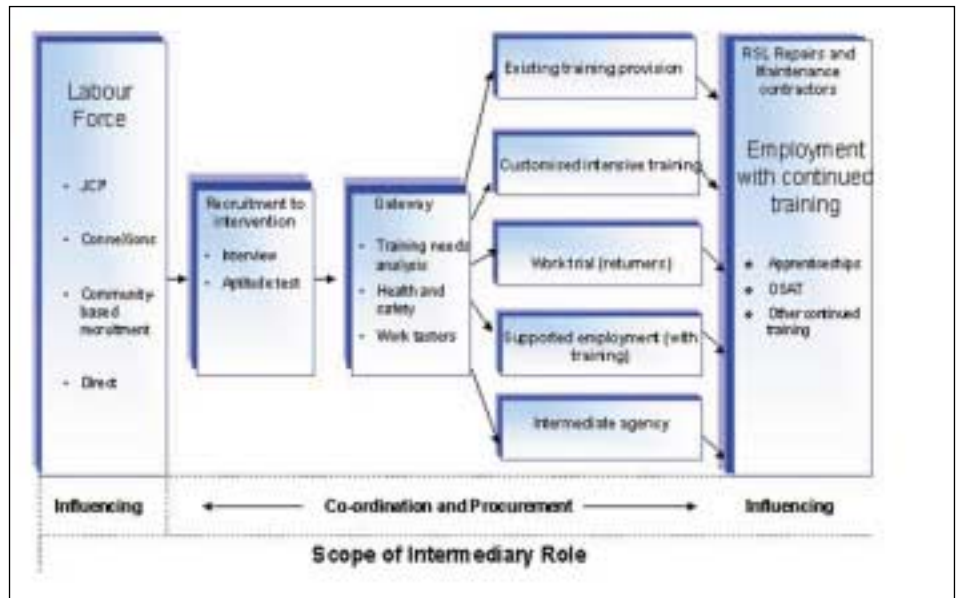
GM Procure is one of the five social housing consortia to be awarded 'trailblazer' status by the Department of Communities and Local Government and a share of the £33m Efficiency Challenge Fund, which was established to encourage efficiency in the social housing sector

GM Procure is one of the five social housing consortia to be awarded 'trailblazer' status by the Department of Communities and Local Government, and a share of the £33m Efficiency Challenge Fund, which was established to encourage efficiency in the social housing sector.

Founder GM Procure members (see below) have a total of 100,000 units of stock under management in Greater Manchester. Together, there is a planned expenditure of £445m in respect of replacement kitchens, bathrooms, heating systems, doors and windows, between now and 2010. This level of spend attracted significant interest in the marketplace, with over 300 suppliers and installers completing the initial online Pre-Qualification Questionnaire process.

By working collaboratively and adopting partnering principles, GM Procure hopes to achieve substantial savings on both materials and installers. GM Procure Chairman and Harvest Housing Group Chief Executive Ian Perry said: "We won't know the final savings until the supplier and installer selection process is concluded in the next few weeks, but we anticipate they will exceed our initial expectations and net cost savings should be as high as 20% on average".

Whilst some suppliers and installers were initially wary of the model, the majority have embraced the new approach - mutual trust is the key. Everyone recognises that profit is an essential



element of the total cost and what GM Procure wants to provide is visibility of that total cost and to work to eliminate the non-value adding elements.

However, GM Procure is not just about cash savings. Installers will benefit from improved planning and continuity of work, reducing risk alongside the opportunity to grow their business in a controlled, profitable way. Tailored business support is also offered if it is needed. In short GM Procure are offering:

- Support for small and medium sized enterprises
- Efficient project management
- Training and employment solutions
- Local economic regeneration
- Long term contracts
- True partnering

Manchester Enterprises (an economic development agency for Greater Manchester with a remit to deliver economic growth and to improve the prosperity of its people) is a member of the board and one of GM Procure's aims is to proactively address skills shortages in the construction industry - generating efficiencies and delivering significant benefits to residents and the wider community.

GM Procure have engaged innovative supply chain software services firm, Valueworks to provide the "on demand" internet systems required to control the anticipated £450m of GM Procure supply chain spend. Valueworks won the role following a mini-competition amongst consultants on the National Change Agent's accredited list.

London ALMOs lead Consortium partnering

The London Area Procurement Network (LAPN) is a group of ten Arms Length Management Organisations (ALMOs) set up so that it can use its spending power and influence to get the best deals on future works to homes and neighbourhoods across London

LAPN clients are committed to work together in a collaborative manner to provide London tenants with housing which is fit for purpose, best value and sustainable to meet the Decent Homes standard. LAPN is committed to providing partner contractors with a continuous programme of work and an appropriate level of profit. This is against the background of an efficiency target set by LAPN to deliver 20% lower costs than are currently being achieved.

So far, results of the approach with ALMO members are encouraging:

- Costs cut by almost 10-25% from the original tendered rates on pilot schemes

GM Procure will not charge membership fees, but will instead incorporate a small uplift in to the prices obtained by members. The uplift itself will cover administration costs as well as ring-fencing separate funds for the development of GM Procure in to other sub regions of the North West and for the support of local training initiatives.

Stockport Homes will be the first member to go live with initial projects due to be on site in June. Pilot projects from each of the other members are due to follow shortly thereafter.

Mike Brogan, Harvest HG

- A healthy profit for the contractors – they have the ability to earn a gainshare higher than the 2-4% profit that is commonplace in the industry.

“LAPN aims to deliver efficiency improvements to around £2bn capital investment in London housing during the period 2005 - 2010”

New culture and processes

Sir Michael Latham publicly challenged London ALMO CEOs to work together to deliver the objectives of his report published ten years ago. The journey had begun. The vision was to combine the influence of London housing clients to encourage local contractors to move from adversarial contractual relationships to a co-operative 'win-win' approach with both ALMO clients and their suppliers.

Problems encountered by early ALMOs partnering included a lack of real collaboration with contractors and the supply chain. Some of the early relationships had become cosy and led to price increases. There was only limited culture and process change.

Contractor and supplier selection

LAPN is selecting Decent Homes contractors based predominantly on their capability. That is, the contractors' experience of delivering housing projects on time and to budget and secondly,

evidence of skills required for partnering including product innovation, ability to work collaboratively with both clients and suppliers, and processes in place to improve quality and productivity.

LAPN commercial arrangements

LAPN contractual frameworks give members the flexibility to improve so if we don't get it right straightaway we examine the reasons why and move on.

Risk registers are monitored for LAPN members and contractor partners and suppliers. Costs have been reduced by 5-10% through improved risk management alone.

Driving change

Changing existing attitudes and methods is a challenge: hundreds of people from client, contracting, design and supplier organisations have to work together and all look for opportunities to reduce costs and improve performance.

LAPN, building on successful business and personal relationships between the ALMO CEOs is developing into a powerful consortium. Gordon Perry is justifiably pleased by what has been achieved: 'There is something really special about our consortium, no one partner is making it a success, it is a combination of all our efforts and a growing number of the people we employ'.

Neil Jarrett, LAPN





NHMF client visits

Client visits raise the question - is your repairs service 'high maintenance'?

Last year the NHMF commissioned me to carry out visits to 35 organisations using the NHF Schedule of Rates, Locator and Housecall. The purpose was to evaluate the use and success of the products and obtain feedback to assist with future development and also to comment on the capability of individual organisations to deliver their services effectively.

A wide range of client organisations were visited including rural, urban and national RSL's and Local Authorities with stock levels from 250 to 14,000 units. Approximately 2 hours was spent with each organisation to obtain a 'snapshot' of their methods for ordering repairs, procurement of works and contract and performance management.

There are a wide variety of Housing Management and repair information systems being used by clients including repairs diagnostic software to assist staff with taking repair reports. Locator Plus is the most common diagnostic tool used and generally users are very pleased with it finding it simple and relatively

straightforward to use. However it was apparent that the organisations which had invested in training for their staff and had good processes built around it were operating Locator Plus much more effectively than those that hadn't. The result was that the organisations with inadequately trained staff and poor processes have to deal with a higher number of variations requests by the contractors carrying out the work.

A number of organisations expressed the view that the NHF Schedule of Rates has too many items for dealing effectively with day to day repairs. This is a view commonly expressed in other quarters particularly those taking repair requests from tenants. Some clients take the trouble to remove items that they do not need for their own purposes, most do not.

The general feeling was that a schedule specifically for day to day repairs, with a reduced number of composite items would be welcomed. It could be used in a number of ways to:

- Compliment the use of the full schedule
- Provide standard job descriptions for use with day rates
- Provide standard job descriptions for Call Centre use
- Provide commitment values
- Provide standard job descriptions and appointment timings for work scheduling systems

Around half had some method of allowing tenants to report repairs through their website, usually by completing an on-line form. A small number of organisations had implemented Housecall within their website and were reporting an increasing interest from residents to use the service. Housecall was seen as a service that most organisations would need to embrace in the future.

Typically only complex problems such as damp or high value repairs are now pre-inspected. Contractors are being allowed to determine the works required to complete a satisfactory repair and the inspection resource is being redeployed to ensure that the quality of the repair carried out is satisfactory and the invoice is valid.

The NHF Schedule of Rates is used by clients in a number of ways:

- 56% have tendered in the traditional way

Procurement for All

www.procurementforall.co.uk

PFA's first year has been stunningly successful and now it aims to achieve a membership representing 200,000 stock units by 31 March 2008

Benefits from working together in the first year

The financial savings PFA makes depend on the geographic area and the work type being undertaken. 'Cashable savings' are typically running at around 16% for Accent Group and Nene Housing with savings up to 30% being made in some areas. However, the 'non-cashable' savings such as improved customer satisfaction, reduced client-

side involvement and greater contractor engagement, are all equally important to us. Potential savings of £120m over a ten year period are expected, based on existing members' stock numbers (circa 125,000). Procurement for All are looking to expand membership to maximise savings within the sector. This national consortium enables social landlords the flexibility to deliver local objectives whilst taking advantage of the tested efficiency gains coming through.

- 21% use the schedule for ordering repairs to provide a standard job description and / or providing a commitment value but pay their contractors on day rates
- 6% have entered into partnering arrangements with the schedule of rates as the payment method
- 11% have negotiated agreements with contractors or DLO's
- 6% do not use schedule of rates at all

Formal contractual arrangements meant more robust methods of contract and performance management, including regular meetings where issues are discussed and addressed. Those without formal contracts, usually the smaller organisations, do not have structured dialogue with their contractors.

All organisations measure the RSR KPIs and the vast majority appear to report acceptable levels of performance. But very few have had their KPIs externally validated and many service managers did not have demonstrable performance statistics to hand!

Nick Wood, M3 Consultancy

M3 Housing has taken the hint: we are developing a schedule specifically for day to day repairs, with a reduced number of composite items

Finally, Decent Homes is anticipated to be achieved by 2008 instead of 2010, due to the development of these procurement arrangements.



CIOB/CIH technical qualifications meeting the skills gap

(Continued from page 7)

professional bodies have agreed to jointly design a set of qualifications which will meet the needs of such technical staff and provide opportunities for them to access membership of either one or both of the professional bodies. A steering group of practitioners and educationalists has been established for the development of these qualifications. The group will advise on design, content and structure. They are also consulting the sector on a wider scale.

When will they be available?

A consultation phase during May sought feedback from practitioners working within the industry. Responses are being analysed and the draft qualifications will then be ratified by the steering group and then, subject to any amendments, approved by the regulatory bodies. Subject to the Qualifications and Curriculum Authority (QCA) approval and registration, the aim is to commence delivery from September 2007

How will they be delivered?

Most programmes of this nature are offered conventionally through a college or further education institution. Other methods are being considered.

For further information
www.ciob.org.uk or www.cih.org.uk

Nick Marsh BSc MCIQB FBEng (CIOB Education Manager)

Nick has managed various repairs and maintenances services. On joining CIOB in 2004, Nick established an initiative to develop staff and tackle key skills gap by providing new qualifications and progression routes for the sector. The initial research also highlighted the benefits of collaborative working and paved the way for the CIOB/CIH partnership.

Ebanking saves time and money

(Continued from front page)

Some of the benefits

- Cash flow for the contractor is dramatically improved: they may receive payment before they have to pay their suppliers.
- Relationships with contractors have been vastly improved.
- Unnecessary administration time has been cut, allowing staff to be redeployed to front line services.
- Staff workloads easily monitored, work can easily be reassigned as a result of illness or leave.

Tim Rayner concludes: "Since the system went live, we have been processing around half a million pounds a month with alacrity! We have certainly achieved all our goals and the system has exceeded all expectations."

For further information:
 Bob Allen, The Royal Bank of Scotland Commercial Cards



Training: not an option, a necessity

(Continued from page 6)

would be required involving break out sessions, workshops and trainer feedback reviews. Many courses could achieve a far greater degree of success if those in attendance had a clear idea of their objectives.

Peter Gracia, Knowles

Knowles is a global multi disciplinary consultancy providing dispute avoidance, procurement management and training to the construction and engineering sectors.



Are all asset management systems the same?



In principle all asset management systems perform the same task - managing your stock condition data. However with the increased demands

on managers and boards to formulate detailed asset management plans and strategies, not all products make these tasks as easy as specialist asset management systems. Although you may have a reasonable stock condition database, you may not actually have an asset management system!

What differentiates an asset management system from a stock condition database?

Are you recording the past or managing the future? Stock condition databases are designed to report on past performance and evolution of your stock condition. Asset management uses past stock condition but is focused on what happens in the future. It's similar to the difference between historical accounts (such as a P&L statement and Balance Sheet) and modern management information systems.

Asset Management Information is a specialised form of the management information which pervades your organisation. In order to build a solid asset management system, it needs to 'hoover-up' information from every possible source – not just rely on the rolling stock condition survey programme. Yes, the rolling stock condition programme is an essential input into the asset management system but not its sole source of data. There is so much other 'free' data in organisations, and consolidating this into a single information point leads to increased information from which to formulate future plans and strategies.

Once you have all this data, you need a system that allows you to plan your

future. The future is more complex than anticipating what happens next solely from past performance and hence you need a system that has added crystal ball functionality! Good asset management systems offer much more than a 30 year forecast and a current Decent Homes status report. They allow you to create complex what-if models, based on stock condition, decency, and energy efficiency, and hence to formulate future work programmes. Sensitivity analysis is another favourite of most Chief Executives and Finance Directors, so you need the ability to take the first round of information produced by the asset management system and further refine it based on the demands of the board. You want both total data mining flexibility and the ability to refine further in Excel or other tools.

Finally, for people to believe the outputs of the asset management system, they must feel part of the information consolidation and dissemination process.

Not only should a modern asset management system consolidate many sources of data into a single technical repository, it must also be sufficiently open and user friendly for the entire organisation to self serve and reap the benefits eg asbestos, servicing and inspection information.

So, a good recipe for asset management success relies on three key ingredients – a powerful database and information modelling tool – functionally rich for expert users but simple for the occasional information seeker, a data 'hoovering-up' and consolidation culture, and access to information company wide – not restricted to the few but open to all!

If you agree with the above, then maybe you should look again at your stock condition or asset management tool and certainly look at Keystone!

Joshua Warren, Keystone



A day in the life of a maintenance manager

The maintenance manager of a 21st century RSL has a busy and diverse day. We asked two NHMF members to give us a picture of what they get up to

Mike Cleavelly, Orwell HA



The day usually starts at 8.00, plugging in the computer to check the e-mails, plus checking the calls received overnight from the out of hours service. The

next step is having a chat with the repairs administrators over a coffee, make sure they are all ok and discuss any problems that have occurred from the out of hours service and any other issues.

Then the phones start to ring. Calls range from contractors queries to tenants complaints of various sorts.

A quick meeting with the technical officers follows to discuss progress on planned and cyclical works, major voids, plus providing any technical advice they request.

Another coffee, another meeting with other managers, to discuss various operational issues.

Then comes the day's post, urgent letters are dealt with quickly; others need further investigation, so the letters are acknowledged.

We are now at lunchtime, a sandwich at the desk, while checking contractor performance, replying to e-mails, and more phone calls. My director calls for a discussion about the current works

programme, and as an aside how is the new energy directive going to affect the association!

The next job is a site visit to agree a valuation; luckily close by. At the same time a check on completed work, pointing out one or two items that need attention. Then the contractor informs me that the manufacturer has cancelled the next delivery! So out comes that most useful invention the mobile phone and a call to the manufacturer. After some polite discussions the delivery is reinstated.

Back to the office, and a meeting with housing management to discuss a void property. Invoices need checking and authorising, calling in the technical officers to discuss the content of a few! More phone calls.

It's now about 5.00, time to draft that committee report. The Chief Executive pops down for a chat! Back to the report, after about an hour it's time to pack up the laptop. A walk around the office to make sure all is secure then leave.

On the drive home you think about all the things you should have done, never mind tomorrow will come around too quickly.

There is no such thing as a typical day in maintenance: a work plan for the day can be blown away by one phone call: but that is what makes it exciting!

Karl Linder, Mercian HA



My day may mean I may lead a contractor performance meeting, visit a customer to resolve a complaint, attend a "Procurement for All" meeting, carry out staff appraisals and one to ones, look into the planning of future asset acquisitions, meet the Housing Services

manager to look at cross departmental working or even write a board paper. One thing that is constant is the variability of my role.

Mercian manages 2,500 rented properties in the West Midlands. My main day to day responsibility is managing the Responsive Repair service for our residents. I manage a team of seven who take the residents calls, issue the repair works and inspect works on site where needed. We also look to inspect 15% of all completed works on site with the resident. In the last year we have been top quartile performers across the whole of the Responsive Repair service performance indicators, and this is mainly due to the dedication, high level of skill and commitment of the Responsive Repair team.

We also have 250 voids properties a year to deal with. Currently our void turnaround from receiving keys to letting a property averages 19 calendar days. Our aim is to get this down to 14 days this year.

I am also responsible for the delivery of the Capital Investment program to achieve the Decent Homes Standard by April 2007. The final program of works worth £120,000 will be completed this year. We are also members Procurement for All which allows us to procure cost effective and efficient contracts with a big emphasis on customer satisfaction.

I have also just procured a five year partnering Estate Services Contract for the delivery of all Landscape Maintenance and Estate Cleaning to all Mercian developments under OJEU.

One thing constant across all these varying roles and services I am responsible for delivering is that I want us to provide cost effective and good quality services for our residents.

NHMF Maintenance Conference

23rd and 24th January 2007, Stratford upon Avon

- Managing procurement contracts
- Improving professionalism through training
 - Procurement efficiency

There will also be a good choice of workshops on a variety of technical themes. Speakers will be a mix of practitioners from the contracting as well as the client side, combined with consultants and representatives from the regulatory bodies.

Exhibitors will contribute to these themes.



For more details and to book: www.nhmf.co.uk 020 8254 5580

NHMF Committee 2006

London

Graham Read
Peter Ashby

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The Guinness Trust

South East

Ali Khan

Mount Green HA (Chair)

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Mike Cleavelly
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