

Bulletin



National Housing
Maintenance Forum

Launch of M3 Housing



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M3 Housing was launched in March this year to market the NHF Schedule of Rates and related products and services. The formation of M3 Housing allows the NHMF to concentrate more of its efforts on the promotion of best practice. One of the first fruits of this was the NHMF Maintenance Conference held in March at Aston Business School (see page 2). The NHMF have decided to make this an annual event.



The NHF Schedule of Rates was originally developed by eight housing associations involved in HAMMAR South

West during 1993, and was launched at the Federation's Maintenance conference in 1994.

They set up a steering committee of maintenance practitioners to manage its development, with elected regional representatives. In 2001 this formed itself into the National Housing Maintenance Forum (NHMF) to promote best practice in maintenance and the development of maintenance products, funded from annual licence fees on the NHF Schedule of Rates.

Over the last ten years Rand Associates and Housing Software Services have worked in partnership with Redsmoke to develop the Schedule and a range of related products, which are now used by hundreds of housing associations and local authority housing departments

throughout the UK to improve maintenance services to almost 2 million tenants.

In March this year the three companies formed M3 Housing to publish their products and to provide related services and consultancy. M3 has a unique combination of expertise in social housing, asset management, surveying services and software design. All the products previously promoted under the NHMF banner will in future be marketed by M3 Housing.

In April Tim Wilson joined M3 Housing to develop a range of consultancy services around asset management and the procurement of maintenance. Tim was previously Director of Property Services at Westlea HA, and the national chair of HAMMAR groups. www.m3h.co.uk

NHMF Maintenance Conference



The NHMF Maintenance Conference was held at Aston Business School in March, and attracted 60 delegates from a wide range of housing associations and local authorities. There were four themes:

- Managing a repairs and maintenance contract
- Leadership skills for maintenance managers
- Best Value and Benchmarking
- Maximising Customer Satisfaction

Copies of the handouts from most of the conference sessions can be downloaded from the NHMF website at www.nhmf.co.uk

Managing a partnership

The opening plenary heard about partnering contracts for repairs from Sheffield BC and Richmond Housing Partnership.

Sheffield and Kier have set up a limited liability partnership (LLP) managed by a board appointed by the council and Kier. Richard Hawson from the council described how this was set up in consultation with council members, customers, and trade unions. It manages £60 million pa of repairs to the council's housing and other buildings under a 10 year contract. The LLP structure enabled the council to minimise VAT liabilities on the contract.



Linda Wallace

Simon Bullen from Kiers told us how the existing workforce was successfully transferred to the partnership, and has since been reorganised. Depots were rationalised, and a new IT system brought in. They managed a fairly seamless transfer from the council to the new partnership, and are steadily improving their key performance indicators including jobs completed on time, speed of response to customer calls, jobs completed at one visit, and appointments kept.

Linda Wallace of Richmond Housing Partnership gave a very frank assessment of the performance of their partnership with Mears, which began in April 2002, and does about £10 million pa on reactive repairs, gas servicing, cyclical

maintenance, void repairs, and some of the major works to meet the Decent Homes Standard. David Pearce of Mears characterised this with the comment "Rather than beat us with our failings, RHP works with us to analyse the problem to improve. We are continually improving, and making big strides in some areas."

They co-located with the RHP customer service team and their supply chain partner (Jewsons) so as to work as one team. The change of culture is essential: "Success depends on a very large measure of individual initiative and exertion. A cynic can chill and dishearten with a single word".

They use open book accounting and pay on a cost plus overhead and profit basis, with agreed maximum prices. Payments are linked to achieving key performance indicators. They get independent assessments of value for money.

On the good side, 97% of repairs are done on time, the volume of repairs is reducing (as things are solved on the first visit), decent homes work is completed fast and at a very competitive price and more than 95% of customers are happy with the service they receive. However, costs for reactive repairs and voids service remain a bit higher than the market rate and the management of sub-contractors for specialist repairs continues to be challenging. They are continuing to work together to understand these issues and to reduce overhead costs on both sides. Unit pricing has been introduced for reactive repairs to continue to emphasise the importance of a "right first time" service for customers and this is backed by profit and bonus incentives for staff in both teams.

Setting up a DLO

Trevor Lawrence explained why Harding Housing Association (now part of Riverhaven) set up a DLO to deal with their response repairs, and their stock re-investment programme. They could not get contractors to perform satisfactorily, even when they attempted a partnering approach with an increase in prices to achieve a better quality of service.



Trevor Lawrence

The DLO now does the repairs for less than they were spending four years ago, and regularly comes in at 30% cheaper on stock re-investment contracts. Their call centre operates alongside the contracting team, making appointments for all jobs, scheduling the work, and keeping track of it, using their own job tracking software. They are achieving 98% satisfaction from tenants, and morale amongst operatives, staff and tenants is very high. They achieved top ratings from the Housing Inspectorate on quality of service and prospects for improvement.

Dave Treanor, a board member at Riverhaven said "Much of the success is down to the leadership that Trevor has provided: he does not shy away from difficult management decisions, and never lets anything get in the way of getting the job done. His staff really respond to that."

Contract management: a contractor's perspective

Chris Cheshire from Hudsons had some colourful things to say about value for money. Measured term contracts are very effective at driving down prices, to the point where many contracts are barely profitable. The contractor can only survive by taking every opportunity to add to the price, and cut corners to save costs. "Would you ever pick a football team like you pick your tender list?"



National Housing Maintenance Forum

Maintenance Conference

25th – 26th January 2005

Birmingham

Main themes for the conference will be

- 1 Procurement
- 2 Contract Management
- 3 Value for Money
- 4 Asset Management Strategies

Aimed at senior and middle maintenance managers and focussing on best operational practice. CPD certificates

The traditional adversarial approach to contracting may appear to be cheaper, but on any close examination it is unlikely to give value for money. The only way to achieve a quality service is by building a team that works together. This takes time, intelligent management and IT systems, and a plan with agreed standards at every level.

A good contractor will welcome shared locations with exchanges of staff, shared IT systems, and is happy to work to a lump sum or with a variable element to the cost. They will develop a skilled workforce that builds up a good rapport with tenants starting with their own operatives or taking on staff from an existing DLO.

Cost effectiveness to be the focus of Inspectorate

Patrick Symington of HACAS Chapman Hendy warned delegates at the conference that the Housing Inspectorate would be increasingly focusing on value for money.

The Treasury was concerned to show that increased public expenditure was producing results, and not being lost through inefficiency. Analysis of service costs showed little if any relationship between the amount spent by a housing organisation and how they scored on inspection. Regulators were tempted to set benchmarks for typical organisations based on published accounts and other "macro" data.

Cost effectiveness would be assessed in relation to measures of cost, or performance, and of tenant satisfaction. Those classed as poor would come under regulatory pressure. But how good were their assessments? This was where those actively engaged in benchmarking would benefit. They have the tools to analyse their costs, find what is driving those costs, and make effective savings.

Housemark was recommending a drill-down approach to data mapping. They would build a performance profile for the whole housing sector, based on publicly available data such as accounts and reported performance indicators. They can then drill down to the more in-depth analysis from benchmarking of their members, drawing on data from Housemark, Checkmate, and the NHF's Feedback study on tenant satisfaction. In this way they could assist the regulators in coming up with more realistic and effective cost and performance indicators, whilst assisting their members to produce more effective self-assessments.

Editors Note: In May 2004, Roy Irwin, chief housing inspector at the Audit Commission announced their intention to make value for money one of the key lines of enquiry in inspecting housing associations and local authorities. Star ratings would be applied to housing associations, bringing them in line with local authorities and ALMOs. The commission will form 'reference groups' within the sector on how to incorporate value for money into the inspection process. "What are the questions that either an inspector or a body would ask of itself around value for money issues? Some of it is very basic stuff like Do we know how much this service costs? Do we know how that compares with other service providers in this region? How reliable is our data?". Clearly, benchmarking is going to become an increasingly important issue.



Dave Treanor, Patrick Symington



NHMF Maintenance Conference



Checkmate at Ocean Housing

Phil Smith, Director of Technical Services for Ocean Housing is convinced that the company's "good" assessment was at least partly due to the company's commitment to a thorough programme of best value reviews/improvements plans and, particularly, the emphasis on benchmarking to compare performance, identify good performers and analyse costs.

www.checkmateclub.co.uk

Delivering best practice and continuous improvement is all about researching the market place, measuring performance and costs, identifying good practice, implementing new methods of work, monitoring effectiveness and maintaining the process.

"Checkmate has been a key management tool to help with these tasks and has served Ocean well over the last three years"



CHECKMATE



Ocean Housing Limited is a LSVT housing association covering mid-Cornwall and based in new headquarters in St Austell. It currently manages some 3,300 tenanted and around 100 leasehold homes and employs a staff of 171 including a maintenance workforce of 72 operatives. This team, Ocean Services, enjoys a turnover of over £5m pa delivering responsive, cyclical and programmed repairs services for the association and external clients, including 2 other major housing associations and some new build work in the private sector.

Since transfer in February 2000 Ocean has met its promised programme targets each year and is on target to complete the five-year programme on time and within budget. This has involved, to date, over 1500 kitchen modernisations, 720 new bathrooms, 1600 window installations, 900 central heating installations, 100 new roofs and over 100 Cornish Unit reinstatements. In the autumn of 2002 the association was inspected by the Housing Corporation and given a "good" rating (the highest) with good prospects for further improvement. The repairs service as a whole received particular mention.

The company is a member of both the Housemark and Checkmate benchmarking clubs and particularly values the in-depth examination of repairs performance and cost which is provided by Checkmate.

On the client side it has assisted in the identification of whole-service costs, including client side overheads, comparisons of contracting costs using the NHF Schedule, detailed performance measurement, customer satisfaction monitoring, identification of good practice (in particular the elimination of client/contractor duplication) and the Egan Agenda.

On the contractor side Checkmate's dedicated contractor module allows an examination of

trading account cost and performance, overheads analysis, supervision and management cost control, productivity analysis, recruitment issues, remuneration systems, stores and materials management and fleet costs.

Ocean has made use of the benchmarking information to ratchet up its repairs completion figures for repairs last year to 97% overall with 98% of appointments kept, 98% satisfaction with the job, 99% satisfaction with the cleanliness of the work and 100% with the attitude of the workforce. Average re-let times were down to 1.7 weeks in 2003/4, one of the best rates in the country. Management costs at 22% of responsive and 9% planned works were upper quartile performance, Schedule of Rates costs were second quartile for day-to-day and void repairs and upper quartile for gas works.

As well as stimulating improved performance for the internal client Checkmate has, through the specialist contractor module, assisted with increasing productivity and profit margins for Ocean Services and has assisted with a best value review of stress management. It has played an important part in researching the external market. This has recently paid dividends in tendering exercises for external work and Ocean Services has won or negotiated two major contracts with other associations in Cornwall.

During the forthcoming months, Ocean will be implementing a group structure which will see the Technical Services Department being established as a separate company – Ocean Services (SW) Ltd – and further success in expanding and diversifying the maintenance business is anticipated.



Energy Ratings required on every property

Under an EU Directive passed last year, energy certificates must be issued to the occupier of all properties sold or let. This may require an energy survey the next time any property becomes void before it can be relet. Pete Saunders of MVM explains.

The Energy Performance of Buildings Directive is due to be incorporated into the laws and regulations of member states of the European Union by 4th January 2006.

The aim is to "promote the improvement of the energy performance of buildings within the European Community".

The Directive requires that Member States shall:

- adopt a methodology ... of calculation of the energy performance of buildings (Article 3)
- ensure that minimum energy performance requirements for buildings are set, based on the methodology (Article 4)
- ensure that, when buildings are constructed, sold or rented out, an energy performance certificate is made available to the owner or by the owner to the prospective buyer or tenant (Article 7)
- establish regular inspection of boilers (Article 8)
- establish regular inspection of air-conditioning systems (Article 9)
- ensure that certification of buildings is carried out in an independent manner by qualified and/or accredited experts (Article 10)

The Housing Bill 2003 introduces a House Condition Report on the sale of domestic dwellings which will include a similar energy report.

The Government's Standard Assessment Procedure (SAP) produces an energy cost rating (the SAP rating) and a Carbon Index (CI) for a dwelling, based on calculated annual energy for space and water heating. The SAP was first published by the Department of Environment and BRE in 1993. Further amendments, including the introduction of the Carbon Index calculation, were incorporated into the current edition, SAP 2001.

Both the energy cost rating and the CI are adjusted for floor area so that the size of the dwelling does not affect the results. SAP ratings are expressed on a scale of 1 to 120, and CI ratings are expressed on a scale of 0.0 to 10.0. In each case; the higher the number, the better the standard.

The methodology used for the calculation is based on the BRE Domestic Energy Model (BREDEM), which exists in various versions and provides a framework for the calculation of energy use in dwellings.

The calculation takes into account a range of factors that contribute to energy efficiency:

- thermal insulation of the building fabric
- efficiency and control of the heating system
- ventilation characteristics of the dwelling
- solar gain characteristics of the dwelling
- the fuel used for space and water heating.

The current Building Regulations in England and Wales are being revised, and the revisions are being influenced by the requirements of the Directive. A summary of the likely changes is given in the document "Possible Future Performance Standards for Part L" (ODPM 2003b). The Building Standards Division of the Scottish Executive is working with its counterparts in the rest of the UK in this matter and is likely to adopt a similar approach.

It is not yet clear how the Directive will be implemented. The current SAP/CI fails to meet the requirements in several areas, and is based on energy cost, not energy performance. Initial signs are that the new regulations will require an energy survey by an accredited energy surveyor, and that this is unlikely to be much quicker than a full assessment under the current SAP procedures.

A longer version of this article can be found on www.nhmf.co.uk



Run all your asset management reports from the same stock condition data using the new release of Forecaster. Plan alternative work programmes and see their impact on forecast repairs, Decent Homes, energy ratings (SAP & carbon index), and 30 year business plans. www.forecaster.co.uk

MVM's Maxim 3 system for energy ratings can be fully integrated with Forecaster Plus.

Asbestos In

This article examines the new duty to manage asbestos introduced in May 2004 and considers how this will affect housing professionals. It is edited from a longer article available on www.nhmf.co.uk.

Steve Shutler is a Chartered Health Practitioner and Managing Director of a UKAS accredited asbestos testing consultancy S P Shutler & Co.



Asbestos Disease

Exposure to asbestos fibres can lead to three principal lung diseases: asbestosis, carcinoma of the lung and mesothelioma. All three diseases can have a long latency period of 20 – 40 years. Currently there are some 2,000 – 3,000 asbestos related deaths annually in the UK but these figures are predicted to increase over the next 15 – 20 years due to the extensive use (and hence exposure to) asbestos in construction during the 1970's and 1980's. Put simply, this is the most significant occupational disease ever encountered in the UK.

Unfortunately many asbestos materials remain within residential buildings where they present a continuing hazard to occupants and tradesmen. Workers most at risk include electricians, plumbers, telephone engineers and demolition workers. Obviously DIY activities have the same potential to cause asbestos exposure. Deterioration of asbestos components also leads to continuing exposure of tenants and their families.

Application of the "Duty To Manage Asbestos" to Housing

The duty to manage asbestos was proposed in a Health and Safety Commission (HSC) consultation document (CD159) in 2000.

When the Regulations finally appeared the duty related to workplace buildings, although this is likely to be extended to domestic dwellings in the future, the Approved Code of Practice (ACoP) informs the reader that

"legal precedents have established that common parts of flats are not part of the private dwelling and are therefore classified as non-domestic."

Examples of such common parts are given as foyers, corridors, lifts and lift shafts, staircases, boiler-houses, vertical risers, gardens, yards and outhouses. However it would not apply to rooms within a private residence that are shared by more than one households (such as bathrooms, kitchens etc.) in shared houses and communal dining rooms and lounges in sheltered accommodation.

Relevance of other Legislation to Asbestos

Landlords must meet the requirements of the Defective Premises Act 1972 in England and Wales or the Civic Government (Scotland) Act 1982 in Scotland. Asbestos can also constitute a statutory nuisance and a court can issue a nuisance order to require works to abate the problem.

Repairs and Refurbishments

The status of living accommodation changes once a tradesman enters the building. Health and Safety legislation, including the other provisions of CAWR will be relevant. Should a repair or refurbishment involve the disturbance or release of asbestos then all reasonably practicable precautions to minimise risk will be necessary. This could include, for example sealing off of the work area, use of specialised air extraction equipment with high efficiency filters and the use of appropriate personal protective equipment. The work may also fall within the scope of the Asbestos (Licensing) Regulations 1983, as amended, necessitating the use of HSE licensed contractors. Many housing

organisations have therefore decided to apply the new management Regulations throughout the entirety of their premises, this being the only practical way to ensure compliance with these other safety requirements.

The Meaning of "Duty to Manage"

In addition to the Regulations and the ACoP, the Health and Safety Executive (HSE) have issued detailed guidance. For the purposes of this article all three documents have been considered together.

Initially the Regulations effectively define the party who has responsibility for compliance as the landlord. Where this responsibility is shared (eg between owner and managing agent) they are required to co-operate.

Their first duty is to identify the presence of asbestos. The Approved Code of Practice recommends that a desk top study of plans and records is undertaken followed by a detailed survey or inspection.

The Regulations go on to state that where materials of unknown composition are encountered then these materials must be presumed to contain asbestos fibres. Obviously some materials, such as glass, timber, metal etc. can be immediately excluded. Other elements of construction, for example suspended ceiling tiles, light weight partitions, insulation and fire protection must be treated as containing asbestos. Reasonable grounds for discounting the presence of asbestos include information from the material supplier (such as data sheets) and the results of analysis from an accredited testing laboratory.

The third duty is to make records. These can be in paper form or held electronically. The

n Housing

Environmental
Licensing Director of
surveying and
Shutlers Associates Ltd.

He is an examiner for the British Occupational Hygiene Society's 'Certificate of Competence in Asbestos' and lectures widely on the subject. He can be contacted for further information and assistance regarding asbestos on 01782 576 590 or info@shutlers.co.uk

records need to be kept up to date and must be available upon the premises for use by tradesmen and others who may come into contact with Asbestos Containing Materials (ACMs). The records must also be kept available for enforcing authority officers.

Once identified and recorded then the risk presented by the ACMs must be assessed. The primary objective is to prevent exposure to airborne fibres. When this cannot be achieved then there is an obligation to reduce exposure to the lowest level that is reasonably practicable.

Lastly an asbestos management plan needs to be prepared. The plan pulls together all relevant information as described below. The plan will require periodic review.

Asbestos Surveys / Inspections

The Approved Code of Practice and HSE Guidance advises duty-holders to ensure that any surveyor that they engage is competent. This is similar to the duty to appoint a competent person or organisation to act as a planning supervisor for the purposes of the Construction (Design and Management) Regulations (CDM).

The surveyor should have adequate qualifications and experience. Qualifications are available from the British Occupational Hygiene Society (BOHS) including a "Certificate of Competence in Asbestos" obtained by both written examination and formal interview.

Secondly the survey organisation should be able to demonstrate independence from other interested organisations such as asbestos removal contractors.

Thirdly the survey organisation should have a formal quality management system for the work being undertaken. Currently there are some sixty to seventy formally accredited

organisations. Alternatively, individual surveyor accreditation is available.

Finally the client should require the survey organisation to conduct the survey process in accordance with the advice given in HSE publication MDHS100. The HSE are keen to see some standardisation of asbestos survey protocols and reports to minimise confusion during the interpretation of findings.

Type 1, 2 and 3 Surveys

There are three levels of asbestos survey. The first level is termed a Type 1 or presumptive survey. All reasonably accessible areas are inspected and any material with the potential to contain asbestos is presumed to do so. This limits damage and reduces costs.

Type 2 or sampling surveys, take the process one step further. Again all reasonably accessible areas are inspected. On this occasion however, representative samples are taken for analysis.

The third level of survey is a destructive type inspection. This protocol is generally adopted prior to demolition or refurbishment when all asbestos needs to be identified before accidental disturbance by contractors. Specialised precautions are necessary during the survey process as asbestos materials may be disturbed or accidentally damaged

Unlike the Type 1 and 2 surveys the primary purpose is to identify and quantify the extent of asbestos for removal purposes. An assessment of the risk presented by the material to everyday building users is not therefore undertaken.

Assessing Risk

The HSE have suggested an algorithm to introduce logic into the asbestos risk assessment process. It should however be made clear at the outset that the use of the

algorithm is intended to be flexible and may not be appropriate in all circumstances. For example the risk from asbestos cement rainwater goods on a small house will not necessitate such a technical approach. Algorithms are however useful when large numbers of ACMs may be present and resources are limited. It allows for targeting for maximum benefit.

The risk assessment is separated into two distinct parts. Firstly a "Material Assessment" which addresses issues such as the inherent friability of the ACM and its condition. Secondly a "Priority Assessment" is undertaken which looks at the chance of persons coming into contact with the asbestos. Factors considered include the location of the ACM and the use of the area. Both assessments are then added together to give a total score for each asbestos material and a priority action plan formulated.

The Asbestos Management Plan

The asbestos management plan is a document that draws together all relevant information. Information is given in the comprehensive guide and includes details of the recording system, timetables for action, monitoring (re-inspection) arrangements, employees and their responsibilities, mechanisms to pass information to contractors and others and a procedure for review of the plan.

Conclusion

Asbestos materials will be present in housing for the foreseeable future. Funding is not available to achieve complete removal and in some cases complete removal will necessitate demolition.

Housing professions need to accept that effective management of Asbestos Containing Materials is often the only effective option.

A robust and effective management plan will help to protect the safety of tradesmen and residents. The new asbestos management requirements and extensive HSE guidance provides a useful approach to achieve this objective.

Steve Shutler BSc(Hons), MIOSH, RSP, Dip2.OSH, CCP

Asset Management and Property Maintenance



Tim Wilson is Director of consultancy at M3 Housing, and has 25 years experience in property management. As director of property services at a large transfer association he managed delivery of a £50 million programme of repairs and improvements. He serves on the NHF's Asset Management Panel, and was previously the national chair of HAMMAR.

Property Maintenance has long been viewed by many as a necessary evil; something that, grudgingly, has to be done; a source of complaints from customers; a headache for the Board or Council and a constant source of gripes for tenants.

One of the major problems has been that maintenance is not sexy. It cannot compete with the likes of new innovative developments for high profile PR and column inches. The requirement to ensure that all homes meet the Decent Homes Standard, together with increased competition for development grants, a reducing number of developing housing associations and the prospect of grant being given directly to developers are all catalysts for change.

Maintenance is the biggest cost

Spending on maintenance is already greater than the funds allocated to new development. Spending figures for development are readily available: look on the websites of the ODPM or Housing Corporation and the figures are there for all to see. In 2003 the Housing Corporation Approved Development Programme was £750m, and produced 17,000 new units. But similar figures for maintenance spending were not readily available. Extrapolating from the Housing Corporation's Performance Indicator figures for 2003 reveals that maintenance spending was in the order of £1.25bn.

Such a high level of spending demands a high profile professional approach to property management. But is the sector ready to take it on and meet the challenges of Asset Management and Decent Homes in the future?

I believe that the sector is rather like the proverbial "curates egg" – good in parts!

There are clearly some very able, experienced, professionals out there who are eager to meet these challenges. But they do not always have the support and resources to be able to deliver as they would like. There are also organisations who have the vision and determination to

provide and maintain quality homes and who have made appropriate provision within their long term business planning.

Equally though, there are some in the sector who drifted into it without training, who do not have enthusiasm and who are merely making up the numbers. This has been tolerated over the years. If we are going to meet the challenges in the future this has to change. There are also organisations that have encouraged the formation of generic housing teams which include some maintenance functions. In theory, it should work but, in practice, it is all too easy to focus upon the immediate demands of customer service and not spend sufficient time considering the broader picture and the long term planning needed to have an effective Asset Management Plan.



There are also some organisations who, quite frankly, have not applied cohesive thought or planning to the future of their property assets at all. It could simply be that they have not had to consider the issues because the majority of the stock was developed in recent years: but planning now will reap dividends in

the future. It could also be that the organisation does not have the resources, as is the case with many smaller associations. We should also recognise that there is an acute shortage of trained, qualified and suitably experienced professionals.

All housing organisations will be required to produce Asset Management Strategies and Plans and make arrangements to ensure that their stock meets the requirements of the Decent Homes Standard. This will not simply be a case of making a statement of intent because the regulators will be looking at how these plans are to be implemented and whether they are realistic and achievable. The Housing Inspectorate will examine these areas when an association or local authority is inspected. Failure to satisfy the regulators or the inspectorate could have major consequences.

Towards an Asset Management Strategy

Asset Management is whatever you need to do to ensure the efficient, cost-effective and best use of your properties. This will vary from one organisation to another; there will not be a template that will suit everyone. The Asset Management Strategy will need to be a dynamic document, which is regularly reviewed to take account of what has been done and changes in the market, regulation, economy and demography as well as changes in the political climate.

It should draw upon and inform the corporate business and financial plans. It is an holistic process which should involve the whole association or local authority and be driven from the very top.

The National Housing Federation, last year, published a guide entitled "Managing the Assets". Within the guide I found one of the better definitions.



"Asset management looks beyond the traditional property management approach of bricks and mortar. Successful asset management requires a thorough understanding of all issues that could affect a property; the physical, structural, economic and demographic needs of a property and its surrounding community."

The Asset Management Strategy will encompass the organisation's aspirations for the future. It will set out how the organisation intends to approach the management of its assets, how it will collect and review data and the targeted outcomes. The Asset Management Plan will detail the approach, the resources and the timetable, together with identification of those responsible for delivering the plan. It should also detail the policies and procedures to be followed.

Fundamental to producing these documents is the availability and reliability of the raw data. There will need to be, amongst other information, an up to date stock condition survey and property data detailing location, values, demand, amenities and attributes.

In order to make decisions, there will be a requirement for a robust options appraisal tool that is capable of modelling alternative scenarios and which can be validated and audited.

Get help where necessary

To develop and implement all of this in-house initially without additional resources will probably be beyond the scope of most organisations. Staff with the necessary skills and expertise are unlikely to have the spare capacity to develop these. In the longer term it makes sense for the organisation to take "ownership" of the plans and strategy and manage the ongoing implementation and this should be possible with only a minimal increase in staff resources. But, of course, there are consultants who are able to provide the additional capacity and guidance to work alongside and supplement the association's or authority's staff in the resource hungry formulation and initial implementation stages.

The perceived wisdom is that, properly implemented, managed and reviewed, the initial investment in developing an Asset Management Strategy and Plan will be recouped very rapidly and, over time, the benefits will be many fold.

"Using asset management techniques providers can minimise cost through more efficient operations"

"Housing Associations can ensure their long-term economic and social viability and offer residents real choice..."

[Source: National Housing Federation, Managing Your Assets 2003]

Implementation

The Asset Management Strategy and Plan will need a substantial commitment in time and resources to both set up and, crucially, keep it up to date. Ideally you should have a dynamic Stock Condition Database, that is regularly updated to take account of works carried out in your Responsive and Planned Maintenance programmes and on any Improvements.

The Asset Management Strategy and Plan must integrate maintenance with all other management systems and be used and be available to everyone. It should not be viewed as simply a maintenance or property tool because it needs to be informed by and influence decisions on, amongst other areas, development, lettings, housing management, and finance.

You will need one person who has the responsibility and authority to co-ordinate and action the Asset Management Plan. That person will need to make regular reports on performance and proposals to senior management and the Board. And you will need good, robust Options Appraisal Tools to assist in the decision making process. If you do not have the resources, expertise or systems to do this, then buy them in; it will repay handsomely.

A sound, properly implemented Asset Management Strategy will reap huge benefits: it will raise the profile of maintenance; it will help to persuade the organisation to properly plan its finances, programme appropriate works, and make the proper investment in its assets; it will ensure that your homes are desirable and well-maintained; it will enable the organisation to make the appropriate financial investment in its property assets and will give a strong platform for the future.

**To access the original article:
www.nhmf.co.uk**

Working with the National Housing Federation

NHF Asset Management Leader

For the last three years the NHMF and HAMMAR South West have helped to fund the Asset Management Leader post at the National Housing Federation, topping up an Innovation and Good Practice (IGP) grant from the Housing Corporation, which comes to an end this summer. We have participated in the management of the project and the range of publications it has produced through the Asset Management Panel. Some of the work Karen Tait has managed is described here. www.housing.org.uk



Karen Tait

Asset management and maintenance is the biggest expenditure for social landlords, and the area in which they are most critically judged by their tenants and the Housing Inspectorate. In our view it is vital for the NHF to have someone with the expertise to advise on this important area, and we will do what we can to encourage and assist them in this endeavour. We are in discussions with the Federation on how we can assist them to promote best practice in maintenance and asset management when this post comes to an end this summer.



Asset Management Panel

The Asset Management Panel was set up to direct the work of the Asset Management leader, and assist the Federation in advising members on issues to do with asset management and maintenance.

It set up and manages a *Decent Home Pilot Study* on the implementation of the Decent Homes standards by housing associations, funded by an IGP grant from the Corporation, and lead by Des Kelly at the Federation. This has its own website at www.nhfdhs.co.uk.

The Asset Management Newsletter – there have now been seven issues, which can be viewed as adobe acrobat files on www.housing.org.uk/policy/projects. These contain a wealth of useful articles on maintenance and asset management. We are in discussions with the Federation on making some of the most useful of these articles available via the NHMF website.

Guide to Best Practice in Maintenance

NHMF members have been very active on the panel advising the authors writing the new guide to best practice in maintenance for the NHF. This is a very comprehensive guide written by practitioners, covering every aspect of running a repairs and maintenance service. It will be essential reading for anyone involved in the maintenance of social housing, whether from the local authority or voluntary sector.

It begins with a review of the legal and regulatory requirements governing the service. There is a comprehensive section on procurement, looking at the selection of contractors, using direct labour and various partnering options, and different forms of contract including the use of a schedule of rates. The section on planned maintenance focuses on practical issues in managing planned and cyclical work, including stock surveys, and dealing with asbestos.

There is good advice on managing responsive repairs, starting with reporting the repair and making appointments, monitoring performance against key performance indicators and budgets, contract management, and supply chain management. The final section is on customer care. It is illustrated with many examples of best practice.

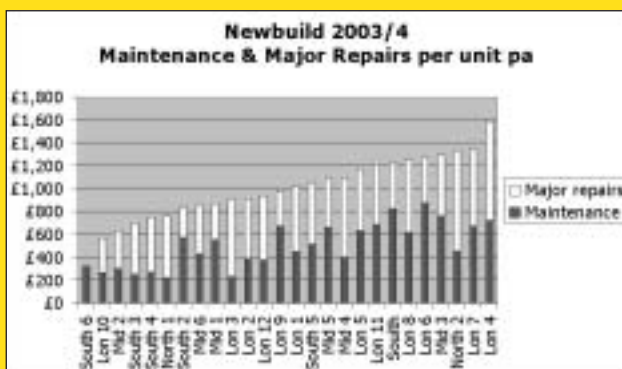
Appraisals for development and stock re-investment

Dave Treanor, managing director of M3 Housing and secretary of the NHMF has worked with John Walker of Sunderland Housing Group to write the National Housing Federation's new guide on *Option Appraisals: Risk Assessments for Sustainable Housing*.

The first part of the book looks at the appraisal of all kinds of development and stock re-investment including new build and rehab projects funded by Social Housing Grant, low cost home ownership, supported housing, temporary social housing, small scale voluntary transfers, and PFIs. It explains how to carry out an option appraisal for stock re-investment, and how this should fit within an asset management strategy.

The second part of the book deals with sustainability appraisals to manage stock in areas of low demand. For more information or to order www.housing.org.uk

M3 publishes software for development appraisal and project management (Pamwin), and asset management (Forecaster).



Managing the assets: an introductory guide to asset management for housing associations

This explains the theory and practice of asset management, and the regulatory requirements a housing association has to meet, with plenty of case studies to illustrate best practice. It was written by Karen Tait, and published by the NHF in July 2003.

Building Better Futures

The NHMF played an important role in planning the maintenance content of Building Better Futures (the NHF Development, Asset Management and Maintenance Conference) in July 2003. We organised a meeting of maintenance managers from around the country together with members of the Direct Works Forum, and the chairs of HAMMAR groups to draw up a list of suggested topics and possible speakers. We are continuing this in 2004.



"A major re-write of Pamwin will be released in the summer of 2004. Development staff will be able to access it to appraise schemes over the internet, and there are some powerful new features for analysing the viability of the individual units within more complex schemes. The lead association in a partnership can host a Pamwin database that can be accessed remotely by each member. www.pamwin.co.uk"



National Housing
Maintenance Forum

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Pam, Julie, Kate and Liz in the front row, and Paul and Dave in the back.

M3 Housing has moved into new offices, with Housing Software, in Mitcham.

Some of the articles from previous Bulletins that can be downloaded from the NHMF website

Partnering

Key principles in partnering repairs - Dave Treanor

Partnering repairs at South Beds District Council, using a lump sum contract

Won't you join the dance: a view on partnering from Richmond Housing Partnership

CDS Housing is in Partnership

Applying the Egan principles to repairs Dave Treanor

Basildon develops a partnership for gas servicing

Organising repairs

Repairs by appointment: Graham Teed of Yorkshire Metropolitan HA

Win the invoicing paper chase - Graham Teed of Yorkshire Metropolitan HA

Setting up a call centre - David Adams at English Churches HA

Direct Works Nick Wood, Sovereign HA

Regulations

TUPE David Miller

CDM regulations David Miller

Construction Act 1996 David Miller

Thermal insulation regulations FENSA

Improving the safety of solid fuel Solid Fuel Association

Decent Homes

The Decent Homes Standard Karen Tait, NHF

Setting the Standard Greg Trimmer

How to measure and monitor Decency Barry Patient, Rand Associates

Implementing the Decent Homes Standard Rand Associates

Using a schedule of rates

How we reduced our repairs bills - Defence Housing Executive

Solihull MBC Paul Heffernan

A contractors view - Springrove

Origins of NHMF

How it all began Stephen Chalmers on the origins of the NHF Schedule of Rates

Launch of the NHMF

The National Housing Maintenance Forum Kevin Pease

Major review of the Schedule of Rates

Development of Maintenance Mike Cleavelly, Orwell Housing

Use of Technology

Mobile networking Bob Williams, Redsmoke

Making Connections Bob Williams, Redsmoke

Reporting repairs over the internet Bob Williams, Redsmoke