

Bulletin

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National Housing
Maintenance Forum

Issue 15 - 2013

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NHMF committee



Welcome

Liz Circuit, Secretary, National Housing Maintenance Forum (NHMF)

2012 was a very busy year for the NHMF as our members set about the task of coping with deregulation and learning the art of managing unfamiliar levels of risk. We began 2013 with even more members than ever before, with 580 organisations currently licensed to use the M3NHF Schedule of Rates and 24 organisations signed up to the NHMF Contractor Forum which celebrated its first anniversary in April 2013. In addition, we have seen an unprecedented number of organisations opting to use documentation from the twenty two specialist schedule of rates modules. This shows, once again, that the approach developed and adopted by a shared community is likely to be more robust than something created in isolation.

We returned to Stratford upon Avon for our annual conference in January. We were amazed by the determination of our delegates to attend, travelling through very heavy snow conditions, although it has to be said that the gritting teams did a fantastic job, and as we were the only travellers on the road, many record journey times were set. Our themes at the conference were those reflected in this bulletin: recognising the importance of understanding procurement options; managing risk; improving contract performance and investing wisely in the assets of the physical housing stock and the people managing them, in equal proportions.

Looking forward to the next six months the priority is to consider what it really means to deliver Social Value. The Social Value Act 2012 came into force in January 2013 requiring anyone spending public money to consider social value. That has to be a good thing and something that should be embraced by the private and the public sector organisations

with the same enthusiasm, whether the project is of a size to fall under OJEU regulations or not. The problem is that Social Value is difficult to articulate and to measure. Identifying suitable tools for quantifying outcomes in terms of social profit or social loss is a challenge for the forthcoming months. Just aspiring to deliver Social Value requires strong leadership with clarity of purpose in order to have any sensible outcome. The new challenges of the 'bedroom tax' and the cap in housing benefit have created a heightened level of anxiety in a back drop against which our members strive to provide good quality, affordable housing. The consequences of not embracing the opportunities offered by the Social Value Act are serious but it is not quick or easy.

The only way to be successful in difficult situations is to strengthen your team through working with people who can bring a different perspective or complimentary skills to help tackle the problem. We have seen this with the Contractor Forum where intelligent co-operation has led to the forthcoming publication of a practical procurement guide and useful new products. Members of the Forum have found that, without compromising their competitive advantage, they can identify areas where savings can be made in the procurement process to the benefit of all the stakeholders. It has also provided an opportunity for smaller specialist contractors and larger companies, who frequently need to commission their expertise, to understand how the relationship might be managed more efficiently.

The continuing restraints on spending force us to use our resources effectively by targeting the real problems with an organisational strategy that everyone genuinely understands. We must never miss an opportunity to hear, see or experience a different point of view. One Director of Asset Management recently shared his experience of switching roles to take the position of Interim Customer Services Manager in his own organisation. He was astonished to find how different things appeared on the other side of the same building. Those housing providers who have already begun to put in place criteria to clarify the requirements of a contract in terms of Social Value have not done so in isolation, but have sought to share experience of neighbouring housing associations, academics and other sectors to help refine their objectives. We look forward to hearing more of this at the NHMF Maintenance Conference in January 2014.

On behalf of the NHMF I would like to thank all our contributors for the time spent preparing these articles for print, and for sharing their views and expertise. ■

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



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News from the Homes and Communities Agency

Alison Mathias, Manager Existing Stock (Homes and Communities Agency)



The Homes and Communities Agency (HCA) is the national housing, land and regeneration agency for England. It works locally through five operating areas, these are North East, Yorkshire and The Humber;

North West; Midlands; East and South East and the South and South West. The HCA has handed over its roles in London to the Greater London Authority, with the exception of Regulation. The HCA is now the social housing regulator for all social housing stock, including local authority owned homes.

As Asset Managers and Property Services Directors, readers will be interested in the HCA's work in the field of existing, managed housing stock.

The HCA's Procurement Efficiency Initiative (PEI) supports 13 active PEI consortia operating throughout England. Consortia have broadened their scope from the Decent Homes Programme to cover areas such as day-to-day repairs, training provision, planned maintenance, environmental retrofit, and new build frameworks. With a combined core membership of 161 social landlords, an increasing number of landlords use the consortia for one off services not covered by their own arrangements.

Efficient procurement is the key to ensuring that homes are well maintained. £1.6 billion was allocated over 2011/12 to 2014/15 for local authorities with over 10% of stock not meeting the DHS, and the HCA programmes include the allocations for authorities outside London. We find many examples of social landlords successfully adopting a strategic approach to stock condition. Planned maintenance is an opportunity to improve the energy efficiency of homes, and social landlords are

strongly focused on reducing fuel poverty in their residents.

Our report 'Local Authority Action for Energy Efficiency' describes some of the good ideas that Local Authorities are carrying out. We followed this up with 'Dealing Green'. Written by Sustainable Homes, this is an overview of the issues that Registered Providers should be considering in response to the launch of the Green Deal this year. Key messages are that there is no 'do nothing' option; and that it is vital that Providers communicate effectively with their tenants about the Green Deal.

On our website you can find links to a number of key publications about decent homes and retrofit good practice. Nottingham City Homes published a Decent Homes Impact Study, undertaken in partnership with Nottingham Trent University Business School. The study measures the impact of the Decent Homes programmes on crime; energy efficiency and fuel poverty; health and well being; and employment and the local economy.

As part of their Decent Homes Programme, Salix Homes (the Tenant Management Organisation for Salford) improved the energy efficiency of the 78 homes in the New Barracks Estate. They measured tenant satisfaction and comfort before and after the programme and published valuable findings in two reports, 'Measuring Change Post Retrofit' and 'Post Retrofit Evaluative Social Return on Investment'.

A word about regulation: The Decent Home Standard is incorporated into the 'Quality of Homes Standard', set out in the Regulatory Framework. HCA Regulation focuses on Governance and Viability, and includes value for money for non-local authority owned homes. While the HCA is responsible for setting standards for 'Consumer' regulation, Providers' Boards and Councillors are responsible for ensuring that they are adhered to. ■

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Editors note

We have tried, where possible, to ensure that acronyms are explained within articles. For those instances where this was not possible, however, here we have listed some commonly used acronyms.

Acronym	Explanation
(ASHP)	Air Source Heat Pump
(CERT)	Carbon Emissions Reduction Target
(CESP)	Community Energy Saving Programme
(DLO)	Direct Labour Organisation
(ECO)	Energy Company Obligation
(JV)	Joint Venture
(PV)	Photovoltaic
(SAP)	Standard Assessment Procedure
(SHIFT)	Sustainable Homes Index For Tomorrow
(SWI)	Solid Wall Insulation
(TUPE)	Transfer of Undertakings (Protection of Employment)

Buying your Contractor



Monica Macheng, Associate & Andrew Millross, Partner (Anthony Collins Solicitors)



With recent contractor insolvencies and takeovers, the still relatively recent rise in the VAT rate to 20% and the desire to be 'in control of your own destiny', a number of housing providers are looking at setting up their own in-house maintenance team. One way of doing this is to buy an existing contractor.



There are two ways of buying a contractor that is a company: buying the

shares in the company or buying its business and assets. If the contractor is a sole trader or partnership, the only option is generally to buy its business and assets. With a company, there are advantages and disadvantages of each option:

- Buying the shares in the company means you will acquire the company 'warts and all', including potentially unwanted historical liabilities;
- Buying the business and assets is generally more complicated, since it is necessary to transfer employees, contracts and assets individually. However, it does allow you to 'cherry pick' what aspects of the business and assets you want to transfer to you and to leave behind any aspects you do not want. One issue to watch out for here is to ensure that the acquisition is structured as the 'transfer of a going concern' for VAT purposes. If you do not do this, you are at risk of having to pay VAT on the transfer.

Whether you acquire the company or the business and assets, it is important to check what you are buying. This involves carrying out full due diligence to highlight legal, financial and operational risks in the company or the business and assets. This process should reveal for example, employment claims, historical pension issues, tax liabilities, problems over title to any premises the company owns, breaches of lease terms and the risk of dilapidations claims, and the condition of physical assets such as vans.

If risks are identified, it is important to make sure that those risks are appropriately dealt with. If the identified risks are too significant, you might want to pull out of the acquisition altogether. It may be better to get out at this stage, rather than trying to unravel the problem after you have bought the company.

If issues are revealed during due diligence but you still want to go ahead with the acquisition, it may be appropriate to renegotiate the purchase price to ensure value for money. If you had previously decided on buying the shares, you might want to change the structure so you buy the business and assets instead.

“The process of the acquisition is only the start.”

There is a hybrid structure which overcomes some of the issues associated with either buying the shares or the business and assets. This involves the seller transferring the business (or the part of the business, or the assets that you want) into a 'clean' new company without any historical liabilities. You then acquire the shares in the new company. This is known as a 'hive down'.

The purchase of a contractor is usually documented by a 'Sale and Purchase Agreement'. As well as providing for the transfer of the shares or business and assets, this deals with a number of associated issues. These can include adjustments to the purchase price, restrictive covenants to stop the seller setting up a competing business, and the process for

getting any party approvals that are needed to transfer (technically 'novate') contracts to the new company.

Issues identified in the due diligence process should be covered by appropriate indemnities in the Sale and Purchase Agreement. Indemnities protect you against potential liabilities that have been identified but have not yet arisen. Where those liabilities do occur, an indemnity allows you to recover the costs associated with those liabilities from the seller 'on a pound-for-pound basis'.

The due diligence is only as good as the information given to you by the seller, so it may not necessarily reveal everything. The Sale and Purchase Agreement should include appropriately drafted warranties from the seller. These warranties are contractual statements confirming that everything known to the seller has been disclosed and giving assurances as to the condition of the company or business and assets and, in particular, any existing liabilities.

The indemnities and warranties will be of little value if, when you come to enforce them, the seller has no means of meeting your claim. Ideally, therefore, they should be backed by appropriate security, for example, in the form of an agreed level of retention or warranty and indemnity insurance.

The process of the acquisition is of course only the start. In the short term you will need to consider issues such as how to procure subcontracts (for materials and specialist works such as asbestos), the arrangements for corporate support and where your contractor is to sit within your group. In the longer term, managing the business and integrating it into your current operations by providing the right support, resources and expertise will be the real tell tale signs of whether your acquisition has been a success. ■

Would you choose a fixed price per property?



Andy Nickels, Head of Asset Management (Derwent Living)
Craig Brierley, Director (Liberty Maintenance)
David Miller, Director (Rand Associates)



Housing Association, Derwent Living, and contractor, Liberty Maintenance, went live on 1 July 2012 with what is potentially a ten-year contract based upon fixed price per property for day to day repairs, emergency repairs and void works. For a single fixed price per asset per year or per void, Derwent Living has a contract covering "all repairs of any nature, however caused".



There are three prices per property or void for each of Derwent Living's tenures types; general needs, sheltered and commercial. The fixed prices are capped at levels, above which the M3NHF Schedule of Rates V6.1 is used to value and invoice. Derwent Living has a significant percentage of shared owners and leaseholders so works on communal facilities are excluded, as many of these are recoverable through service charges. It was felt more pragmatic to retain a schedule of rates for pricing of such works, which would be easier to evidence under challenge.



The advantages of this particular fixed price per property or void model are that they provide a simplified process with greater certainty over the costs for the client and

the cash flow for the contractor. The contractor willingly takes the risk on the lower value but high volume works with the schedule of rates being applied for higher value works thus removing the greatest risks for both parties. The degree of risk the contractor is asked to accept will influence the cost of the contract. There are office cost savings for both parties.

However, there are avoidable downsides to this model which should be considered. These include: excessive gain or loss for contractor arising from the work profile changing significantly, which will inevitably lead to claims and negotiations; lack of detailed knowledge of the work carried out to the stock. How well can any of us really predict our repairs profile? A secondary pricing mechanism is required to administer the works not covered under the agreed fixed rates.

After the initial nine month period Derwent Living and Liberty Maintenance are reviewing their fixed prices. Account will be taken of the effects of changes in stock numbers arising from acquisitions, development and disposals and the redefinition of tenure. Other factors for consideration will be: the effects of the investment programme; inflation or deflation; changes in tenants or landlords responsibilities and the void lettable standard; recalls on defects liability of other contractors relating to development and investment work; the ratio of works order priorities, voids per 1000 dwellings and out of hours callouts to total responsive works orders.

At this point in the contract a wide range of service improvements were achieved including reduced void turnaround times, lower complaint levels, improvements in tenant satisfaction levels and better results across the contract KPI's. The efficiency of the cost models was keeping prices very competitive, particularly on void values compared to more traditional payment mechanisms.

Derwent Living considers the single most significant benefit of using a schedule of rates to underpin, and inform the setting of fixed prices, is that it will never pay more than they would have under a SOR contract. The retention of a schedule of rates to underpin the fixed prices also: values exclusions; facilitates 'Smart' analysis of data; allows any proposed changes in maintenance strategy to be valued; can be used to identify trends or patterns of component failure or tenant behaviour and provides the ability to compare 'out turn' SOR cost with the contract fixed prices.

Liberty Maintenance appreciates the cash flow certainty, and the potential longevity of contract, which allows them to put down roots, build relationships and invest in such as developing and implementing new technology.

During the first phase of the contract, Derwent Living has already handed the voids inspections process over to Liberty Maintenance, with their surveyors now only undertaking random works in progress inspections. As trust deepens between the two parties, the next steps are expected to see a reduction in client post inspections, and the expansion of the fixed prices include items such as rechargeable repairs, mutual exchanges and perhaps even an annual fixed price per property for voids. ■



Getting the best out of your measured term contract



Deborah Kelly, Housing Manager (Jephson HA)



During my session on successfully running a responsive repairs contract at the National Housing Maintenance (NHMF) Conference in January, a delegate asked me to identify

the single magic bullet in the procurement process. Why are we looking for magic? Instead, what about preparation, hard work and a focus on the right issues? The harder we work at something, the more often we do it, challenging ourselves and the process each time, the more effortless it becomes (yes that is a joke). Anyway, here is my view on what makes a successful procurement, mobilisation, and contract delivery.

Step 1

You should plot out all the things that will happen, should happen, could happen and might go wrong. This is the beginning of your risk map, and it should incorporate all the issues you can think of around resources, decision making, leadership, capacity, capability, communication, IT, finance, staff engagement, customer engagement, communications, legal issues, the procurement process itself, the chance of challenge, the possibility of delay – although this list is not definitive, it is a useful starting point.

Step 2

Know thyself. Before you even think of going out to market, or engaging consultants, make sure you know and have set out, reality checked and tested every process that will be involved in your procurement, mobilisation and contract management. Take six months to do this, using your project team, be prepared to challenge yourself, and use the exercise to consider whether the project team you have got in place is the right one. This is the time to have whatever discussions you need about being proactive, responsible, accountable and getting things done.

“Why are we looking for magic?”

Your consultant will not know your business, your contractor will not know your business and if you do not know everything in step 1 inside out, the chances are you will not know your business either, and so the three of you will be muddling along together. This is will not inspire confidence, lead to effectiveness or deliver a successful outcome.

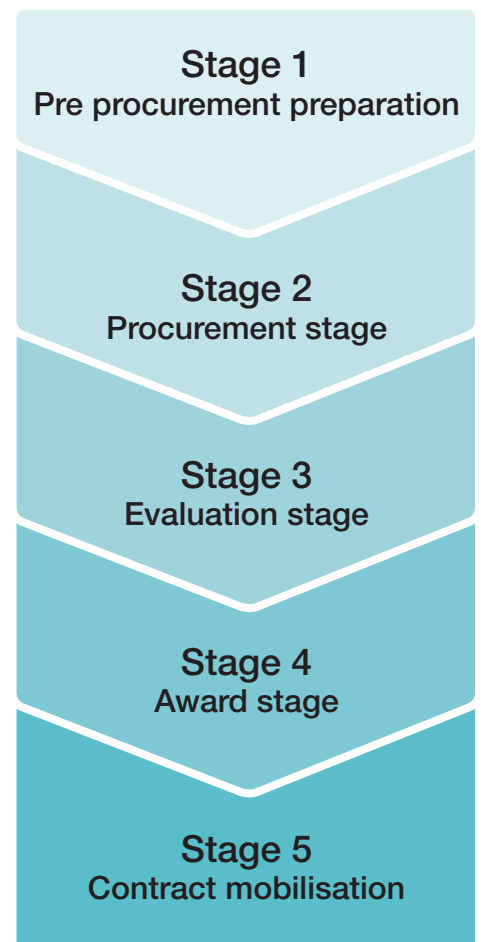
Step 3

Develop a risk map based on the above. Do not make the mistake of thinking that just because you have identified a problem, it won't happen. Risks need to be managed every day. You need to know who is responsible for every item on your risk map and you need to know what they are doing to manage it and whether it is working. Risk management should be the basis of your regular dialogue with your project team.

Step 4

Draw up your project plan based drawing in the risks you identified in steps one and three. Give everyone on your project team a job description that they understand and that has been discussed with them, with clear objectives, activities and reporting lines. Be absolutely clear about where accountability lies. If you have someone on your project team who does not have risks which they are responsible for managing, move them off the team, they are either a client or a consultee, and having them on the project group is taking them away from other valuable work they need to be doing in the business. This project is not a spectator activity.

A sample project plan is provided at dkhousing.co.uk. It won't be a perfect fit for your project in your business but it is a start.



You are aiming for a relationship that works for everybody, setting brinkmanship, ego, and cultural differences aside, you want to be, not the most lucrative client your contractor has ever had, but certainly one who is reliable, reflective, informed and one that is worth nurturing. ■



TUPE and procurement: double trouble

Jonathan Holden, Associate (Forbes Solicitors)



Procurement is covered by legislation including the Public Contract Regulations and the Public Sector Social Value Act 2012; and is the vehicle by which many public sector organisations source maintenance contracts.

Under the present position, the application of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply to the majority of procurement situations.

The TUPE Regulations are provisions designed to protect the rights of employees on the sale of a business; and crucially, in this scenario, a 'service provision change'.

A service provision change will take place when a service is transferred from one provider, to another; or by being taken back 'in house'. The effect of TUPE is that the staff employed on that contract will transfer to the winner of the new contract (or in house, as the case may be) on their existing terms and conditions.

Given that the two situations go hand in hand, it is important that potential TUPE issues are identified and dealt with within the procurement process.

Failure to consider properly the application of the TUPE Regulations can lead to potential liabilities. Any dismissal for a reason connected with a TUPE transfer will be held by a tribunal to be automatically unfair. Furthermore, if employees are not properly consulted in relation to a TUPE transfer, a tribunal can make an award of compensation of up to 13 weeks gross pay. Any such award will be joint and several between the parties to the issues. In addition, presently any change to terms and conditions for a reason connected to the transfer will also be unlawful.

When organisations are considering the issue of procurement and changing services, it is possible through the vehicle of the tender process to ensure that incoming and outgoing contractors comply with their liabilities for TUPE; ensuring a smoother transition all round. This also helps those tendering consider and accurately price bid prices, and by making TUPE compliance a contract performance point, can provide another remedy in the event of breach by a successful tenderer.

It is for consideration whether TUPE compliance is brought into any contract as a contractual obligation; and it certainly should be written into the end of the contract that any outgoing contractor should provide the TUPE information. This can, in addition, be tied to the timetable for the next procurement.

There has recently been some debate in terms of whether TUPE can be avoided in a procurement situation. Last year, the Tribunal held that a transfer of a gas service contract to a firm which operated a franchise model was not a relevant transfer for TUPE purposes. The reasoning was that the new service delivery model was 'wholly different' to the previous one. It is important to note, though, that any situation seeking to avoid the application of TUPE will be scrutinised carefully by any Employment Tribunal.

However, there may be some light at the end of the tunnel. The Government is presently in the process of consultation regarding the TUPE Regulations to remove the provision for service provision changes. If this is brought into effect, it may simplify the process. However, it isn't all good news.

There will be a degree of uncertainty due to the increased reliance on EU law surrounding TUPE situations. Furthermore, while this may make

“Failure to consider properly the application of the TUPE Regulations can lead to potential liabilities.”

matters simpler in that staff will not necessarily have to transfer on new terms and conditions; it will increase redundancy liabilities for outgoing contractors and for organisations. In that scenario, a process of consultation will still have to be undertaken and of course a cost may be incurred in terms of relevant redundancy payments; payment which at the moment is not necessary if the matter was the subject of a relevant transfer for TUPE purposes.

This is a changing and fluid area, and it will be recommended that any organisation thinks carefully about the potential implication of procurement and TUPE before embarking upon, or bidding on, a new tender process. ■



To JV or not to JV that is the question

Wayne Gales, Director of Operations (South Liverpool Homes)



South Liverpool Homes (SLH) is the lead registered provider in Speke, Garston and Woolton, with over 3600 homes. We invest over £3 million annually in homes through a partnership framework. SLH manages this at relatively low cost and provides high levels of customer satisfaction. SLH customers were heavily involved in the development and subsequent monitoring of the partnership. Their input helped to raise standards and contributed to the delivery of an effective and efficient service.

The challenge in 2011 was to continue to deliver, while having to respond to the external environment and key challenges and uncertainties faced by the sector in the future. This led SLH to carry out an option appraisal of the partnership against other delivery models. As a result, SLH decided to set up a joint venture (JV) with our existing contractor, Penny Lane Builders (PLB). SLH Home Service, a joint limited liability partnership, was created in April 2012 with agreement from our Board, lenders, the HCA and HMRC.

The agreement was based on key requirements such as a sustainable and profitable business plan, which needed to be operational by April 2012 to fit with lenders requirements and the willingness of PLB to be the minority shareholder. As SLH needed to be able to demonstrate ultimate control, service level agreements were developed to allow SLH companies and PLB to trade on a marginal cost basis with the JV. PLB staff working on the SLH contract moved over to SLH Home Service and SLH's existing void teams were absorbed into SLH Home Service.

As a result, we estimated that SLH Home Service would deliver significant cashable and non cashable benefits to SLH based on VAT savings, profit share, rationalisation of staffing and other efficiencies. From April 2012 the overall operational transition was fairly smooth. The day to day performance and customer satisfaction remained strong, value for money has been amongst the best in the industry, and an external cyclical investment contract has been secured.

It has not all been plain sailing. Cultural differences have been evident; delays have been experienced in the planned programme and, as with all commercial business, maximising profit is a risk and a challenge, given the current operating environment.

So, the top five 'musts' if you are considering a joint venture approach: be realistic about timescales; do not underestimate the cultural challenges; invest in the partnership operational team; do not cut corners in the management capacity; and, align your policies, custom and practice. ■

“It has been tough work in year one.”



Partnering:

Steve Osborne, Service Improvement Manager (Mears Group), Colin Kingshott, Head of Property and Development (livin Housing)



livin's partnership with Mears began in 2008 when the former Sedgefield Borough Council, made a decision to adopt a new partnership model for its repairs and maintenance service. At the time the vision was to create a partnership model in the truest sense that would enable it to demonstrate:

- A clear customer focus in service delivery
- Value for money
- Embed innovation and partnership working to be 'part of the day job'

It was decided that the best contract for this approach was TPC 2005 as it offered the ideal opportunity for integrated team work and measurable improvement. In February 2008 Mears Group was awarded the contract to provide responsive repairs, gas servicing and repairs, void repairs and planned works for five years plus a discretionary additional two years putting Mears in a unique position to support livin as a key service provider.

During the first two years of the partnership (2008 to 2010) a number of service improvements

The improvements delivered by the partnership Towards Excellence Team have included:

- Tenant satisfaction with response repairs increased from 91% to 99%
- Tenant satisfaction with gas servicing increased from 95% to 98%
- Jobs per operative per day increased by 26%
- Over 90% repairs completed at first visit
- Over 97% of emergency repairs completed at the first visit
- Over 99% of response repair post inspections passed
- Average time to complete repairs has reduced from nearly 12 days to 7 days (even though speed was neither tenants' nor the partnership's key driver)

The financial benefits of the partnership approach has generated more cost certainty and value for money for livin, Mears and tenants, saving the partnership around £4 million over three years through cost savings and service improvements.

“At the time the vision was to create a partnership model in the truest sense.”

Following the success of the first improvement plan the Towards Excellence Group has developed a second plan (April 2012) to be delivered by the end of March 2013 focusing on void repairs and the lettings process. This phased approach to carrying reviews ensures the improvements are sustainable and offers an opportunity for staff across the partnership and tenants to shape service delivery.

The legacy of the work that both livin and Mears have carried out has had a direct influence on the development of the National CIH Repairs Charter for Housing. Mears led the development of the Charter in partnership with CIH, NHMF and other landlords and national organisations. livin was a key member of the advisory group and shared how its experiences with Mears improved services – many of which have been referred to in CIH best practice guidance and in the final Charter commitments.

Contact colin.kingshott@livin.co.uk or steve.osborne@mearsgroup.co.uk for more information on the approach adopted at livin. Landlords are also encouraged to sign up to the CIH Repairs Charter for Housing and use that as the basis for reviewing and improving services. ■

Is this concept still relevant today? A case study from livin

were made, however, the partnership's impact was not maximised and a number of challenges remained including:

- Need for more effective management of the repairs & maintenance and asset management services
- Clearer focus on performance management and monitoring
- Improved customer focus
- Improved budget management and value for money

The initial priorities for tenants and the partnership were efficient response repairs and gas servicing. To understand the issues facing the partnership in detail a comprehensive review was undertaken by staff from livin and Mears along with tenant representatives in 2010 that went beyond the regulatory requirements at the time. This included detailed process mapping and analysis of the current service which was also compared to best practice throughout the sector and beyond.

The resulting report and action plan highlighting key areas of strength and the challenges the partnership needed to address was produced and fed back to the partnership core group and livin's senior management team.

This approach resulted in the development of a 'Towards Excellence Plan' which would drive service and performance improvement, and efficiency saving within a two year timeframe.

This is a unique approach to driving improvement because it:

- Established a 'Towards Excellence Group' from representatives from a cross section of staff from livin and Mears to review the services provided in an open and honest manner (warts and all!) to provide a clear understanding of the current service level and identify areas for improvement and provide a baseline to measure progress.
- Created a joint improvement plan within livin's performance management system clearly prioritised for delivery of improvements within a two year period. Regular reports on progress were provided to the Towards Excellence Group from the lead officers from livin and Mears.
- Adopted a flexible approach that enabled additional actions to be added to the plan as they were identified and review priorities to ensure the improvement plan remained achievable.
- Involved a wide range of staff from across the partnership in delivering the plan to embed accountability and ensure buy in.
- Provided regular updates to tenants, staff and other stakeholders on progress that further embedded the partnership ethos, with tenant representatives taking a role in communicating the work of the group to other tenants.

Bringing and defending procurement challenges; when does the clock begin to tick?

Andrew Lancaster, Partner (Anthony Collins Solicitors)



Last summer, national health and social care provider, Turning Point, brought a case against Norfolk County Council following its failure to win a contract for services that the Council put out for tender. Turning Point was unsuccessful in its challenge, and the reasoning behind the Court's ruling has wider implications, not only in terms of social care procurement, but also across the housing maintenance sector.

Until recently, UK legislation imposed a three month time limit within which a public procurement process could be challenged. However, in October 2011 the Government reduced this to just 30 days for most claims. Before the Turning Point case, it was thought that in most situations it would be possible to argue that the time limit would start from when a housing provider or any other contracting body officially awarded a contract. The Court has now clarified that the time limit for challenge could expire well before then.

The dispute between Turning Point and the Council arose as Turning Point alleged that the Council had not provided them with sufficient TUPE information regarding employee regulations, and that this had consequently impacted their tender submission. The Court ruled that the time limit for bringing a complaint began when Turning Point submitted its tender, and potentially even as soon as they knew that the information was inadequate. It was thus ruled that the time limit to challenge the decision had run out.

“The risk of challenge at an earlier stage is now significantly increased.”

In real terms, this meant that if a bidder wants to complain of unfairness arising from the evaluation criteria or from the amount of information provided in the process, proceedings may need to begin before a contract award notice has been issued.

Many housing providers are no doubt hopeful that this ruling will mean fewer claims, with the expectation that bidders will not want to raise issues half way through a procurement process. However, feedback from some national contractors suggests that if it is a choice between bringing a claim before the process is even complete or not bringing a claim at all, many would choose the former.

In limited circumstances, Judicial Review can be an alternative route for challenge by bidders. However, the Government also intends to reduce the time period for seeking a Judicial Review of public procurements so that these are brought into line with the 30 day time limit imposed by the EU procurement regulations.

The Government consultation closed on 23 January 2012, and a Bill is now awaited. This step is being taken with the declared intention of reducing the number of decisions reviewed, but time will tell whether it is successful or whether reviews are also sought earlier in the process.

The difficulty now for housing maintenance teams is to know how to steer their organisations successfully through this rapidly changing legal landscape. There is the risk of procurements being derailed by bidders at a far earlier stage, and therefore it is essential for housing providers to keep in mind the fundamental principles of transparency and non-discrimination. When bidders raise concerns during the process, these should be taken very seriously. If the issues are not addressed fairly and promptly, the risk of challenge at an earlier stage is now significantly increased.

On-going training and timely advice is now more important than ever in a fast changing area of law, which carries many risks for the delivery of a housing provider's service objectives. Nevertheless, it is not all bad news for the social housing sector. The chances are that more challenges will be out of time, and so can be dealt with outside of a court setting. However, nothing should be left to chance, and housing maintenance teams need to develop a tactical awareness of how procurement processes can be shaped to avoid challenges being made part way through and not just when the contract award decision has been made. ■

Talking Housing Repair

Rob McNaughton, Housing Repairs and Maintenance Consultant



Writing anything for publication is an act of vanity and hubris. You have to believe you have something to say and someone to say it to. You also have to check whether it has already been said. These were the

questions I asked myself after thirty years as a management consultant and on the dotted line between work and retirement.

My life has mostly been talking to, and writing for, repairs and asset management professionals. I have observed what they do, learned from it and passed on that learning. If I may include myself among their number, I wanted to write about us: to tell others what we do and why. It is a sad fact that our business is not well understood. Yet we are the guardians of the core assets of social housing, the dwellings themselves. Without decent housing stock to let there would be no social housing, no financial requirement, and no housing management.

I wanted to write something about us for them. Them: our residents, the housing managers, the finance people, the elected representatives,



the management boards, lecturers, students, politicians and newcomers to housing who should know something of what we do and all too often do not. That then was the task and 'Talking Housing Repair' was the outcome. It covers repairs and maintenance from condition assessment through budgeting, work planning and procurement to the management of service delivery. It deals with the what, the why and the how and tries to reflect best practice as I perceive it.

Hopefully it provides a comprehensive, if a shorthand overview of the content and nature of our work and responsibilities. It is a singular view, mine. I would be very surprised if any seasoned professional would agree with all it says but I hope that all would agree with

most of it. I hope it helps explain some of the complexities of maintaining a viable decent housing stock in a language and style that engages and informs the reader. If I have succeeded in that then my hubris is forgivable.

I need to thank all those people and organisations whose good ideas and dedicated work I have ruthlessly plagiarised for the book, and to those who patiently checked and commented on the text without whom it could not have been published.

The book can be purchased via Amazon or www.m3h.co.uk for the price of a few minutes consultancy! All feedback, comments and arguments are welcome to rob.mcnaughton@btinternet.com ■



Contractor Forum

The inaugural meeting of the NHMF Contractor Forum was held in April 2012, with representatives from 22 contractors that provide repair and maintenance services on social housing. It acts as a forum for contractors working on social housing, and promotes good practice in the procurement and management of repairs.

Members participate in the development M3NHF Schedule of Rates (SoR) and associated products, such as the new SoR App. They also contribute to good practice publications, conferences and training programmes and liaise with the NHMF on setting the standards for good practice in social housing maintenance.

During the past twelve months members have helped extensively with a new practical guide on procurement to be published by the National Housing Federation in 2013. They delivered sessions at Homes 2012 and the NHMF Maintenance Conference.

Membership is open to any contractor working in the sector. The initial membership includes some of the largest contractors, with a good cross-section of medium and smaller sized firms, and specialist sub-contractors. The forum is chaired by Paul Reader (MITIE) supported by Neil Watts (Breyer Group) as deputy chair, it is serviced by M3.

Organisations interested in joining should register via the NHMF website at www.nhmf.co.uk, where the full list of members is available to view.

Making properties and estates resilient to flood risk and water availability in a changing climate

Caroline Duckworth, Senior Adviser (Environment Agency)



While flood risk and water availability are already challenges for many housing associations, we expect them to intensify in the future, owing to more frequent intense precipitation events in winter and periods of low rainfall and increased evaporation in the summer.

The Environment Agency's Climate Ready support service provides online information and guidance to help businesses and the public sector understand future climate risks and adapt to climate change.

The need for housing associations to meet rising housing standards and support vulnerable groups are key drivers for housing associations to manage flood risk and promote water efficiency now and in the future.

Maintenance and refurbishment of properties and estates presents valuable opportunities to adapt to a changing climate, making properties more resilient and improving the quality of life for residents.

By making different choices of materials or appliances and making simple changes to properties, low cost adaptation of properties can be achieved as part of housing maintenance and refurbishment (see box 1).

These measures are already being delivered in social housing through partnership schemes between housing associations, the Environment Agency, water companies and the private sector (see boxes 2 and 3).

For further information and advice download the '*Making properties and estates resilient to flood risk and water availability in a changing climate*' presentation given at the National Housing Maintenance Forum available at www.nhmf.co.uk. ■

Box 1 – Examples of flood resilience and water efficiency measures

Flood risk resilience:

- Use flood resilient materials such as alternatives to chipboard and plaster board, install tile flooring/hard wearing flooring.
- Install flood protection measures such as non return valves on drainage and pipes, flood gates and covered air bricks, raise electrics above flood line.
- Use green space and impermeable paving in communal areas and green roofs to manage surface water.

Water efficiency:

- Install low water flow fittings such as low flow taps and showers and toilets and baths that use less water.
- Include water recycling appliances such as water butts for garden use, and where scale permits, rainwater harvesting and grey water recycling.
- Use water efficient landscaping in gardens and communal areas, such as soil, materials and plants that need less water.
- If provided, fit low water flow appliances such as washing machines and dishwashers.

Box 2 - Plugin West Midlands

Plugin West Midlands is a partnership project between the Environment Agency, Severn Trent Water, South Staffs Water, Wolverhampton Homes, Orbit Heart of England, Black Country Housing Association and Accord Housing. It helped residents save water by installing free water saving products and providing advice on water usage in 3300 homes.

The project was delivered through 'business as usual' activities including planned and routine maintenance, Decent Homes work and on change of tenancy. Maintenance teams were trained by the water companies to install and explain the products and use this to talk to residents about other ways to save water and energy. Water efficiency measures included water-efficient showerheads, save-a-flush bags, tap inserts, shower timers and dual flush conversion kits.

The project was a Sustainable Housing Awards winner 2012 for community engagement and is expanding to promote water efficiency in social housing in East Midlands.

Box 3 - Property level flood protection in Doncaster

This was a Defra funded partnership project including St Leger Homes and Doncaster MBC to promote property level flood protection. The pilot included 20 properties that had experienced significant flooding, most notably in 2007.

All 20 were provided with flood resistance and resilience measures including door barriers and air brick covers. A number of the properties also underwent repairs and sealing to minimise the risk of water ingress through walls, cracks and joints.

The housing association has taken over responsibility for the deployment, storage, checking and testing of the products, helping to ensure long term flood protection of the properties.



DANGER ASBESTOS REMOVAL

Asbestos in social housing

John Richards, Managing Director (Thames Laboratories)



Asbestos: A thousand and one uses and only one drawback! We acknowledge the risk that this material presents, but even today our detailed understanding is far from complete. Terms such as asbestosis, lung cancer and mesothelioma are commonly used to describe the terrible legacy that asbestos exposure causes, but in the last few weeks, research has linked another ailment to asbestos exposure “cholangiocarcinoma”. In simple terms, these are tumours within the liver. Mesothelioma was not considered an asbestos related disease until the 1960s, but in the UK we find ourselves with the highest per head of population Mesothelioma death rate in the world.

So why is asbestos an issue for housing providers? In terms of regulatory requirements, the positions for housing associations and ALMOs is not clear. Duties exist under the Health & Safety at Works Act and under the Control of Asbestos Regulations 2012, but are primarily designed to protect workers and not residents. The Health & Safety Executive (HSE) lacks the ability within the legal framework in which it operates, to compel more proactive management of asbestos within residential properties, and this is unlikely to change with the Löfstedt report and the reduction in legislation in the background. This results in confusion with most organisations having fairly comprehensive information about the common areas of blocks of flats, but little information on dwellings. So how will you be judged in the event of a failure? One of the standard rules is judgement by what your peers consider reasonable.

Common areas: All organisations should have identified the common areas they control, determined what elements of the Asbestos Duty To Manage apply and where necessary have surveys and management plans in place. My own experience is that this differs widely from organisation to organisation with a significant number yet to complete the process. Very few are at the stage of undertaking re-inspections of the identified asbestos materials.

Dwelling: Most organisations struggle with asbestos in dwellings. Very few have developed strategies, some are preparing registers based upon archetypes, and some are producing registers based upon street and others only when works are performed. Arguments can be made for the validity of these approaches but are any of them right? Has the sector produced a best practice statement on this, or provided advice on what to do with the information when it is available? Maybe it is time for the sector to develop its own guidance on the subject given the lack of clarity from the HSE. Should this go beyond the requirement to consider best practice? Should you tell the residents that the property they occupy contains asbestos? How do you deal with the fallout of the ‘A’ word? Each organisation’s experience will be different depending on whether the residents show asbestos apathy or paranoia.

Why does the sector need to get to grips with this? In previous issues of the NHMF Bulletin reference has been made to the 2011 Willmore case where it was deemed that exposure above normal background levels of asbestos was sufficient to justify a claim. So where does this leave us now? Currently we have no acknowledged safe limit for exposure to

“A thousand and one uses and only one drawback!”

asbestos. The techniques and methods used for air monitoring within the UK are only accurate down to 10,000 fibres per cubic metre (0.01 f/ml) which has then been generally regarded as an acceptable level of exposure, not necessarily a safe level. This is the general level that has been applied throughout much of Europe. In 2010 the Health Council of the Netherlands produced a report for the Minister of Housing recommending that this level be reduced to 420 fibres per cubic metre (0.00042 f/ml). This is not based upon the technical constraints of the method used for sampling but on a detailed quantitative assessment of risk. This is currently being discussed, in Europe, as an amendment to European requirements, along with a range of other considerations, potentially to be included in the 2015 Asbestos Directive. Our experience would suggest that many properties would exceed this level and potentially open the floodgates for litigation, so maybe now is the time to be considering how to deal with the ‘A’ word in more detail. ■



Risk

Do you have a wicked problem?

Triple glazed windows with incorporated blinds which residents found easy to use to regulate temperature (image supplied by United House)

Hot homes, heat stress and the bottom line

Briony Turner, PhD Student (School of Social Sciences and Public Policy, Kings College London)



For those of you that attended the National Housing Maintenance Forum (NHMF) conference in January 2013, you may recall Richard Lupo's session, with vote-based responses, on tackling the risks posed by climate change. While most members of the sustainability best practice group SHIFT are active in climate change adaptation and risk assessment, responses at the NHMF conference indicated that for most present, adaptation activity is reactive. For instance, 16% admitted to never having thought about water scarcity, 23% indicated they react to flood events as they occur and only 20% indicated that they had identified all the properties in their portfolio at risk of flooding. When it comes to overheating, the prevailing perception, as voiced by one member of the audience, is that "flooding is today's problem, overheating is tomorrow's".

In the midst of another cold spell, why be concerned about overheating? Unlike deaths associated with extreme cold weather, the rise in mortality due to very warm weather occurs within one-two days of the temperature rising. Advanced planning and preventative action is crucial, given the tiny window of opportunity for effective action once the heatwave starts. Do you remember the August 2003 heatwave in England and Wales? It is thought to have caused over 2000 excess deaths. By the 2050s this kind of event will occur every two-three years.

These changes in our climate, when combined with the changing demographic, result in a higher public health risk. Over 75s, those with pre-existing medical conditions, babies and children, the socially isolated and those whose health, housing or economic circumstances put them at greater risk of harm from very hot weather constitute vulnerable groups during a heatwave. The NHS is currently revising its annual heatwave plan and for the past few years, housing has been identified as an area for preventative action to make living environments

safer. At the recent plan review meeting Dr David Pencheon (NHS) said that, "deaths in an extreme event are manifest of a sub optimal society; no death is acceptable".

Preventative rather than reactive action is crucial. A 'do minimum' is to identify the proportion of your stock at risk of overheating. Once you have that information, establish the proportion housing residents who are classed as vulnerable to overheating. Help may be on offer from your local Health and Wellbeing Board(s) operating in the areas where your stock is located. The majority of adaptive works can be carried out as part of existing, responsive and/or planned future refurbishment programmes. This saves additional visits and works to properties resulting in cost savings and minimised resident disruption.

The London Borough of Barking and Dagenham changed the brief of scheduled Decent Homes works of two tower blocks (two hundred flats) to incorporate climate change adaptation measures. The contractor, United House, was able to deliver these changes (see Table One) for an additional £13,550 per unit. Projected cost savings for residents are anticipated to be £75,000 per year and the adaptive measures are believed to have significantly reduced fuel poverty – for greater detail see the London Climate Change Partnership evaluation of this project.

Overheating is what some would call a 'wicked problem' – one which is difficult to resolve due to changing requirements/incomplete or contradictory information, a multitude of stakeholders with different ideas about the

solution and often with a large cost attached. Given the commitment of housing associations to meeting residents' needs, the increasing spotlight on adapting to, as well as mitigating climate change and the impending ability for residents to demand measures recommended by the Energy Performance Certificate in 2016, this wicked problem, if not already, will become one which you all have a key role in addressing. ■



External cladding being applied as part of the combined climate change adaptation and Decent Homes works to the Colne and Mersea blocks in the London Borough of Barking and Dagenham. (image supplied by United House)



Triple glazed windows with low emissivity coating being installed. The low emissivity glass transmits solar light but not solar heat. (image supplied by United House)

Climate change risk	Adaptation measures applied to the Colne and Mersea tower blocks
Water scarcity	low flow showers, taps, small volume baths and transfer to metered water
Flooding	flood risk via barriers to ground floor flats, flood resilient external wall finish, non-return valves for soil pipes and existing drainage refurbishment
Overheating	fitted external blinds incorporated within triple glazed windows, externally clad both blocks, added on a light external colouring to increase heat reflectance and provided extractor fans

Green Deal: How well are social landlords prepared?

Special feature



John Barnham, Head of Sustainable Investment (Orbit Group)

The question as to whether social housing can be transformed into 'affordable' housing is one all asset managers currently face. Tackling fuel poverty, achieving short and long term carbon reduction targets, while continuing to deliver Decent Homes Standards are the day-to-day issues which must be faced in a climate where financial restraint is prevalent, and confidence in 'green' technology and supply chain is challenged. This in an environment where 'eco' funding opportunities are complex, lack transparency and appear to favour the organisations 'managing' the funds, only adds to the complexity of the situation.

Orbit Housing is rethinking both its asset management strategy and asset data base to incorporate property energy performance data better to inform investment plans. Combining traditional investment programmes (windows, boilers, roofs, wall insulation) and linking to improved specifications, renewable technologies and new design principles the aim is to deliver 'future proof' housing solutions. This is being achieved by evaluating which green technologies and design approaches provide the strongest business model and maximum funding potential. While also including improved customer satisfaction and maintaining asset commercial viability and key criteria for measuring success.

Through the evaluation of the carbon impact in preparing investment plans, this approach allows a focus on the worst energy performing homes where a resident's ability to afford reasonable heating and comfort levels is a key priority.

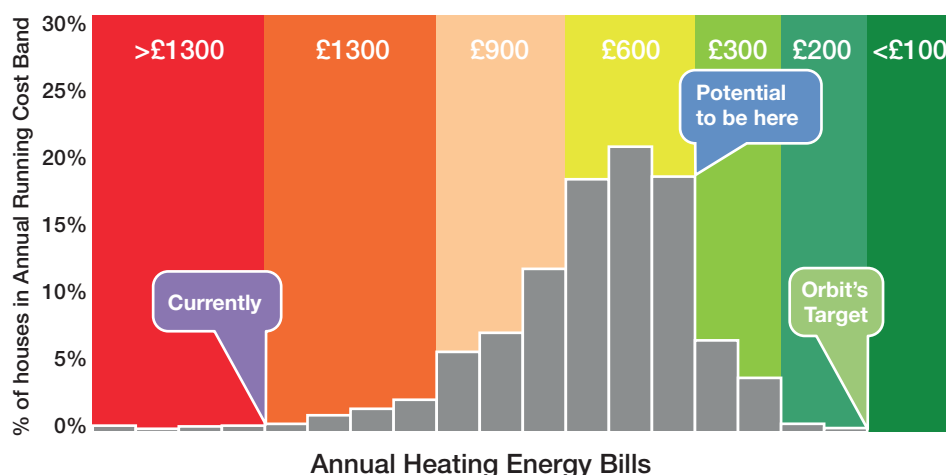
With Green Deal and ECO being the current main sources of funding available to deliver an energy and carbon reducing investment agenda, the ability for asset management to be in a position of strength in identifying and maximising funding potential is essential. Whether the concept of Green Deal on its own merits is a suitable funding model for adoption

by social housing residents, or whether it places yet another financial burden on cash strapped household expenses, where comfort instead of savings could be taken, are questions yet to be fully explored. This leads to ECO being highlighted as the best source of funding for asset managers, but from the lessons learnt from previous funding programmes such as CERT and CESP the asset manager should now be aiming to self calculate the potential carbon tonnage to be saved when meeting with funding providers.

The social landlord, particularly asset managers, should also consider their corporate role in the broader local community, balancing the landlord's commercial and social responsibilities; possibly acting as Green Deal facilitator allowing opportunities for private homes to take advantage of investment programmes adopting Green Deal as means of funding support leading to improved economies of scale. This extends to supporting local supply chain development and impacts on the overall 'well being' of the community – a concept which is central to the work of social landlords. The idea of social landlords playing a more significant role in the community is not new, but probably not fully appreciated by all within the housing sector. Importantly, in the current economic environment the asset manager must aim to maximise every opportunity for funding to maintain the asset base's long term commercial viability.

The asset manager also needs to act quickly in issuing their Green Deal position statement, to advise their residents as to what to do when approached by a Green Deal Provider. As consumer confidence in Green Deal develops, the possibility of residents wanting to improve their homes by this means becomes more of a reality, with the expected 'issues' when things do not go well and residents ask the social landlord to resolve them. ■

“In the current economic environment the asset manager must aim to maximise every opportunity for funding to maintain the asset base's long term commercial viability.”



Free resources:

- Climate Change Risk Assessment for the Built Environment Sector (DEFRA) 2012 - <https://www.gov.uk/government/publications/uk-climate-change-risk-assessment-government-report>
- Climate Ready service for the Built Environment Sector (Environment Agency) - <http://www.environment-agency.gov.uk/research/policy/132333.aspx>
- Design for Future Climate: opportunities for adaptation in the built environment (Technology Strategy Board) 2010 which includes a section on "Designing for comfort", with a summary table containing suggestions of design solutions for overheating and the associated timescales for implementation - <http://www.innovateuk.org/ourstrategy/innovationplatforms/lowimpactbuilding/design-for-future-climate-report-.ashx>
- Heatwave Plan for England 2012 - <https://www.gov.uk/government/publications/heatwave-plan-for-england-2012-published>
- Your Social Housing in a Changing Climate (LCCP) 2013 - <http://climatelondon.org.uk/publications/yshcc/>



Liz Circuit, Secretary (NHMF)



The National Housing Maintenance Forum (NHMF) originated in 1994 as a steering group that developed the M3NHF Schedule of Rates as well as a range of standard service specifications for other maintenance activities. Since then its role has expanded to promoting best practice in the maintenance of social housing through supporting publications, delivering training and organising conferences, seminars and study tours.

In recent years NHMF study tours have visited Liverpool, Belfast, Eire and Amsterdam. The exchange of knowledge and ideas that takes place on these short, focused visits is invaluable. There is no substitute for seeing a project at first hand and discussing both the original concepts with the project leaders, and the actual outcomes with the onsite operational team.

In October 2012, 24 delegates, representing 12 UK social landlords, consultants, contractors, NHF and leaseholders made a visit to Rotterdam, Netherlands. There were several reasons for choosing Rotterdam. The financial model for social housing in the Netherlands is quite different from that of the UK. They have been exploring energy saving measures in both new build and retrofit for many years and have now moved to providing renewable energy solutions for substantial numbers of dwellings. In addition, given that so much of the Netherlands is below sea level, they have, unsurprisingly, developed a very good understanding of measures relating to flood risk.

Day one set out to describe the origins of social housing in the Netherlands and to establish a background to the schemes we were to visit the following day. It began with a boat tour of the city and dockland area to understand the history and culture of Rotterdam. The

commentary provided a range of useful facts about the port area and there were some interesting historic buildings and ships berthed in the port. Attention was particularly caught by a redundant cruise ship, the SS Rotterdam, which had been converted into a commercial conference centre by a housing provider, as a new source of revenue.

In the afternoon the group received presentations from three speakers.

Prof Marja Elsinga, who is Head of Housing Systems Research programme, at Delft University gave an informative talk on the history and development of social housing in the Netherlands, setting it in the context of social housing in the rest of Europe. Prof Elsinga has kindly contributed an article to this Bulletin (see page 23). She has a particular interest in the role of housing associations in urban renewal and the future of social housing in Europe.

Dr Ad Straub, who is a Senior Researcher, at Delft University of Technology discussed how Dutch housing associations are tackling energy efficiency and other climate change issues in their existing stock. Dr Straub is the faculty leader for the innovation of building and maintenance processes. His research focuses on the methods and instruments required for the technical management, energy saving, performance-concept in refurbishment and maintenance, life cycle costing, project management and supply chain management.

David Miller, Rand Associates, presented the new NHMF Retrofit Guidance publication which aims to provide industry guidance on measures to reduce CO2 emissions associated with housing stock. The guide includes case studies where new technologies have been used to demonstrate the pros and cons of different approaches. It also discusses funding options. The purpose of the guide is to disseminate knowledge and speed up the learning process by sharing practical experience.

One delegate commented:

“These were very good informative presentations on the Dutch social housing model, interesting that many of the issues experienced in the UK in recent years are now becoming apparent in the Netherlands. This could be due to the particular problems being encountered due to the Eurozone crisis. The whole housing benefit regime which is different from the UK will be interesting to monitor in the coming months and years.”

Day two included three visits:

The Hague Julianachurch, TV Den Haag with a presentation by Eric Muller, Director Aardwarmte Den Haag.

This innovative scheme, a first for the Netherlands, began in 2008 with the aim of supplying hot water to 4000 houses thereby saving 5000 tonnes of CO2 a year through a massive ground source heat pump. The scheme depended on the existence of three contributing factors in the same location: the drilling expertise, the distribution system of pipes and houses in compact blocks.

Technically complicated, the scheme relies on expert information about the substrata 2000 metres below ground and the likely length of time the water will last. Additionally, the finance

Special feature



needed for the housing associations to build the houses, and the contractual arrangements to deliver the heating, involved a financial risk in the scheme.

The head of the deep bore well sits inside a large red church like building supported by a 38 metre high boring pile. Two pipes, 1.5 metres apart, are driven 1.2 and 1.8 kilometres into the ground producing water at 74 degrees which meets 80% of the local demand. The life expectancy of the project is 40 years.

The ground conditions in the region and the Netherlands in general, allow for this type of scheme where it would clearly be difficult in the UK. Additionally, funding for housing associations in the UK for the provision of new homes is difficult to come by and it is hard to see how this scheme could be mirrored here given the current economic climate.

Visit to the project in the neighbourhood of Transvaal. The multi ethnic suburb of Transvaal is not a rich neighbourhood, with 32.8% of its residents recorded as having a minimum income, twice the rate that applies to the entire city of Den Haag. The area has suffered from inconsistent planning, with a series of demolitions and new build schemes dating from 1990s continuing through until 2006. Current initiatives focus on rebuilding communities and retrofitting to reduce energy costs for residents.

Havenstader the Earth Thermal Plant, Rozenburcht, thermal storage project which was explained by Koen Hellebrand, IF Technology

After the visits, the day ended with three presentations: the first on the financial aspects of a thermal storage project in Capelle aan den IJssel by Floris Ledder, Havenstader, and two presentations from NHMF representatives.

NHMF Presentation Private Bonds, Andrew Newberry, Director of Finance, The Radian Group

A delegate commented:

“A really interesting scheme involving not only renewable energies but the partnership of a Housing Association and health care and general wellbeing agencies into a single accommodation model. This is a model that I feel will become more apparent in the UK housing sector in the coming years due to the rising life expectancy levels.”

NHMF Presentation Right to buy, Right to acquire by Declan Hickey, Head of Asset Management, Muir Group.

The Dutch hosts had requested these topics because from 1st January 2014, according to specific European rules for Dutch housing corporations, they will have to create an administrative split between their commercial and a non-commercial divisions. They are therefore researching alternative models of commercial financing for their business.

Overall this was a relatively short, low cost trip which delivered value in terms of the benefits to participants in three ways: a great deal was learnt about managing financial risk, about large scale geothermal projects, and the context of social housing in Europe; delegates enjoyed meeting their peers and new contacts made in the Netherlands; we returned with new ideas and information to share at work. ■

Graham Gowland, Head of Building Services, Derwentside Homes commented:

“This was an extremely well organised trip and a credit to the NHMF and all involved in its organisation. Not only did we learn from the visit we also contributed some well thought out and well presented information for our hosts which was well received. The social aspect of this type of tour cannot be underestimated, friendships and good relations are easily formed which can only lead to the enhancement of the effectiveness of the committee. Information sharing becomes far easier and all participants can benefit. The hotel while basic was perfectly acceptable and in an excellent location and the choice of restaurants for the Thursday and Friday evening exceptional.”



Measuring Performance in a DLO

Tim Wilson, Chief Executive, Nick Wood, Director (M3 Consultancy) & Jon Cross, Property Services Director (Hexagon HA)



In these austere times, providing high quality services in the face of budgetary restrictions is a challenge that is exercising many board members, directors and managers alike.



The repairs and maintenance operation is one of the main areas of expenditure for all landlords. If it is neglected it can have a long term detrimental impact on the condition of the housing stock, the business plan and the satisfaction of residents with the services provided.



Direct labour organisations (DLOs) have a clear responsibility to ensure that their operation consistently

performs to the highest possible service standards; it is cost effective and is providing excellent value for money.

So how can DLOs, and their parent organisations, ensure that the service standards they have adopted are the best that they can provide at an affordable cost?

As the prime repairs and maintenance service provider for the organisation, the DLO needs to appreciate fully the standards that have been set and develop systems together with procedures to meet those standards. Targets should be set that stretch management to deliver improvements, but these targets do need to be realistic and evolutionary. Performance should be constantly monitored against the targets set and more importantly against other similar organisations both locally and nationally.

Service delivery targets for use in comparison with others would typically be focused around

making and meeting appointments, completing repairs right first time, customer satisfaction levels and the productivity of operatives.

Finance is a critical factor for most DLOs with measures such as, average cost per unit, average price per repair, turnover per operative, plant and material costs, overhead costs and central establishment charges being amongst the most important for comparison.

Other factors such as the use of sub-contractors, structure, material procurement method and the impact of VAT all play a part in the performance of DLOs. The organisation that has capable management, supported with business intelligence gathered through benchmarking performance, will be at a distinct advantage when it comes to finding innovative solutions. Those who share good practice with their peers and seek external validation of their service on a regular basis will have a much better understanding of the detail that drives their business. For those who are looking to adapt existing methods and practices in order to overcome a deteriorating or stagnating service, the process of benchmarking will highlight the weakest performance areas. It will also provide evidence for answering those challenging questions from board members and residents and developing a business plan that can deliver improvements in the future.

At the NHMF Maintenance Conference 2013 our workshop session discussions revealed that there was a distinct lack of investment in training within many DLOs, particularly for those in supervisory roles. Many supervisors or team leaders were recruited from within trade teams and seem to be expected to have supervisory skills simply because they have been subject to supervision themselves: poacher turned gamekeeper in effect. In addition DLOs often suffer a lack of investment in IT infrastructure compared to the rest of the organisation particularly in back office systems and use of

“Direct labour organisations have a clear responsibility to ensure that their operation consistently performs to the highest possible service standards.”

smart phones. Both training and the intelligent use of information technology are critical areas to address in order to improve service delivery and cost effectiveness.

In summary a DLO that performs well in all areas will use a variety of measures to ensure that it services meet the required standard:

- Regularly measuring service delivery and costs against a number of performance indicators
- Consulting with stakeholders over service levels and delivery
- Benchmarking those performance indicators with their peers
- Periodic external validation of performance
- Training for supervisors / team leaders
- Investment in proven information technology ■

Energy and carbon savings: technology, behaviour or both?

Performance improvements



Alan Long, Executive Director (Mears)



Over a million social housing residents are living in fuel poverty. Addressing both the energy needs and environmental performance of the UK's housing stock and targeting support to those that need it most is an on-going challenge. To be able to tackle this challenge, social landlords must understand the current energy performance of their stock then develop a programme for energy conservation and generation which will allow measures to be targeted at the poor and hardest to reach.

There is a need to provide a holistic approach to energy and the environment across the social housing sector identifying and delivering the right solution for the resident, the right solution for the landlord and the right solution for the property. We have experience of project managing some of the UK's largest social housing energy efficiency and sustainability programmes including the recently completed Charlton Triangle programme which saw the use of multi measure solutions including; external wall insulation, boiler replacement, roof insulation, solar PV and new windows.

Finding 'an energy solution for every home' ultimately requires carrying out a survey for each individual dwelling, however, the time and resources involved in delivering such a programme may be prohibitive so it is important to identify (and survey) the highest priority

“We needed to target residents living in fuel poverty as part of our CERT programme. A blanket approach had previously been tried which identified areas of deprivation in terms of whole streets and communities and then had insulation and other measures installed. Further analysis showed that this blanket approach was failing to pick up those with the greatest need for support and e-on were worried that they would not meet the target that they had set themselves of reaching 15% of people on the lowest incomes.”

Michael Gelling (Board member)

neighbourhoods and archetypes. 'asert', which is an independent tenant led service, has been doing this on behalf of e-on.

By employing residents who go out and speak to other residents the programme meaning can target interventions in a more appropriate way. One Sleaford resident recognised this when they said; *“Thank God for that, at last we can talk to someone who understands our needs.”*

While CERT and GESP may have come to an end, social landlords can utilise other funding streams including the ECO, Renewable Heat Incentive (RHI) and even EU funding although many social landlords may choose to go to experts for help on navigating the financial maze.

Once you have identified who you want to target and where you are getting funding from, a robust approach to project management is a pre-requisite for successful delivery and installation. This is particularly true where there are multi-measure solutions, site access and material supply challenges.

Installation is by definition the most visible part of the customer journey. Once installed it is vital that measures are accompanied with an on-going maintenance package and that residents are provided with appropriate advice and training on how to maximise the benefit of the investment. ■

Client perspective:

Peter Evans, Director of Technical Services (Radian)

Radian has stock with a high average SAP rating and has extensive experience in retro fit, new technologies and a proven track record on sustainability. Through a coordinated approach from our energy advisors, technical staff, financial inclusion officers and welfare benefits advisors, our sustainability focus is on how we can give practical help to our most needy residents.

Following field research we have developed a system of working, combined with the application of technology, that is demonstrably delivering cash savings to residents during these times of austerity. Careful targeting and promotion has resulted in high demand from residents for our energy advice service.

Blue-sky thinkers: innovation recognised in Phoenix Community Housing

Amanda Millis, Asset Management (Phoenix Community Housing)



For most of the life of Phoenix Community Housing's newly acquired, century-old properties, residents of these buildings had used dark lifts that (sometimes) functioned by manually pulling open and closed stiff accordion-metal doors. Because these structures, in keeping with standard lift technology, only provided the same amount of interior space as a coffin, many residents (even those who are elderly and those with physical impairments) would climb the stairs while sending their shopping up the 'coffin-lifts' - hoping the digestives and double-cream would not meet their death.

Since the 2007 transfer of 6312 properties when Phoenix Community Housing was created, these 'coffin-lifts' have been replaced with bright, clean, modern, and reliable ones that have 70% more space, holding up to three people and allowing room for residents with mobility impairments. Along with the dramatic coffin-lift transformation, Phoenix simultaneously refurbished 30 lifts to the same high standard across multiple properties. These refurbishments affected the lives of 1000 residents, and there was not one formal complaint made during the process of carrying out these major works.



The road map for this journey was one of collaborative innovation. Phoenix is the first housing organisation in London to use the 'Community Gateway' model - all of our residents, whether tenants or leaseholders, are empowered to take a central part in the decision-making process. For the lift refurbishment project, Phoenix first held a 'hearts and minds' workshop where residents identified and defined the key strategic objectives that were used to choose the contractor for these works. Phoenix then formed a resident working group, which voiced opinions on issues such as lift designs and resident support strategies. It was during the planned works process of that the contractor, chosen through this resident-involved collaborative method, proposed the 'drive drum' technology which would solve the unsolvable - creating space in an already structured elevator shaft. As a result of the culture of openness that drives Phoenix, innovative techniques delivered imaginative solutions.

The successes described above, as well as the successes of each stage of the lift refurbishment work methods "can only be highlighted in retrospect", states Martin Craven (Specialist and Planned Services Manager) when discussing the value inherent in applying for the National Housing Maintenance Forum (NHMF) Award. Through the application process, Phoenix has been able to take the time to consider a sort of innovation inventory and carry methods that worked to future projects. Craven recalls, "We had never used Resident Liaison Officers (RLOs) in such depth before, and that was a process that was extremely successful in meeting every resident's needs." Phoenix is now using RLOs in a similar capacity for a major balcony replacement project that is affecting numerous residents.

The NHMF application process leads to inner-organisation education and awareness, Phoenix, as the youngest company short-listed for the award, has attracted industry recognition. "There were significant players at the NHMF awards ceremony who are aware of us as a young company," describes Craven, "this event brought a wealth of knowledge and could also attract future employment applicants to Phoenix."

“All of our residents, whether tenants or leaseholders, are empowered to take a central part in the decision-making process.”

At the awards ceremony, Phoenix was not the name called after, "And the winner is..." There was a bit of understandable disappointment Craven said, smiling, "It was relatively mild; the people that matter the most have already benefited." He goes on to describe the NHMF award experience in relation to the day-to-day at Phoenix and housing organisations in general, "It's rare that you have time and resources to be innovative when you are judged on tasks like how many phone calls you make in a day rather than having a dialogue about ideas that could work... or not. This awards process has shown us the importance of this type of dialogue - we're not all blue-sky thinkers, but we can all be encouraged to be." ■



Working together to drive long term performance

Performance improvements

Karen Heaney, Asset Management Director (Home Group)



In the current economic climate, organisations that wish to continue to invest in their assets and to develop or acquire new properties need to ensure that they are working in a joined up

way both to understand asset performance and to drive long term improvement. Home, a large national organisation with 55,000 units and a mixed portfolio of general needs, sheltered housing, leasehold, shared ownership, commercial assets and supported accommodation is focusing on achieving this through its approach to asset management. Home has developed an asset management plan which will ensure a commercial approach to asset management whilst raising standards of investment for customers.

The key elements of our asset management plan include:

Knowledge of your assets: Home is embarking on a programme to collect 100% of stock component and condition information over a two year period. Traditionally, information has been collected and cloned to achieve Decent Homes Standard (DHS). However, in today's world, and in the climate of component accounting, understanding exactly what you have and where it is, is vital. This is not only to ensure effective lifecycle management but also to support better maintenance delivery, contract management and tougher more effective negotiations with insurers on premiums.

Standards of investment: We have considered those responsive repairs and contract exclusions which impact on customer satisfaction and contract costs. We have developed an investment standard which goes beyond DHS and will increase investment in our assets over the next four years to deliver this standard.

We hold a wide range of financial and housing management data against our assets but, routinely, we need to improve our ability to use this information to make strategic and operational decisions about asset investment. We have introduced, for example, financial thresholds for void expenditure to encourage teams to consider value for money. Measuring return on investment for every property

“Do we really get the industry standard of 15 years from our boilers?”

introduces a regime where it is in everybody's interest to understand asset performance. Home is developing an approach to options appraisal modelling and we have introduced regional asset investment panels to understand and consider asset investment performance and to review and appraise alternative options when required.

Procurement, standards and lifecycle costing: Historically procurement has been about saving money for the business, however good procurement considers both cost and quality. Do we really get the industry standard of 15 years from our boilers? If not, the world of component accounting will become an even larger headache.

Development: By ensuring consistency in specification, and involving others in the gateway decision making process for new build, the right properties are developed in the right areas. We have introduced a design panel to support our development teams to drive the best quality of design from consultants.

Operating footprint: Does it cost the same to manage every asset in your portfolio? Are there some assets where the cost to serve outweighs the return on investment? Strategically this may be the right approach for your organisation, but do you know if this is the case? Home has disposed of over 2300 properties over the last two years which didn't make sense in our operating footprint. We have used the receipt to support development in our core areas and are currently reviewing our office portfolio to ensure that we are operating effectively.

By understanding asset information and performance and working together to make sensible and transparent decisions will drive long term performance within organisations. ■



Rayners Lane



Rayners Lane



Bailey Bridge



Bow Flats

Lean measurement principles: why perfection is just good enough

Philippe Lacey, Director (Ad Esse Consultancy Ltd)



What is Lean?

Lean thinking is an all-encompassing improvement philosophy that is gradually spreading across all parts of the UK private, public and not-for-profit sectors. When Lean thinking is applied properly, organisations see increases in customer satisfaction, staff satisfaction and process effectiveness and efficiency.

However, one often overlooked element of becoming Lean is the need to revise completely the performance management and measurement systems. Too many organisations are driven by arbitrary targets, with the wrong things being measured at the wrong level – directors looking at daily figures and front line teams tracking backlogs or quarterly numbers.

Lean forces the senior managers of any business to identify what they really want to achieve, develop measures that can tell them how they are doing and also why they are achieving those levels of performance. Applying the concepts of Lean thinking also teaches managers to recognise that setting targets will often drive the wrong behaviours.

The problem with targets

Targets have been in the news recently, with stories about the corrosive effect of bankers' bonuses, police under-reporting rape cases and nurses falsifying A&E performance stats, but the sad news is that this is just the very small tip of a very large iceberg. All targets, and particularly those driven by the achievement of a single, arbitrary number, will skew staff behaviours and may well drive performance in the opposite direction to that desired.

Consider a very common housing target - '85% of type B repairs to be completed within ten days'. What is wrong with setting this as a target? Well:

- Why ten days? Is this driven by customer need? No. Some customers will want a repair done faster, some may want it done in 11 days, but we will try to ensure we do it in less than ten.
- Why 85%? Well for one housing association I worked with, the reason was that the previous 90% target had been continually missed, so the target was reduced to 85%! Any number less 100% is purely based on how good we plan to be.
- What happens to the other 15%? Well, the answer is that we don't know, and we don't appear to care. Once we have fixed the first 85% the other repairs go into a zombie world where we may, or not, fix it, but without any impact on our KPI.
- What do we measure if the repair is never completed? Nothing. We could have thousands of repairs that are never completed and they will never show up on this KPI.
- Who decides whether the repair is complete? The people who are trying to hit the KPI.

As you can see, a decent attempt to produce good performance is just as likely to produce a lot of target-chasing behaviour rather than a focus on improving performance.

Lean measurement

Lean thinking forces us to measure mercilessly. In other words, we measure against perfection for every element of performance. For this repair, the measure could be 'what percentage of repairs did we complete at the time requested by the customer'. This is the hardest possible way to measure performance. We are very unlikely to hit 100%, but understanding why we missed the 100% will help us to improve performance in the future.

Measurement is about generating understanding and improvement, not getting over some arbitrary line invented in a boardroom somewhere. To improve, you need to build a basket of measures, with your teams looking at a carefully selected set of daily performance measures and the directors looking at high-level performance outcomes, but all measured against the yardstick of perfection. ■

“One often overlooked element of becoming lean is the need to revise completely the performance management and measurement systems.”





The post supply subsidy period: lessons from the Netherlands

Professor **Marja Elsing**, (Delft University of Technology)



In 2015 supply subsidies in the UK will be phased out and with them an important way for the government to steer housing associations. In the Netherlands direct subsidies to housing associations ended in 1995 and government could only steer by 'governance arrangements'. Recently a critical report appeared on governance of Dutch social housing which contains lessons that might be interesting for the UK. An important lesson is that governance should be prepared for the dynamics of a subsidy free system.

Dutch housing associations have been financially independent from the government since the 'grossing and balancing operation' of 1995, when government loans as well as supply-side subsidies were abolished. The only remaining central government support is the guarantee for social housing loans. These are provided by the Guarantee Fund for Social Housing (WSW). The WSW is funded by the associations themselves and backed by the government, which delivers a favourable rating (triple A). It enables non-profit associations to guarantee their loans, thus ensuring access to the capital market and low interest rates. The WSW has clear conditions for access to guarantees: the housing association needs to be financially viable. Therefore the WSW has a role checking financial resilience of housing associations.

So the only financial support housing associations get is a guarantee from WSW that assures access to lower interest loans. This financial support is available for housing

associations registered under the Housing Act. In exchange for this support they need to deliver social performance as described in the Social Rental Sector Management Order (BBSH). However, this order is not very specific on the results expected from social landlords. This was based on the vision that performance would be negotiated by local performance agreements between housing associations and local authorities. Central government mainly focuses on supervising the financial viability of housing associations and only intervenes in cases of gross mismanagement and fraud. Therefore, supervision on social performance is almost non-existent.

The Central Housing Fund (CFV) is a government agency which supervises the financial viability of housing associations and can order remedial action if they run into financial difficulties. If necessary, the CFV can provide additional financial support to housing associations while they implement those actions. The financial and operational autonomy of social landlords and the absence of government subsidies imply that the Dutch government has limited opportunity to influence the behaviour of housing associations. Legally, the government is still the official supervisor, but the state relies on self regulation and the development of performance agreements between local government and social housing associations as described in the BBSH.

Central government does not aim to be a micro-managing regulator for the social housing sector, but wants to make sure that the necessary instruments and checks and balances, such as independent performance

“In the Netherlands direct subsidies to housing associations ended in 1995.”

audits and internal supervisory boards are in place to safeguard high-quality performance and good governance. Moreover, self-regulating instruments have been developed by 'Aedes', the national umbrella organisation for housing associations. Members of Aedes need to abide by a governance code that is based on a corporate housing association code. In addition, independent performance assessments every four year are compulsory for Aedes members.

The recently published evaluation report by the Hoekstra Committee showed that in the Vestia case (bankruptcy of the largest Dutch housing association caused by speculative derivatives) this self regulation failed, as well as the CFV and the WSW. Self regulation does not work well if there is no sanction for wrong behaviour in the end. Moreover, there was not enough clarity about who should have notice of the risk of Vestia's derivatives: the accountants, the internal supervisory board, CFV or WSW. The Vestia case taught that the Dutch system failed in defining clear responsibilities of all institutions involved in supervising housing associations. ■

NHMF best practice award winners 2013

Best client

Winner: Shropshire Housing Group



Haslehurst Close heating project

During the Haslehurst Close heating project, Shropshire Housing Group (SHG) worked hard with residents and contractors to replace an existing failing heating system with a new ground source heat pump system, and helped to tackle fuel poverty at the same time.

The existing system was failing due to defective and unavailable heating parts. The elderly residents found the system complicated and very expensive to run. The system failures led to high dissatisfaction, complaints from residents and very high maintenance costs.

SHG chose a ground source heating system installation for Haslehurst Close linking new technology to an existing under-floor heating system. It was installed with limited disruption to residents who remained in their homes whilst the work took place. The change over to the new ground source heating system was carefully managed with attention to residents' individual needs.



Judges comment

Great use of renewable technology on off grid homes to reduce residents' heating bills. Although it is a new technology for the UK it has been extensively used in Europe. Good innovation connecting existing under floor heating to renewable technology.

Commended for excellent projects:

Phoenix Community Housing, Southern Housing Group, Wolverhampton Homes

Best contract

Winner: AmicusHorizon



IFORE - Innovation for renewal

AmicusHorizon is passionate about its international partnering project, based in Rushenden on the Isle of Sheppey, Kent. The project retrofitted 100 homes with the latest technological eco-measures. What makes it different is the training of residents to maximise home energy. It empowered residents by providing practical skills and advice to reduce their energy bills by nearly 40%.

AmicusHorizon created a green neighbourhood where people are really confident about saving energy and money, now and in the future.



Judges comment

Through this project the client has learnt a great deal and the sector could learn from this too. We particularly liked the way the local schools were involved ensuring children find out about the benefits of energy saving and how behaviour change is vital along with retrofit works. It shows good funding sourcing as well.

Commended for excellent projects:

AmicusHorizon, Livin & Mears Group, Three Oaks Homes

Best DLO

Winner: Stockport Homes



Repair 1st - leading the way

Stockport Homes is an Arm's Length Management Organisation which has excellent performance managing 11,500 homes. Repairs on tenanted and empty homes are carried out by a collaborative public/private partnership between Stockport Homes DLO and key contractors, under the collective team banner of Repair 1st. The team's aims and objectives were established by customers and it has innovated to improve outcomes. These include: improvements in repair costs and the speed of doing repairs; improvements in safety and quality; and development of staff to continually improve the service. This has led to a continued increase in customer satisfaction with the repairs service. The team has a strong commitment to corporate social responsibility as well as to service delivery, with recycling initiatives and community fun days. The service is based on the spirit of delivering the best service possible, for the best value, and working with partners to deliver more than just repairs.



Judges comment

An excellent approach to integrating the in-house team with contractor to provide a seamless service that brings the best of both worlds. This is something a number of organisations will be looking at doing in the future.

Commended for excellent projects:

Housing Maintenance Solutions, The Wrekin Housing Trust, Viridian Housing

Most innovative project

Winner: The Wrekin Housing Trust

The Wrekin Housing Trust

Good to great in 80 days

The Wrekin Housing Trust has expanded its DLO beyond expectations and now provides repairs and maintenance, gas servicing and maintenance to 19,800 homes across Shropshire, Staffordshire and the Black Country. This year, over an 80 day period, they changed their approach and started providing their own 11,300 tenants with a rapid response service and is now completing 91% of the 13,000+ repairs on the same day they were reported with a cost saving of £600,000 by working smarter. In addition, they have now completed £2.1 million of planned works with their own in-house team that are generating a further £420,000 worth of savings against a backdrop of continually improving resident satisfaction levels.



Judges comment

A same day repairs service is a different approach and it seems to be working for Wrekin. Many people will be sceptical of how realistic or necessary it is to do this and it certainly opens the debate.

Most outstanding project

Winner: Southern Housing Group

Southern Housing Group



Delivering affordable warmth on the Isle of Wight

As part of Southern Housing Group's (SHG) commitment to creating a sustainable environment and reducing fuel poverty on the Isle of Wight (IoW), they embarked on a programme of installing renewable technology. On the IoW over 35% of housing stock is "off gas" and reliant on electric or solid fuel heating. Increasing utility prices put over 1,000 families in fuel poverty. With the installation of 289 air source heat pumps (ASHP), 300 solar thermal systems, 398 PV systems, voltage optimisers and LED lighting, SHG have moved around 700 households on the IoW out of "fuel poverty" or substantially reduced their utility bills. Also they have replaced over 250 inefficient gas boilers with "A" rated boilers, installed over 100 gas central heating systems, replaced inefficient windows with "A" rated windows to over 200 properties and upgraded insulation to over 500 properties providing further opportunities for residents to reduce their fuel bills.



Judges comment

SHG showed good project planning bringing together all the funding, and applying for and gaining the grants. It had a massive impact on residents by saving them significant costs on their heating bills. SHG have turned theory into practice on whole house retrofit into an affordable option.



NHMF best practice awards 2014

Proud of yourself? Nominations for the NHMF awards 2014 are now open. The NHMF will be presenting five awards.

Best client:

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

Best contract:

The best managed external contract for maintenance

Best DLO:

The direct labour organisation providing the most cost effective maintenance service

Most innovative and Most outstanding project:

The winners of these awards are selected by the judges as the best entries from the shortlisted nominations from the three award categories

Nominations open in June 2013 and should be submitted by Friday 22 November. Trophies will be presented at the NHMF Conference & Awards Dinner on 21 January 2014.

What makes a good stock condition database?

Barry Patient, Director & Dominic Higgins, Regional Manager (Rand Associates)



A database is only one third of a system that needs to function effectively to constitute good stock condition information. The other two parts are the software that uses the data and the people that look after it.



If the database is the starting point to managing and maintaining the assets successfully, and the desired outcome is happy customers

(residents), we would not want erroneous or incomplete data to impede the journey. Therefore, assuming that the software is used correctly, the point of having a good database is that you rely on it to tell the truth about overall liabilities. You then need it to inform the decision making process that correctly determines the investment plan.

Debates will continue on best practice when it comes to the collection, storage, use and maintenance of stock condition information. In aspiring to achieve best practice we must recognise the many scenarios that exist across the sector, and our methods must be judged against the demands of our particular situations. The constants in the argument are always regular data collection, review and maintenance and we have to accept that there is a resource overhead for this.

The data we create or inherit is often used to drive some decisions with unwelcome consequences; therefore both the origin and accuracy of this information is critical. Ageing data is likely to be one of the first things we want to question. How old is too old? Are we looking at cloned or surveyed data? Whose survey data? Cloned by what rationale? Are we looking at facts or opinions, guesstimates or measurements? When we question the origin in this way, we can start to determine the extent to which we can rely on the information. Additionally, we have to question the

harmonisation between the data outputs from planned maintenance and the way in which we store and collect our information. The database may have been created before the current investment regime, and should therefore be reviewed to suit current realities.

When detailed investment planning takes place, decisions made outside the database must as soon as possible be reflected within it. Policy decisions made within the database must, in turn, reflect the intentions of senior personnel/policy makers.

Will there ever be a time when local knowledge is redundant, and can there ever be a database which provides all the knowledge that is needed to manage and maintain the assets? Highly unlikely unless a concerted effort is made to harvest that knowledge and keep it up to date.

Irrespective of where the database is held, there must be an intention of management to seek 100% targets in terms of completeness, relevance, accuracy, and consistency within a specified timescale.

Data held within a software package is sometimes locked-in to such an extent that commonly required functions such as interrogation and filtering cannot be performed with sufficient degrees of success to make the enquiry worthwhile. The ability to release the data easily for full access is therefore essential, but to have as many menu driven reports as possible for the less able user is also a must.

The database should have already given rise to an important part of the organisation's outgoings shown in the business plan, which in turn sets the financial parameters when the data is deployed in the maintenance planning of the stock.

The business plan and its importance in the sector is undiminished. We know that the plan is just that, one that needs to be questioned and validated. This is where the importance of our database is emphasised as it provides

“The point of having a good database is that you rely on it to tell the truth about overall liabilities.”

a reality check against the predictions made in the plan and can act as an early warning system that will prompt a change of approach.

We should always aspire to achieve 100% data with 100% reliability. A clearly identified update regime with monitoring controls should exist and be effectively resourced so that the database never becomes stale or unreliable. However, we must never overlook the importance of periodic health checks to provide an added level of comfort.

We are seeing an acceleration in the emergence of direct relationships between stock condition data and investment decisions, and this is testament to the improved functionality of software packages and confidence of senior personnel in what can be provided. ■





Asset management

Asset managers save the world

Richard Lupo, Sustainability Consultant (Sustainable Homes)

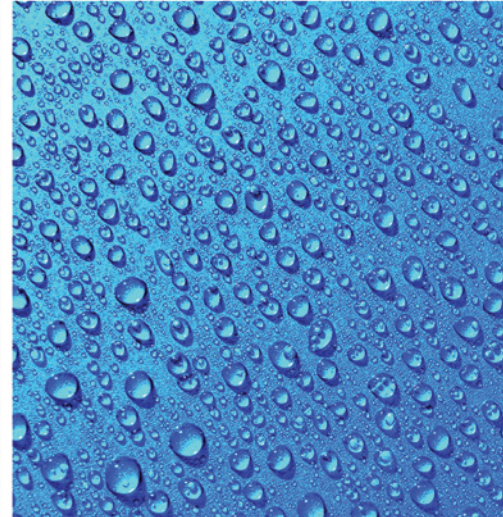


In the UK we use three times our fair share of the world's resources. If everyone in the world lived like we do, we would need three planets. We need to reduce resource consumption

without decreasing our well-being. Asset managers are in an ideal position to do their bit, and increase residents' well-being at the same time.

The SHIFT group of social landlords, exchange environmental data and best practice. It also leads the way to reducing environmental impacts of housing. The achievements of the group provide valuable lessons for others in the sector.

Energy: Naturally, Green Deal and ECO are the big news in the sector. However, SHIFT landlords have embraced predecessor schemes such as CERT and CESP which have helped improve average SAP ratings and reduce carbon emissions. Two trends are emerging. Firstly, leading landlords are taking a strategic approach to improving energy efficiency which means that they are using either external or internal services to analyse their whole stock to identify properties best suited to benefit from funding. Secondly, they are aiming for minimum SAP targets rather than average SAP; as SAP is related to the costs of heating a home, the benefit of this approach is that fuel poverty is addressed for all properties in a portfolio and not just those that happen to be suitable for funding. The most common minimum SAP target is 65.



Water: Climate change and forecast population increase, mean that the UK is likely to suffer from water stress at current usage rates. Clearly this is not sustainable, so domestic water efficiency is of key importance. Also, water heating accounts for around 25% of a household's fuel bill, so any hot water savings will benefit resident's pockets. Refurbishment and Decent Homes specifications need to be written so that water efficient fittings are installed as a matter of course. Aerated shower heads, low flush toilets and water meters have all been installed with full acceptance from residents. Data from SHIFT indicates that members are heading towards the sustainable rates that the UK environment can deliver.

Climate change: The projected (or arguably current) effects of climate change are reduced water, more intense rainfall causing more flooding and increased risk of heatwaves. Water efficiency will help, but many SHIFT members are systematically analysing their stock to identify those properties at risk from flooding. This will reassure residents living in low flood risk areas, but also initiate necessary flood mitigation works. As refurbishment works improve the fabric of homes, there is a growing recognition that overheating risk must be managed in the future. Fortunately, overheating risk assessment methodologies already exist.

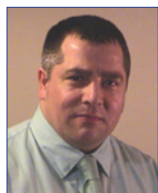
Waste: SHIFT members report very high recycling rates from refurbishment and new build projects. In addition, homes built to the Code for Sustainable Homes have benefited from internal recycling bins which will improve residents' likelihood of contributing to local authority recycling schemes. For existing homes, some SHIFT members have included internal recycling bins in their kitchen replacement specification, which also helps residents keep clutter down in the home.

Ecology: We all rely on eco-system services ranging from cleaning our water to pollinating our food crops, so it makes sense to halt the decline in bio-diversity recently experienced in the UK. In addition, residents enjoy varied planting schemes and birds visiting their garden. One SHIFT member has carried out extensive wildlife planting in an urban area to improve the local environment. Others are considering wildlife planting in maintained grounds, which will also reduce lawn mowing costs.

Save the world: Simple changes in specifications made now, will mean that any refurbishments will lead to a sustainable future. Asset managers are in a key position to enact these changes and make a lasting difference. ■

Sweating your assets: making the most of scenario planning in austere times

Simon Bamfield, Asset Investment Manager (Wolverhampton Homes)



Challenges

The current economic climate has created an environment where stock investment decisions are under greater scrutiny than ever before. This is unlikely to alter in the near future,

especially as we now face the prospect of austerity measures for the foreseeable future, and the risk of a triple-dip recession has still not fully receded.

To compound the situation, stock investment and maintenance expenditure will come under increased pressure and accountability:

- with the advent of Universal Credit, it is anticipated that there will be a reduction in the level of rent recovered, which could lead to a reduction in capital investment of up to 5%
- due to recent leasehold valuation tribunal (LVT) decisions that underlined the importance of ensuring that stock investment decisions are based on a sound business case has been underlined by recent cases, which is likely to impact on the decision to replace some key components, or at the very least, the timing of those decisions.

Leaseholder consultation

It is likely that in the future, housing providers will need to revise their asset management approaches for blocks of flats where there are leaseholders, to adopt a policy of “if it isn’t broke, don’t fix it”. As a consequence it is more important than ever before to ensure that your stock investment decision-making is robust. Those landlords that have a comprehensive and accurate database of stock condition information will have a more realistic chance of delivering bespoke stock investment

programmes which reflect the wishes of individual leaseholders.

Wolverhampton Homes approach

Wolverhampton Homes has a rolling programme of quinquennial stock condition surveys, which we use to identify when components require replacement. This work is carried out by our team of in-house stock condition surveyors, who identify:

- details of the condition and remaining life of all internal and external components
- details of all components requiring replacement

We then decide when to replace components, which are ideally replaced just before they fail (‘just in time’). This planned-on-demand approach enables us to forecast accurately the value of our planned work programmes in order to maximise the use of available budgets and ensure that there are sufficient resources available to complete them. Upon the completion of the works programmes, we obtain details of all the components replaced by the contractors and the cost of the work they carried out, which is then entered into our asset management database.

Stock condition data and neighbourhood profiling information is used to measure the performance of the assets; both dwellings and the wider asset-base (e.g. the external space). This enables us to create a measure of the sustainability (or lack of sustainability) of the housing stock and establishes a baseline from which to monitor the impact of future investment. This stock profiling is used to ascertain whether to invest or disinvest in specific properties or areas and to prioritise the level of investment that is needed (in terms of both hard and soft investment), so that we

“Stock investment will come under increased pressure and accountability.”

can work towards the creation of ‘decent and sustainable estates’.

Scenario planning

We also analyse the future stock investment demand to establish the optimum programme delivery, through the deferment of work packages and the extension of component lifecycles to ‘sweat our assets’.

The scenario planning is done to determine the most cost-effective combination of component replacements, taking into account the probability and impact of component failures. By doing this we are able to ensure that our future investment plans remain affordable.

It is of course essential to ensure that the programmes of work provide value-for-money, which is achieved by:

- eliminating duplication and simplifying processes
- refining scope and specification to optimise value and to prevent scope creep
- using incentivised target costs (plus agreed risk allowances) to achieve efficient and cost effective delivery

By using this approach on our Decent Homes Partnership over the last five years we have been able to reduce the average cost of the main elements being replaced, year-on-year and achieve cashable efficiencies of circa £27 million. Our approach and achievements to date, enable us to look forward with confidence, to tackle the challenges faced by the industry. ■



Are you buying the right voltage optimisation unit for your application?

Claire Rigg, (VPhase Smart Energy)



Recent research published by the DECC, DEFRA and the Energy Saving Trust, entitled 'Powering the Nation' is the largest study of its kind looking at energy consumption habits in the home. The report shows that domestic products such as fridges, along with lighting and other appliances that are on for sustained periods, contribute the most to household electricity bills.

So as electricity bills rise, the pressure is on for people to invest in low-carbon technologies. It is important to recognise, however, that we do not need to invest thousands in green initiatives to be effective. Smaller energy efficiency measures can make a big difference.

Domestic voltage optimisation is a cost-effective way to achieve immediate and significant money and energy savings, without compromising the homeowner's quality of living or requiring a change in their supplier. In the UK, electricity is supplied at around 245V. Voltage optimisation units lower the supply voltage to around 220V, a level at which most appliances perform to their specification but with a lower power consumption.

Voltage optimisation can typically cut electricity bills by up to 12%, and carbon savings have been calculated to be at least 4 tonnes over the 25+ year life of the product.



Great Places Housing Group, ran a three month social housing trial using voltage optimisation units. The independently analysed results showed energy savings of between 8.5% and 9.0% and estimated yearly CO₂ savings of up to 180kg per property.

Once you or your customer have decided on specifying a voltage optimisation unit, it is important to make sure you choose the right one for the job.

Don't over specify

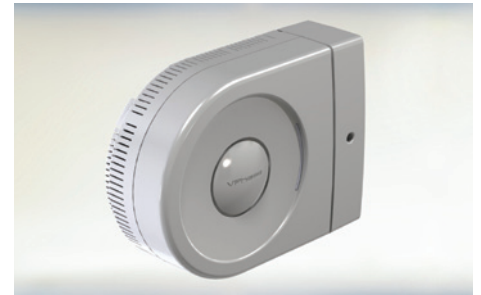
By selecting products that are rated far in excess of what is actually needed, costs are unnecessarily higher, and payback periods extended. Voltage optimisation units are often specified based on amperage, and it is a common misconception that the higher the amp rating of the unit, the better the performance. This isn't the case. The 'Powering the Nation' study shows that the average daily base electricity load in UK households is less than 700 watts, which equates to around 3 amps. Simply put, this means that a voltage optimisation device which has an amp rating of say 40 or 60 amps is way above the necessary specification. An 8 amp device would suffice, and provide the same energy savings at a lower outlay cost in a shorter period of time.

Another way to look at it is in terms of 'energy management capacity'. This is the continuous power rating of the unit multiplied by the number of hours in a year. A typical household will consume between 2100 kWh and 5100 kWh per year. An 8 amp voltage optimisation unit will provide an energy management capacity of 17,500 kWh per year – more than enough! In comparison, a 60 amp unit will provide 115,632 kWh per year – in percentage terms, this equates to 2200% over the required capacity.

Maximise savings & minimise the losses

All voltage optimisers have a theoretical maximum saving that can be achieved, which is reduced by any losses exhibited in the unit. The more losses a unit has, the less the overall savings will be, so to maximise savings potential, you must ensure that the optimiser you choose has the lowest losses.

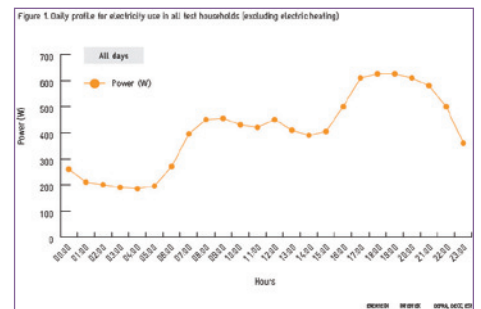
Some voltage optimisation units that have relatively high losses will turn off at low power (typically 300 Watts and below). The 'Powering the Nation' study shows that typical overnight energy consumption is around 300 Watts; voltage optimisation units that turn off at low power will therefore result in lower overall savings.



Choosing the right voltage optimisation unit depends on individual circumstances such as price, size, rating, design and weight.

Single or 3 Phase?

This all comes down to power and what loads will be put through the device. A single phase unit will be more than adequate for a domestic household and small businesses. It is rare for a household to require a 3 phase unit as these are more commonly used in high powered commercial applications.



The 'Powering the Nation' study shows that the average daily base electricity load in UK households is less than 700 watts.

In summary

In essence, choosing the right unit depends on individual circumstances such as: price, size, rating, design, weight and whether the unit simply reduces the voltage by a fixed amount, or truly optimises it and provides a stabilised output. By delving deeper, you will discover the facts behind ratings and losses which will enable you to make a more informed decision on the right voltage optimisation unit for your application.

For more information visit www.vphase.com

Delivering affordable warmth on the Isle of Wight

Southern Housing Group (SHG) owns and manages 25,000 homes for more than 66,000 residents. We employ more than 900 people and work with more than 70 local authorities.

Our mission is to unlock the potential of people and places. We have been doing this since 1901, when our founder Samuel Lewis bequeathed £670,000 (equivalent to £30 million today) to provide housing for the poor.

On the Isle of Wight (IoW), we are a major provider and developer of affordable housing, with over 3000 properties. Our homes include general housing for families, sheltered schemes for the elderly, homes for young people, homeless accommodation, a women's refuge, supported housing for people recovering from substance abuse and homes for people with learning difficulties and mobility needs.

As part of SHG's commitment to creating a sustainable environment and reducing fuel poverty on the IoW, we embarked on a programme of installing renewable technology. On the IoW over 35% of our housing stock is 'off gas' and reliant on electric or solid fuel heating. With the ever increasing utility prices, over 1000 families were in fuel poverty (fuel poverty is defined where over 10% of the household income is spent on fuel bills to maintain a satisfactory heating regime).

SHG were one of the first registered landlords to embark on a major programme of installing photovoltaic panel technology, and the roll out on the IoW was the largest it had ever seen.



The installation of the photovoltaics (PVs) and other renewable technology has enabled us to engage with our residents and provide

information and education on saving energy to increase the financial benefits that they will receive through the renewable technology.

SHG looked at more than just installing one type of renewable technology, considering a whole range of options, taking a flexible approach on what we installed in residents homes, based on their needs and the type of property and the constraints that gave us. As an example, not all properties were suitable for the installation of an air source heat pump (ASHP) heating system, and in those cases we looked to install voltage optimisers to reduce electric consumption by regulating the incoming voltage to 220 volts. This delivered between 8% and 15% reduction in electricity consumption and costs. Installing solar thermal systems to provide hot water by harnessing solar energy typically saved up to 22% on electricity consumption and costs to residents.

With the installation of 289 ASHP, 300 solar thermal systems, 398 PV Systems, voltage



optimisers and LED lighting SHG has moved around 700 households on the IoW out of fuel poverty or substantially reduced their utility bills. Also we have replaced over 250 inefficient gas boilers with 'A' rated boilers, installed over 100 gas central heating systems, replaced inefficient windows with 'A' rated windows to over 200 properties and upgraded insulation to over 500 properties providing further opportunities for residents to reduce their fuel bills. Residents have commented on the benefits they have seen from our initiatives:

We are proud of what we have achieved for our residents, in helping them reduce their utility costs and wanted to highlight to the rest of the industry what can be achieved. We decided

“Now that I have the new heating system my whole house is warm and it is costing me less.”

“I am paying less than half of what I was paying before Southern Housing Group had the panels fitted on my roof.”

“I have hot water now whenever I want it and I am paying less than before.”

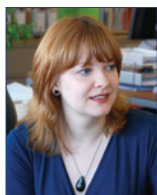
“We don't have to all live in one room now in winter, we can afford to have the whole house warm.”

“Not only is our house warmer, its drier we don't get condensation on the windows now.”

to put the project forward for an award at the National Housing Maintenance (NHMF) Annual Conference where we knew it would reach a wide audience of our peers. To be awarded “Most Outstanding Project 2013” was the highlight of the conference for us, being recognised by our peers for our achievements especially winning against the other submissions that were of a very high standard. ■

Managing assets, managing change

Rachel Fisher, Head of Homes and Land
(National Housing Federation)



Housing is an increasingly hot topic for politicians. Indeed, for many housing has become a panacea: new homes can help us deliver economic growth and existing homes will help us deliver carbon savings.

For housing providers this new focus is welcome, but there is always a risk that politicians do not necessarily understand the everyday job of managing assets, ensuring that residents have warm and healthy homes and neighbourhoods in which to live. The macro changes from welfare reform to climate change present both challenges and opportunities for housing providers. At the same time, involving residents in making changes to their homes or their estates can present issues of their own.

'Count Us In', a project led by the National Housing Federation (NHF), is seeking to take the very big issue of climate change and energy efficiency and personalise it. This is a two year pilot project designed to explore how people use energy in their homes, and what methods are best for influencing behavioural change; its focus is on changing energy consumption habits.

This project is important, not just in terms of meeting carbon targets, but also because of the increasing problem of fuel poverty. Energy prices will no doubt continue to rise, and with wages and benefits stagnating the issue of how much it costs to heat and run your home is of particular importance to low income households. Many of the inroads that have been made in terms of public health are linked to ensuring that our homes are healthy environments. So, if we are to meet our emissions targets, and continue to improve public health, it is vital to think about how people actually use energy in their homes.

Social housing accounts for about 20% of England's housing stock. Over the past decade providers have made significant investment and great strides in increasing efficiency. Today the average energy efficiency ratings of a housing

“Environmental concerns are not likely to top a list of resident's priorities, but having a comfortable home and a good quality of life probably is.”

association home are about 10 points higher than a private tenure home. Much of this has been accomplished through investment in the physical fabric of properties and micro generation, but many housing associations have found that energy savings predictions from new built or retrofit are not realised when residents move in.

Overall people living in social housing tend to be poorer, possibly long term ill, disabled or unemployed. This has implications for the way in which they use energy, particularly heating, in their homes as compared to the private sector (upon which most energy calculation assumptions are based). Many people may, for instance, already be rationing their energy use to save money, but this can have a knock-on effect on the overall heating and therefore healthiness of the home. People living in social housing also tend to be home for longer periods of time during the day, and also to use fewer appliances; so any messaging that goes out to residents needs to take account of this.

So what are we learning? Behaviour change is complex. Personal circumstances, individual beliefs and values and what we see others doing all influence our behaviour. To be effective therefore any campaign for change needs to be relevant, the changes themselves should be convenient, and the outcomes need to be desirable to the people being asked to change. Messages are critical. Environmental concerns are not likely to top a list of a resident's priorities, but having a comfortable home and a good quality of life probably is. The key message coming from the pilots is that working at the neighbourhood or estate level is more effective than mass marketing. It is important to create visibility of the issue of reducing energy use, but to ensure that this is locally relevant by creating opportunities for community networks of peer to peer delivery of advice.

If you want to find out more please visit www.housing.org.uk/countusin ■

Upcoming NHMF Training Days

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



How can the M3NHF Schedule of Rates contract and specification of works be used with different procurement and pricing models?

23 October 2013 - The Lowry, Manchester

To find out more, visit www.nhmf.co.uk/training

Useful publications

The NHMF has sponsored a number of very useful guides which are published by the NHF. They include Contract Management, Housing Investment Appraisal and the new Practical Guide to Procurement to be published in July 2013. See the NHMF website for full details.





NHMF Maintenance Conference 2014

The annual NHMF conference is devoted to housing maintenance and run by maintenance professionals. It covers strategic issues, practical solutions to current challenges and provides a focus for networking and promoting best practice. The next conference will be held in Stratford-upon-Avon on Tuesday 21 & Wednesday 22 January 2014.

Over the last two years, following deregulation, social housing providers have assumed responsibility for managing both the quality of the housing stock they maintain and the financial risk of their operations. They do this against a background of global economic turmoil and a demanding political environment in the UK. Social Housing providers have to address questions of fuel poverty, affordable rents and appropriate pricing. They are also asked to help rebuild communities, to address anti social behaviour, and to provide employment, training and apprenticeships. The resources they can exploit to do this important work are its staff, their residents, their suppliers and their physical housing stock. The annual NHMF Maintenance conference provides a neutral forum where senior managers and property services directors can learn together and continue the debate on how social housing maintenance can be funded to deliver both a quality service and high levels of stock investment in the future. The value to those attending the conference is an opportunity to share experience with fellow practitioners, to gather new information and to see to old problems from new perspectives.

Speakers include experts from a wide range of relevant specialist fields from finance to fire safety, government departments, National Housing Federation (NHF), Chartered Institute of Housing (CIH), resident providers, contractors, experienced consultants and professionals.

To book delegate places, for all enquiries, suggestions and sponsorship opportunities please see the website: www.nhmf.co.uk

“A number of sponsorship opportunities are available.

To find out more visit www.nhmf.co.uk/conference

**21-22 January 2014
Holiday Inn,
Stratford upon Avon**

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



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