

Bulletin



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Welcome to the National Housing Maintenance Forum (NHMF) Bulletin 2015

Liz Circuit, Secretary (NHMF)

In preparing to write an introduction to this year's NHMF Bulletin I reviewed the articles of last year's edition. It was both interesting and slightly comforting to find that for the first time for a decade, nothing much had changed during the intervening 12 months. Perhaps we have, at last, passed through the whirlwind of change that was brought about by the recession and new government policies, and entered a calmer period. By the time we go to print we will have a new government in the UK, although I think that we have to accept that it is unlikely to make much difference to housing in the short term. We may also have zero inflation, which will be a new experience for most of us.

The NHF led a successful campaign to raise the profile of housing and move it up the political agenda during the run up to the election. Politicians of all parties have been passionately referring to the importance of increasing the housing stock. It will probably take a bit longer for the electorate to accept housing as society's problem, rather than an individual issue, and only then will it become necessary for politicians to grasp fully the long term implications of their policies on the provision of good quality, affordable housing in the UK. We need to do all we can to make sure we keep the discussion alive in the new parliament.

There have already been important regulatory changes in 2015, with more to come. The new EU procurement rules came into force on 28 Feb 2015, and the Construction (Design and Management) Regulations on 6 April 2015, replacing the 2007 Regulations. Furthermore, we have seen housing organisations downgraded for breaches of the HCA Regulatory Framework for Gas Servicing and for Repairs and Maintenance. As advisors to the NHMF, Anthony Collins Solicitors have provided articles for this Bulletin on these subjects, with references to a wealth of further information on their website.

Compliance was an issue that was considered by members to be of increasing importance at the NHMF maintenance Conference this year, and a special thanks goes to Janet Francis (HSE) for her conference presentation and for providing a useful list of resources for guidance on

page 5. We also continued to look at both tried and tested and more innovative ways to drive value from assets, and you will find articles which follow on from those sessions in this Bulletin.



Looking forward to the coming months, there will be consultation with all NHMF members on the development of Version 7 of the M3NHFSchedule of Rates. The first stage is conducted as a paper survey during April, followed by face to face meetings around the country in May. The findings of the consultation process will be presented to the NHMF and the NHMF Contractor Forum at their autumn meetings. David Miller gives more information on page 32.

Much of what we do in the process of sharing good practice involves creating a legacy from the current generation to the next. What we are working towards is better homes and better buildings for the future. This cannot be achieved without passing on the accumulated knowledge of the past to the people who will occupy and maintain those properties in the decades to come. In 2015, there will be an increasing urgency to attract high calibre staff to the sector at all levels, and about addressing the skills shortage with good apprenticeship schemes, training courses, mentoring programmes and initiatives to encourage more women to consider employment in the sector.

We intend to make the annual NHMF Maintenance Conference in 2016 even bigger and better, in order to allow regular attendees to be accompanied by someone from their organisation, thereby establishing the next generation of contacts that can guard and grow the experience and expertise that we have already collectively established. It is not too early to think about who you would like to bring and book early to secure your place.

Once again, on behalf of the NHMF, I would like to thank all our contributors who have taken the time to prepare their articles for this Bulletin. I hope you find them informative.

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The National Housing Maintenance Forum (NHMF) sets the standards for maintaining assets and manages the development of the M3NHFSchedule of Rates. For more information visit www.nhmf.co.uk



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The organisation and me, I.

Some pointers on how to deal with a criminal investigation following a fatality

Paul Burnley, National Head of Corporate Defence & Regulatory (Freeths Solicitors)



The common theme that runs through all workplace fatality cases is that they arise out of the blue, and occur because of things that you never dreamt would happen.

The consequence nowadays is that the organisation and individuals within that organisation will be subject to a full and detailed criminal investigation by the police and the Health & Safety Executive (HSE).

Most organisations sit back to await the outcome of an investigation, in the honest belief that the truth will be out soon enough, and that you should not be seen to interfere with an investigation by the regulatory bodies. Both beliefs are wrong.

You simply cannot afford to sit back waiting to be prosecuted. You must carry out your own investigation, in many cases, starting the same day as the accident.

Operationally you know your business the best, not the police, not the HSE. Furthermore, by and large, you will know the people involved and the procedures or risk assessments that should have been followed. You will undoubtedly know what has happened relatively quickly. You will not know why it has happened until many months down the line.

Take the following actions:

- Appoint a crisis management team of no more than six individuals
- Appoint an investigation team led by the Operations Director or Health & Safety Manager
- Nominate a senior individual to liaise with the police and the HSE
- Inform your insurers
- Be ready to deal with any media enquiries through a short factual and neutral statement
- Keep your work staff informed and re-assure them

You must bear in mind that, whilst the police are taking the lead to determine if corporate or individual manslaughter has taken place, the HSE are looking to see, additionally, if there have been breaches of Health & Safety Legislation.

So far as the Internal Investigation Report is concerned, ideally, it should be “legally privileged” meaning that it is being undertaken by the investigation team for a lawyer who requested it. That fact alone prevents it being obtained by the police/HSE using statutory powers without your permission.

Otherwise, be very careful how the report is written, omitting emotional or ambiguous language, and be careful over recommendations. Keep them, if you can, to a minimum. It is extremely rare that you would need to do a review and re-think all of your working practices following a fatality.

“Most organisations sit back to await the outcome of an investigation, in the honest belief that the truth will be out soon enough, and that you should not be seen to interfere with an investigation by the regulatory bodies. Both beliefs are wrong.”

It is a sad fact that more arrests and interviews of managers by the police and the HSE are taking place, but if you know how you should act, most of the fear of the unknown falls away and you will perform better.

The most important rules on how to behave at interview include:

- Having someone in with you
- Answering the question
- Understanding the question
- Keeping any answer short
- Never guessing at an answer
- Never assuming someone else’s role or being tempted to do so
- Sticking to the facts and not giving opinions
- Not being bullied
- At Interview under caution always have your lawyer there

Finally, as an organisation, do not underestimate the considerable and lengthy effect on a manager, as an individual, of being investigated by the police and/or the HSE, following a fatality. The myth exists among the managerial fraternity that “the Board will blame me” whereas, in reality, it is extremely rare that it does and so your manager needs to know that.



What is compliance and why is it important?



Julian Ransom, Director (Savills)

From a practitioner's perspective, the broad subject of compliance should increasingly interest those with technical responsibilities in duty holder organisations. With continuing high profile interventions by the HCA, the question of compliance within the social housing sector has been rapidly moving to the forefront. At this

year's NHMF Maintenance Conference, it was a pleasure to address a plenary session on the issue in the company of Janet Francis from the Health and Safety Executive (HSE).

Regulatory involvement applies within legislative boundaries, but other duties and obligations may extend to employees and non-employees, including tenants, contractors and members of the public. With increasing representation from those with a vested interest, aspects of your compliance regime may need to consider potential uninsured loss and reputational damage against the less well-defined benchmark of prevailing best practice. I often represent housing clients through asbestos related incidents and claims and find the following aspects have particular relevance. You might need to consider them as components of your wider compliance regime:

- **Duty Holder decides.** While specific obligations do not diminish, increasingly the duty holder needs to decide on appropriate controls through individual risk assessment of their property and occupants. Example: asbestos in communal areas no longer requires a mandatory 12 month re-inspection (ACOP L143 December 2013). The re-inspection cycle applied needs to be risk based, appropriate and defensible;
- **Appropriate Monitoring.** To be robustly defensible many compliance areas will benefit from regular monitoring and periodic independent auditing, often on a sample basis and then adjusted in response to any trends identified;
- **Clarity.** Vague repetition of guidance is not fit for purpose. Use the latest guidance and legislation (see below), and interpret it into specific protocols relevant to your own organisation (property, management regime and occupancy groups). Then apply it and monitor the outcome. If they find it necessary to investigate your activities, regulators will be interested in whether your management plans are clear and whether you have followed them.

“Regulators will be interested in whether your management plans are clear and whether you have followed them.”

Janet clarified (as summarised below) where some of the duties and obligations placed upon social housing providers originate, where strict mandate (legal responsibility under health and safety at work [HSW] legislation) starts and stops and so by implication where 'good practice' takes over.





Janet Francis, Principal Inspector
(Operational Strategy) (HSE)

It is in the interests of your business that you understand under HSW law where the boundaries lie between

- non-compliance (with potential for poor risk management, unwanted incidents, regulatory sanctions and unplanned costs under Fee for Intervention (Ffi));
- compliance (with adequate understanding and control of H and S risks, worker consultation and therefore legality and avoidance of Ffi costs); and
- going beyond compliance, into good practice (with reputational and other benefits from improved management of risk, proactive leadership, and full worker engagement).

In the social housing sector, there are a number of regulators and some overlaps in the areas covered if not in the actual legislation. You may be looking at a bigger picture, but it is useful for you to understand where the duties laid on your organisation originate – then you will know where to go for the most relevant guidance (see red box).

HSE enforces HSW law in the rented housing sector whether the landlords are public or private. But this sector is considered relatively low risk, so there is no proactive inspection of landlords at present. However investigations of incidents do take place and there are three big exceptions to the 'low risk' designation:

- Refurbishment and construction - Construction is a high risk activity with significant HSE inspection resource on the ground and a high enforcement rate. While this is often directed at contractors, the client role will be under greater scrutiny under the revised Construction (Design and Management) Regulations (CDM), and landlords are clients under this legislation;
- Asbestos management and asbestos removal – significant HSE resource is given to inspecting asbestos removal. CDM client duties to provide information to contractors join up with the duty to manage under Control of Asbestos Regulations; and
- Gas safety-related complaints e.g. failure to carry out gas safety checks is routinely investigated.

In general, HSW law does not apply to domestic premises unless they become a place of work e.g. when contractors carry out maintenance work. It does however apply to non-domestic premises that form part of the landlord's undertaking e.g. common parts such as lifts, corridors, M & E rooms.

In addition a registered housing provider will also have duties towards employees and non-employees like contractors, tenants and members of the public.

Whatever management systems you have in place, adopting sensible and proportionate approaches to manage your risks will help you protect people from real harm and suffering without exaggerating the trivial risks.

Who has responsibility for housing safety matters?

- **Housing inspections and the Housing health and safety rating system - Environmental Health Officers**
- **Gas fitter competence - Gas Safe Register**
- **Fire safety (except on construction sites) – local Fire and Rescue Authority**
- **Building Regulations – District Surveyors**
- **Product Safety - Trading Standards**

Sources of guidance:

Health and safety
www.hse.gov.uk

Work at height
www.hse.gov.uk/work-at-height/index.htm
www.hse.gov.uk/construction/faq-height.htm

Asbestos
www.hse.gov.uk/services/localgovernment/asbestos.htm

Hot and cold water systems
www.hse.gov.uk/legionnaires/hot-and-cold.htm

Play safety statement
www.hse.gov.uk/entertainment/childs-play-statement.htm

2008 Letter to LAs re social housing and other premises
www.hse.gov.uk/services/localgovernment/letter.htm

Local government pages
www.hse.gov.uk/services/localgovernment

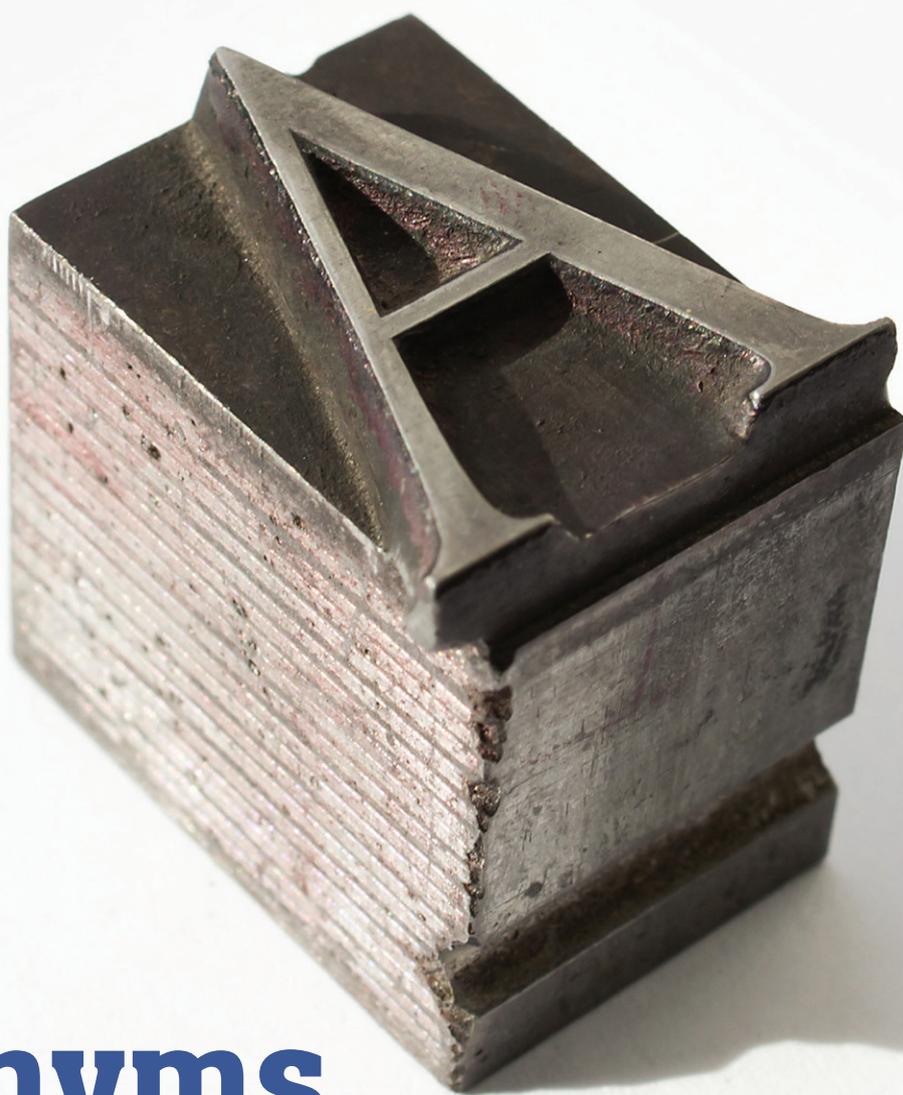
Procurement and commissioning -
IOSH Public Services Group guidance
www.iosh.co.uk/Membership/Our-membership-network/Our-Groups/Public-Services-group/PS-Procurement.aspx

Leadership guidance - Institute of Directors / HSE
www.hse.gov.uk/pubns/indg417.pdf

CDM revision - L153
www.hse.gov.uk/pubns/books/l153.htm

CONIAC CDM client guidance
www.citb.co.uk/documents/cdm%20regs/industry-guidance-clients.pdf

CONIAC general guidance
www.citb.co.uk/health-safety-and-other-topics/health-safety/construction-design-and-management-regulations



Acronyms

We have tried, where possible, to ensure that acronyms are explained within articles. However, we may have missed some so here are some commonly used acronyms.

Acronym Explanation

ACOP	Approved Code of Practice
AHBs	Approved Housing Bodies
BRDO	Better Regulation Delivery Office
CDM	Construction (Design and Management) Regulations
CSR	Corporate Social Responsibility
DECC	Department of Energy and Climate Change
DLO	Direct Labour Organisation
ECO	Energy Company Obligation
ESDN	European Single Notification Documents
EU	European Union
EWI	External wall insulation
Ffi	Fee for Intervention
GLAs	Greater London Authorities
HCA	Homes and Communities Agency
HSE	Health & Safety Executive
HSW	Health and Safety at Work
JV	Joint Venture
KPIs	Key Performance Indicators
LEAP	Learning Employment and Achievement Programme
LGSR	Landlords Gas Safety Record

Acronym Explanation

NHF	National Housing Federation
NHMF	National Housing Maintenance Forum
NVQ	National Vocational Qualifications
OJEU	Official Journal of the European Union
PPP	Price per Property
PPR	Painting, Plastics and Repair
PRP	Private Registered Provider
PQQ	Pre-qualification Questions
PV	Photovoltaic
QLTA	Quality Long Term Agreement
RHI	Renewable Heat Incentive
RP's	Registered Providers
RTB	Right to Buy
SAP	Standard Assessment Procedure
SHIFT	Sustainable Homes Index For Tomorrow
SMEs	Small and Medium Enterprises
SWI	Solid Wall Insulation
TLO	Tenant Liaison Officer
TUPE	Transfer of Undertakings (Protection of Employment)
WOS	Wholly Owned Subsidiary

Trees: assets or liabilities?

Jaqueline Stone, Business Manager (Treewise Solutions)

“You must cut down my tree – it’s massive and it’s dead!”

“That tree is making my asthma worse.”

“You need to get rid of the tree as the birds areing on my car”

We have heard all the reasons why trees should be felled, lopped, chopped or pruned, and in many instances they are based on either a misconception of tree risk or simply a perceived nuisance that is a result of a natural phenomenon associated with our woody perennials.

In these instances the first was a two metre tall Willow in Winter, the second could not be attributable to a single tree and as for the birds, well that’s just what they do!

This is by no way to underestimate the importance of having a proper account of your tree stock and carrying out regular surveys to identify any potential risks and appropriate works to mitigate against such risks. However, managing your tree stock should be a balance between understanding and valuing the importance of trees, while ensuring that proper systems are in place to manage your duty of care effectively.

Trees are not only essential for our environment and wildlife, but are also of significant importance for our health and wellbeing. They can bring numerous benefits to communities, and give rise to opportunities for community involvement and initiatives. Instead of complaining about crab apples causing a trip hazard, why not get the kids to pick them up and learn how to make crab apple jelly?

The law is quite clear that all landowners have a duty of care to ensure that reasonable steps are taken to avoid acts or omissions which cause a reasonably foreseeable risk of injury to persons or property. Tree owners also have an obligation under common law to abate nuisance.

However, although tragic for anyone involved, in reality very few people are killed by trees. In the UK, on average around six people a year are killed by falling trees or branches. In a population of 60 million, this means a one in 10 million chance of dying from a falling tree, or a one in 20 million chance of being killed by a tree in a public open space. The Health and Safety executive (HSE) recognises that the risk of being struck and killed by a tree falling is extremely low and is firmly in its “broadly acceptable” category of risks.

However, trees are often perceived as being in ‘conflict’ with urban areas and the perception of risk is greatly exaggerated. This can be heightened by media coverage following extreme weather or tragic incidents.

A reasonably practicable approach (as outlined by the HSE), requires landowners to;

- Do what is necessary and reasonable in the given circumstances;
- Consider the benefits derived from the hazard as well as the risks;
- Expend resources only at a level that is proportionate to the reduction in risk;
- Reduce risk to a reasonable level but not necessarily eliminating it;
- Balance costs with benefits.

A tree survey should help to identify the condition and location of any hazardous trees and support the prioritisation of works based on the ranking of risks. A tree management software system should be used so the data can be collected electronically and future inspection and management costs can be significantly reduced.

A Tree Strategy and Tree Policy should also be formulated with a presumption to keep trees unless there is a demonstrable risk of harm, and to define a clear level of responsibility between the Housing Association and its customers.

The Policy needs to be clearly communicated to customers to help reduce enquiries and complaints. Consideration should also be given to how customers can be involved and how projects such as wildlife awareness, fruit tree initiatives and tree planting schemes can be undertaken to promote the benefits of trees.

“The planting of a tree, especially one of the long-living hardwood trees, is a gift which you can make to posterity at almost no cost and with almost no trouble, and if the tree takes root it will far outlive the visible effect of any of your other actions, good or evil.”

- George Orwell

50 shades of green

Hot topics



Richard Griffiths, Business Development Manager (Parity Projects)



Jon Cross, Property Services Director (Hexagon)

It is a little over a year now since David Cameron was reported to call for a drive to cut the green crap in energy bills. In the months leading up to that point, stories abounded of 100% funding offers for retrofit schemes, and many landlords were introducing ambitious targets to improve their SAP scores and tackle fuel poverty within their portfolios. Then came the changes to the Energy Company Obligation (ECO). Funding offers were slashed or withdrawn altogether, and the mood of the sector changed almost overnight from optimism to despair. How on earth were we expected to deliver large-scale retrofit programmes now?

At Parity, we were worried too. A large part of our work involves providing advice to registered providers on the design of their energy efficiency strategies, and the cuts left us questioning whether the flow would dry up. But looking back, the fears were largely unfounded and, in some ways, the decimation of ECO has had some unexpectedly positive results. First and foremost amongst these is a new-found imperative in the sector: to plan and deliver retrofit better.

What do I mean by that? Well, in the past - as was the case under ECO - we were all seduced by the prospect of “free” money. Registered providers, understandably, touted themselves to the highest bidder. Lots of useful work was done, but in the rush to get their hands on funding, landlords often forgot what they were trying to achieve and how best to get there. Rather than focus on the measures that were most cost effective, appropriate or urgent, the emphasis was on one thing: what would attract the biggest cheque.

As a result, landlords risked targeting properties that were not necessarily those most in need. At the same time, the opaque nature of the funding arrangements meant that providers were left open to paying inflated prices for works that, if procured outside the auspices of ECO, could have been contracted at much cheaper rates (albeit with no grant). Finally, the ECO gold-rush meant that retrofit projects were rarely aligned properly with wider organisational plans, instead remaining in a silo.

“Care is being taken to match up planned works and responsive programmes with retrofit activities in order to uncover cost saving opportunities and synergies.”

Now we find ourselves in a different world. With budgets squeezed, landlords are being forced to wring value from every last penny. Rather than throwing money at the problem, they are carefully planning energy efficiency programmes in advance, to maximise cost-benefit. Priority is given to the worst performing properties, not the most profitable measures. Care is being taken to match up planned works and responsive programmes with retrofit activities in order to uncover cost saving opportunities and synergies. And rather than putting all their eggs in one funding basket, landlords are deciding what they want to achieve first, and only then asking how a range of grants - from RHI to EU funding - can help them deliver it.

As a result of cuts, that could have been catastrophic, we’re seeing a new approach emerging. The result is an industry that should be more sustainable and insulated from the whims of Government. And hopefully, long-term, we’ll all be better off for it.

A view from the coalface: Hexagon Housing Association

At Hexagon, we are making plans for the next two to three years. We are undertaking a stock assessment with Parity that will help us achieve our target of bringing our minimum SAP up to 65 by 2017 as cost effectively as we can. We are looking at precisely the kind of synergies Richard describes: what will be delivered in terms of energy efficiency by our existing planned and responsive works programmes, and then what additional resources are required to deliver our retrofit goals. By acting in that way, we can hopefully stretch our budgets a little further, and maybe even aim for a higher standard across our portfolio. The key for us is to make sure we do things properly, and focus on the households that are most in need when deciding where to spend our money.

Practical Pointers on the new Procurement Provisions

Andrew Millross, Partner (Anthony Collins Solicitors LLP)



On 20 January, I spoke at the NHMF conference about practical preparations for the new EU procurement Regulations, suggesting some practical steps that housing providers could take to get ready for them. At that stage we were still waiting for the final version of the Regulations and associated guidance.

There was very little time to implement my suggestions. Just over a month later, the new Public Contracts

Regulations 2015 came into force on 26 February 2015.

Since I cannot now talk about practical preparations, this article highlights a number of implementation issues housing providers need to be aware of.

Know the transitional provisions

The previous 2006 Regulations will still apply to contracts and framework agreements that were signed or being procured when the new Regulations came in. This is also the case for contracts let under signed framework agreements or those being procured at that time.

At Anthony Collins Solicitors we did submit several OJEU notices in the short interval between the Regulations being published and their coming into force. These include possibly the last notice under the previous Regulations, submitted just before 5pm on Wednesday 25th February (but if anyone else is claiming this accolade, please let us know).

Have a look at the statutory guidance

When the Regulations came into force, we were placed in the ludicrous position of being under a statutory duty to have regard to guidance that did not exist. Even worse, when it was first published, the guidance on PQQs mandated the use of a PQQ that had not then been published!

The Cabinet Office has now finally published the statutory guidance (on the Cabinet Office website), and it is important to study it. As well as practical advice on completing OJEU notices before the European Commission get round to publishing the new forms, the guidance on PQQs is compulsory reading.

Watch out for the requirements for below-threshold contracts

Contracts with a value over £25,000 that are advertised publicly will also need to be advertised on the government's Contracts Finder website.

Contracts with a value between £25,000 and £172,514 must be procured using the open procedure without any prequalification stage. SMEs and others bidding for these contracts will therefore have to price them fully in order to bid.

Factor more time into your procurement processes

As most people know now, the biggest change in the new Regulations is the requirement to publish the procurement and contract documents on the internet at the time of the OJEU notice.

Far more work will need to be done "up front" now before starting a procurement. Time for this needs to be factored into your procurement procedures. You should be starting to prepare now to reprocure contracts expiring in 18 months to two years' time, and sooner still if leaseholders need to be consulted.



Hot topics

This means you may need to take advantage of the shorter time limits for most procurement procedures in the new Regulations.

Include a copyright notice on your contract documents

With procurement and contract documents being available on the internet, unauthorised copying is likely to increase. Copying without permission can lead to a claim for damages, and potentially criminal proceedings, but this may not be sufficient to deter some.

Copyright exists independently of any copyright notices. However, a © on your documents may warn others that they are your (or your procurement advisers') copyright and may help discourage unauthorised copying.

More contracts will need to be tendered

Remember that "light touch" regime contracts for "social and other specific services" contracts, will still need an OJEU notice and a formal (simplified) tender process where their value is over €750,000.

There is currently no official exchange rate for the euro here. If you use the same rate as the other thresholds, the figure is £625,025 (which is the figure in the Cabinet Office guidance). This is higher than the current exchange rate, which gives about £560,000. It therefore makes sense to use this figure, at least until November, when the European Commission is planning to issue the formal guidance.

Standard form PQQs are compulsory

Cabinet Office guidance on PQQs requires the use of either the standard PQQ produced by the Crown Commercial Service effectively "without deviation" or, for contracts for works, the PAS91 PQQ (which has not yet been updated for the new Regulations or the 2015 CDM Regulations).

The Cabinet Office expects you to be able to identify a tender list by assigning scores and weightings to a very limited set of questions where the answers are all self-certified by bidders. This could prove challenging and we cannot see many tenderers self-certifying that they are entitled to less than full marks. The only practical approach would seem to be to score the project specific and, potentially, the experience questions. It remains to be seen whether the Cabinet Office will accept this.

The new provisions will also make it much harder to stop a previous supplier whose contract has just terminated for breach from tendering.

Update your standard contracts

All contracts will include termination provisions in specific circumstances (such as where the supplier should have been excluded from the tender process altogether). In order to avoid these terms being implied by law, and creating contractual uncertainty, it is worth updating your contracts to include these specific provisions.

There is a lot to get to grips with in the new Regulations and associated guidance. The chaotic way in which they have been implemented by the Cabinet Office is likely to result in considerable procurement uncertainty for a few months. Significant changes will be needed to procurement procedures, and more challenges are likely as a result.

Reducing the ‘shades of grey’ of compliance.

Primary Authority: what is it and what are the benefits?

Paul Fitzgerald, Private Rented Housing Team Manager (Oxford City Council)



The Primary Authority scheme is all about streamlining the regulatory requirements on business in the UK saving you time and money whilst increasing compliance excellence. The scheme is government backed and administered by the Better Regulation Delivery Office (BRDO) operating out of the Department for Business Innovation and Skills.

The scheme cuts out red tape, reduces bureaucracy and inconsistent interpretations of legislation by setting up a formal relationship between a supplier, such as a Residential Social Landlord, and a single enforcing authority, often a Local Council. As such, the Primary Authority scheme is particularly beneficial for suppliers with outlets over multiple geographical areas or/and operating within a complex legal framework.

The scheme has been operating for many years now, with hundreds of Primary Authority relationships currently ‘live’. From last year, the scheme has been extended to cover the enforcement functions of the Housing Act 2004, which includes the Housing Health and Safety Rating System and the Licensing of Houses in Multiple Occupation. Consequently, the Primary Authority Scheme is increasingly being looked at by operators within the housing landlord sector as a way to reduce the burden of compliance whilst saving time, money and safeguarding safety.

Whilst each Primary Authority arrangement is unique, there are key common elements that each will include:

- Provision of robust and reliable advice on compliance that other enforcing authorities, such as the Local Council, must take into account.
- Gatekeeping against sanctions, including formal notices and prosecutions, as enforcing authority must contact the Primary Authority provider first to ensure actions aren’t contrary to the assured and approved Primary Authority advice.
- Standardisation of compliance implementation across a company’s operating units to a consistent and assured standard.
- Ensuring that resourcing the partnership, business payment to Primary Authority provider, is purely under a cost recovery model.

“The scheme cuts out red tape, reduces bureaucracy and inconsistent interpretations of legislation.”

For landlords, a Primary Authority arrangement enables them to get on with doing what they do best- providing decent housing for tenants, leading to financial and time savings, which far outweigh the financial cost of the partnership. This consistent approach to service delivery, improves relationships with tenants, local authorities and the wider community.

As an enforcing authority for a number of regulatory categories within the Primary Authority Scheme, Oxford City Council already has experience in providing such partnerships within the Food Safety and Health and Safety compliance categories. From our experience, the benefits on paper for businesses are in reality played out time and time again, and we are excited that the opportunity is now available for operators within the private rented sector, particularly with Residential Social Landlords.

In short, if you are Residential Social Landlords with stock over a number of geographical areas or/and of differing type, the Primary Authority Scheme can help. It will save you much more than it costs, in time and reduction in inappropriate enforcement activity, plus reaps you huge benefits in increasing compliance, consistency of practice and ultimately safeguarding the safety of your tenants.

Standing out from the crowd

“The experience you provide has to be different to your competitors. Only then will you put your organisation at the forefront of your customers’ minds.”

Tim Wade, Partner (Smith+Co Consultancy)



Never before have customers had so much choice. And because of fierce competition and the efforts of organisations to improve their performance over the past few years, the service and products which customers get are generally good.

But good is not good enough.

To stand out, the experience you provide has to be different to your competitors. In fact, it has to be dramatically different. Only then will you put your organisation at the forefront of your customers’ minds whenever they need the kinds of products or services you offer.

The challenge for organisations is how to define and deliver this kind of experience so that it works every day.

While it is evident that the management of customer experience is high on the leadership agenda, there is still much debate as to the best approach to take. How do you create a customer experience that people remember and tell their friends and family about? To provide a simple summary of a complex process let me share with you five key factors:

1. Focus on the things that customers value
Why spend precious and valuable resources designing experiences around things that

customers care little for. The first part of designing a customer experience is to identify your target customer and understand what they value from the experience, and the drivers of advocacy and loyalty.

2. Create Hallmark moments

These are the ones that will really distinguish your brand and emotionally engage your customers.

One mistake brands often make is thinking that they need to focus on delivering a great experience at every point. Unless you can price accordingly, don’t. Choose the areas where you can differentiate and are willing to invest the resources to create a ‘wow’ experience.

3. Empower your people

It is about creating the right environment, with the right support and technology and enabling your staff to facilitate an experience that will be valued by your customers.

We advocate a concept called ‘Loose/Tight’. Most organisations are very ‘loose’ when it comes to what their brand stands for and the kind of experience they wish customers to have, but very ‘tight’ when it comes to telling employees how to behave.

Brands that deliver great experiences usually reverse these two, being very ‘tight’ about what the brands stand for and the experience they wish to create but quite ‘loose’ in allowing

their people freedom in how they satisfy their customers. Take Metro Bank which demonstrates this wonderfully. The bank’s view is that within most financial services organisations if a customer wants something it usually takes at least two people to say yes but only one person to say no. Metro Bank reverses this and empowers all their staff so that they can say yes BUT it takes two people to say no.

4. Be authentic

Your customers are highly connected across digital and social media so you need to ensure that you are creating authentic experiences. This means doing what you say and creating a brand promise that is aligned to your internal values. As Peter Simpson (original Commercial Director of First Direct) says “you can’t pretend to be one style of brand to your customers if you’re a different style of brand to your people”.

5. Bring the story alive

A great story is passed down between family, friends and, in this day and age, across social media. You need to create stories that dramatise the experiences you create with your customers and people. We are less likely to believe cold rational messages, so develop a distinctive tone of voice that engages on a human emotional level. Allow your people and your customers to tell your story in their own way, embrace social media as a way to share your story.

Achieving service charge consistency in tenancies and leases: construction and variation

Nick Billingham, Partner (Devonshires Solicitors LLP)



Delivering consistent services and ensuring full service charge recovery across different tenures has always been a challenge for social landlords. However, stock swaps, other acquisitions and mergers, together with historic tenancies and leases incapable of variation, mean that the diversity of service charge provisions has become ever more problematic.

Having one form of tenancy or lease with consistent service charge provisions has always been something of a panacea for Registered Providers (RPs). Until the case of *Peabody v Reeve* in 2008, RPs could carry out mass variations of assured tenancies where they contained a contractual variation clause. This meant that service charge provisions could be unified relatively easily. *Peabody*, however, put a stop to all that finding that unilateral variation clauses were likely to be void under the OFT Guidance on Unfair Terms in Tenancy Agreements.

The problem is not limited to tenancies: historic shared ownership leases and ex-local authority RTB leases modified over the years, pose similar problems of achieving consistency.

So how does the service charge manager tasked with ensuring a uniform approach to service charges approach their unenviable remit?

Construction of terms

Tribunals should read service charge provisions in tenancies and leases in a way which fulfils rather than defeats their evident purpose (see *USS Ltd v Marks & Spencer Plc* 1998); so look at the wording of the tenancy/lease to see whether the particular service can be read into the relevant clauses/services already in the agreement.

Implied terms

Remember that for Right to Buy leases certain terms are implied into the lease by Schedule 6 Housing Act 1985. Equally, the Tribunals have implied rights to recovery. For example, “provision of services” has been deemed to include management costs in providing services.

Sweeper clauses

“Expenses incurred for the benefit of the building” or “expenses incurred in the interests of good estate management”: Tribunals will be reluctant to construe such clauses widely but if the service is of the type of service expressly provided for elsewhere in the agreement, then it should be allowed pursuant to a sweeper clause.

Variation clauses/Estate regulation clauses

A well-drawn tenancy will allow the landlord to introduce new or vary or reduce existing services following consultation or on reasonable notice. Leases may also allow new services “for the better management of the Estate.”

But what of difficult cases where none of the above strategies help and you want to amend services?

Agreement with residents

Residents may agree to a variation but why would they agree to pay for a service unless they wanted it? Add to that the problem of getting unanimous agreement: there is always one resident who will not agree even where the majority want the service and agree to pay.

Hope for the best...

Even in the absence of a variation of services clause, some RPs have taken a risk-based approach and gone through consultation on the introduction of new services and simply begun to charge for them. Up to two or three years' payment without challenge and an argument based around implied agreement/estoppel might just hold water. But do bear in mind it only takes one resident to sound the alert early on and the process could unravel.

Leases

Formalising agreements to implement service charge variations with tenants (where they do agree) can be achieved by relatively straight forward Deeds of Variation. With long leases, Deeds will need to be registered with the Land Registry and lender's consent obtained, and you will almost certainly have to pay for the leaseholders' reasonable costs of obtaining independent advice.

“Having one form of tenancy or lease with consistent service charge provisions has always been something of a panacea for Registered Providers.”

However, Part IV of the Landlord and Tenant Act 1987 provides another route for variation of long leases. Section 35 allows the lessor or lessee to apply to the Tribunal where a lease fails to make satisfactory provision with respect to (amongst other things) the provision of services reasonably necessary for the occupier to enjoy a reasonable standard of accommodation, or with respect to the computation of service charge, or the recovery of expenditure incurred by one party for the benefit of the other. Section 35 “defective lease” applications are an effective way of remedying defects. However, there must be a defect – a bad bargain will not be undone by the Tribunal using Section 35.

The second option is under Section 37 which allows the Tribunal to vary long leases where a majority of lessees are in favour. The lease does not have to be defective so this route permits a much wider variety of reasons. Where all residents agree, the variation can usually be effected by a paper application to the First Tier Tribunal and this can be a cheaper alternative to obtaining individual Deeds of Variation. The fact that an Order is made by the Tribunal also overrides the need for independent legal advice – the Tribunal provides the protection residents might need from an unscrupulous lessor. When some residents object to the variation, Section 37 can still be used so long as the requisite majority is present and the number of those against sufficiently low (the thresholds are set out in the section).



Contractor Forum

Established in January 2012 to provide contractors working in social housing with the goal of creating more alignment between contractors, clients and sub-contractors, the NHMF Contractor Forum works with the National Housing Maintenance Forum (NHMF) in promoting good practice in the procurement and management of repairs.

The benefits of membership include:

- Direct links with the NHMF Committee to help understand the challenges faced by resident providers
- Access to the M3NHF Schedule of Rates
- Opportunity to discuss the M3NHF Schedule of Rates and influence its development
- Priority booking for training sessions and conferences
- Tackle issues of common concern to contractors

Membership is open to any contractor providing maintenance services to managed housing. The company would be the member, with a named representative who would be our point of contact. The membership includes a good cross-section of large, medium and smaller sized contractors and specialist sub-contractors. The forum is chaired by Paul Reader, Morgan Sindall Property Services, with Neil Watts, Breyer as deputy chair, and Liz Circuit as secretary. It is serviced by M3 which also services the NHMF.



Any contractors interested in joining the forum should complete the NHMF Contractor Forum membership form on the website www.nhmf.co.uk/contractor. Meetings are open to subscribing members of the NHMF Contractor Forum.



New CDM Regulations

On 6 April 2015 the Construction (Design and Management) Regulations came into force, replacing the 2007 Regulations.

Key changes include:

- the CDM coordinator being replaced by a “principal designer” with more control over the preconstruction phase
- the obligation to appoint a principal designer and principal contractor applying where there is likely to be more than one contractor (including a subcontractor) rather than where a project has to be notified to the HSE
- more detailed provisions about pre-construction information and the health and safety file

For more details, see the update from Anthony Collins Solicitors LLP at <https://newsroom.anthonycollins.com/ebriefings/the-new-construction-design-and-management-regulations-2015-a-change-in-the-cast/>

Delivering excellence in customer service with Tenant Liaison Officers



Leeann Vincent,
Asset and Procurement
Manager (Helm Housing)

Effective communication is at the heart of excellent customer service, demonstrating the ability not only to manage work processes but also to manage client engagement effectively.

Helm Housing Association took the decision two years ago to pilot a Tenant Liaison Officer (TLO) within their 2013/14 planned maintenance programme. This was to address a slump in customer satisfaction levels. What emerged from detailed discussion with the association's tenant's forum was that Helm needed a more meaningful engagement process with our tenants and contractors. This new engagement would be vital if services and perceptions were to be improved.



The role of TLO provides a crucial link between the tenants, Helm and the contractor. What is critical in the role is to communicate the right information at the right time, in sufficient, but not too much detail along with balancing conflicting demands between tenants and the requirements of constrained budgets and time. The TLO on this project delivered high levels of tenant satisfaction and was regularly commended at the tenant's forum for their care and professionalism which delivered considerable service improvement.

With this in mind and following success of the pilot, it was agreed with the tenant's forum that for the 2014/15 planned and cyclical maintenance contract the TLO would be directly employed by



Helm. It was agreed that this would create a more enhanced tenant focus and embed a greater understanding of the ethos of the organisation to the TLO.

At the same time the Association was procuring the response maintenance and heating servicing and maintenance contracts through an OJEU competition. It was decided as part of our continuous improvement programme and in light of the success of the role on the planned and cyclical maintenance contract, to include two TLO posts, one within each contract. It was felt that this would ensure a continuous approach in the service delivery across the three areas of the business.

The contracts were let to H&J Martin Ltd (Response Maintenance) & Fusion Heating Ltd (Heating Servicing and Maintenance). To demonstrate how seriously the Association took these roles, the TLO for each prospective tenderer was interviewed as part of the procurement process. The Association now has three TLOs covering planned and cyclical maintenance, response maintenance and heating servicing and maintenance. One is employed by Helm, the other two by our partners.

One problem of having three TLOs employed by different organisations was the consistency of approach. This was resolved by establishing a working group for the three TLOs. This meets on a regular basis and deals with areas such as sharing best practice, customer feedback, improvements to service delivery and enhancement of tenant engagement.

The working group also engages with the associations Tenants Champions and Tenants Executive Forum on a variety of issues such as the establishment of a Tenant Choices group following discussion within the Asset Management Forum. This Choices Group involves TLOs actively engaging with the Tenants Forum through the choices of materials to be used within the Association's portfolio. This is critical to ensure that engagement with the tenants is balanced, with their preferred choices set against realising the components potential whilst maximising the life of the asset.

“The aim was to deliver a more personalised and bespoke service to the tenants which deals with issues at source, engages with the local community”

The aim was to deliver a more personalised and bespoke service to the tenants which deals with issues at source, engages with the local community and extracts input from tenants as the end user in formulating choices and processes. This collaborative working between the three TLOs has improved customer satisfaction and communication throughout the Association.



The approach has been identified as innovative and forward thinking and the Association has recently received a CIH award for delivering excellence in customer service. Helm Housing is the first association within Northern Ireland to have not only an in-house TLO but also to have two dedicated TLOs within their Measured Term Response Contract and also their Heating Repairs and Maintenance Contract.

Magenta Living: an image makeover

Demand for Social housing can be fickle in the north. While we have long queues for some homes in some locations, the changing housing environment, particularly the “removal of the spare room subsidy” or “bedroom tax”, has made decisions about further investment in some programmes and upgrades difficult. We need to think hard about maintaining demand; in PR speak “a more aggressive marketing strategy”. This article explores some of these issues from the perspective of the collaboration between Magenta Living, a PRP, and Moving Soon, a housing marketing company in the North West of England.

“A major issue for social housing providers, at least in the areas where Magenta Living operates, is reputation. There is a perception that “you have to be on benefits to rent a property from them”.”

A major issue for social housing providers, at least in the areas where Magenta Living operates, is reputation. There is a perception that “you have to be on benefits to rent a property from them”. The whole access to housing process reinforces this notion. Long application forms requiring information which may establish that the household has “Housing Need”, which is usually defined in terms of the physical circumstances of the household members and the physical circumstances and condition of the property. The reality is, in this neck of the woods at least, that for a significant proportion of those with housing issues, affordability is the key factor. Those in low paid employment, often renting in the private sector, struggle when Tax Credit changes impact on their ability to fund the “top up” to pay rent over the Local Housing Allowance. The sub-regional Choice Based Lettings system operating locally ascribes no housing priority to an applicant who cannot afford the rent for their current home.

So how did we go about changing our image and start to appeal to a broader section of the Community? Using the marketing expertise of Moving Soon, Magenta Living has been trying to modify the often-inaccurate perceptions of many potential customers.



Paul Malone, Director (Moving Soon)
John Mycock, Assistant Director of
Housing Services (Magenta Living)

Working with Magenta Living we had three main objectives.

Firstly, we wanted to ensure the properties were marketed correctly. We succeeded in doing this, making sure all properties advertised by Magenta Living via Moving Soon had good quality images, great copy and most importantly a call to action.

Secondly, we wanted to make sure there was a streamlined process to deal with enquiries about their properties. To do this Moving Soon had to implement a separate process to deal with enquiries. This differed from the approach Magenta Living took to their day-to-day Choice Based Lettings enquiries because they needed to behave more like a Letting Agent. They were keen to attract enquiries from working people. Given that the majority of these individuals would normally go via Estate and Letting Agents for homes to rent, Magenta Living had to react in a similar way. For example, people enquired about properties to rent in the morning hoping to see them later that day or after work or even at the weekend. For a business that operated on a 9 to 5 Monday to Friday basis this was a significant shift to undertake. Magenta Living changed the way they worked to deal with these enquiries. This reached customers who would not normally have considered a Housing Association as a potential landlord.

Thirdly, we wanted to improve the Magenta Living brand awareness. We made sure that their available properties got additional exposure from a wider audience. Ultimately this meant, they started to receive enquiries for their available properties not only from those on benefits, but those in work too.

We continue to build their brand. You cannot sit still in this marketplace. The way we buy, sell, rent or let property is evolving. You need to ensure you are learning and adapting to this change for the benefit of your current and potential customers.

Materials supply contract procurement using competitive dialogue

Value for money

“Derby Homes is already seeing evidence of how the new materials supply arrangements are promoting greater efficiencies within its direct labour organisation (DLO) and a re-energised relationship with the supplier.”

Shaun Bennett, Director of Investment and Regeneration (Derby Homes)
Andrew Millross, Partner (Anthony Collins Solicitors LLP)



Derby Homes had already secured substantial savings on their materials supply arrangements through using the buying club Efficiency East Midlands. However, with the contract due to expire, Derby Homes explored a number of reprocurement options.

This identified a 10 year contract with a single supplier as the option that is most likely to maximise value for money. With a value over £30 million, this is one of the most important contracts that Derby Homes has let.

Derby Homes brought in Anthony Collins Solicitors LLP to help them run the procurement. We frontloaded drafting the procurement and contract documentation (as will be required under the new EU procurement rules) and held back from issuing the OJEU notice until this had been done. This enabled the procurement to run without delays, helping Derby Homes demonstrate a professional approach to the suppliers.

In relation to pricing, Derby Homes needed to have fixed “all-inclusive” materials prices, both for leaseholder work and to enable them to price as competitively as possible when tendering for external contracts. This led to the decision to adopt a purely price based approach (where the price included the costs of delivering the contract and running the stores). For this contract, this was preferable to a target cost or cost reimbursable approach, which would have resulted in higher initial prices with a rebate.

The specification for the contract set clear deadlines for the availability and delivery of materials in the list of core items. KPIs are being used to measure these and other performance measures, with consequences for failing to meet target and minimum performance levels.

Derby Homes were encouraged to place more weight in the contract award criteria on quality, technical merit and customer service, rather than on price. This recognised that the real value of the contract would be through better supply arrangements leading to greater efficiencies in carrying out repairs, with less downtime collecting materials and a higher first-time fix rate. The IT interface was also important to Derby Homes, so this also carried a high weighting in the award criteria.

The procurement used a lean, tightly focused competitive dialogue procedure, where the dialogue stage was used to explore indicative proposals from four bidders. Competitive dialogue was new to Derby Homes, and they were keen to manage it in-house. We used a single



round of meetings with each supplier to discuss their mark-ups of the legal documents. Through this dialogue, Derby Homes were able to express their aspirations in a much clearer way than would have been possible under other procurement procedures.

The suppliers also welcomed this procedure. It helped them better understand what Derby Homes were looking for and involved them in the procurement process, resulting in improved final tenders. This focus on the bidders’ solutions generated positive energy and gave Derby Homes confidence in an excellent outcome from the procurement.

Mobilisation of the contract has been very well received, particularly by the trade technicians. Derby Homes is already seeing evidence of how the new materials supply arrangements are promoting greater efficiencies within its direct labour organisation (DLO) and a re-energised relationship with the supplier.

The project secured an award for Grafton at the Housing Innovations awards as the “Most Innovative Supplier” for their mobilisation of this contract.

The competitive dialogue procedure will still be available under the new EU procurement rules that came into force this February. Despite the existence of the competitive procedure with negotiation, it still offers the maximum possible procurement flexibility and is likely to remain the “procedure of choice” for materials supply.



There are not enough women working in construction... discuss.

There is, in truth, no discussion to be had - the facts and figures speak for themselves. In the UK, construction is currently the industry with the lowest representation of women: they account for only 11% of the construction workforce, mostly in office or secretarial roles, with just over 1% actually working on site. At a time when the construction industry is facing a shortage of workers, a situation that will get worse rather than better, it is vital that more women are encouraged to enter this male dominated world. This is of particular relevance at the moment as, in the run up to the forthcoming election, the main political parties are all promising to oversee a building programme of a significant number (this varies from party to party, and seemingly from day to day) of new starter homes for first time buyers. Someone is going to have to build them, and then they will need to be maintained.

It was not always this way; if we look back to 18th century Britain, women were to be found in a range of construction occupations, including as bricklayers, carpenters, joiners

and shipwrights. However, the position has worsened over the centuries (although there were periods of growth in the female workforce during both World Wars) and the situation urgently needs to be reversed. At the moment there are consistently higher numbers of women undertaking full-time construction training than are found in actual construction employment, indicating that although there are women who wish to work in the sector, they find it difficult to gain entry. Depressingly, retention in the sector is then as much of a problem as recruitment. Of the small number of women who have made it through the door, the majority leave within five years.

In order to reverse this, the sector needs to change. It currently suffers from an image problem in that it is seen as a traditional and male dominated environment, and women are put off by the perceived macho culture and the fear that they might be subjected to sexist or other inappropriate behaviour. Change can happen if there is a will, but it needs to be driven from the top, with senior managers, industry boards,

professional bodies and trade federations and unions being its champions. The government also needs to take a stronger lead, spelling out more clearly the benefits of change.

Raising awareness of the importance of a diverse workforce to the future prosperity of the industry is key to delivering real change within the sector. Construction firms should be seen to promote equal opportunities policies covering both recruitment and retention in the workplace. An industry wide code of practice could be a way of ensuring that the importance of this is properly understood across the business. In addition, improved working conditions are called for, including more flexible working policies.

Now it is time to hear from some women who have managed to defy the odds and take up roles in the construction industry. Hopefully their stories will inspire others to persevere and embark on what can be varied and rewarding careers.

[Continue...](#)



“Syma is a shining example of how the industry has changed and the opportunities that are now available for women. She is committed, hardworking and fantastic with residents, making her a great ambassador for the company and other women that want to get into the construction industry.”

**Roy Ramrutton,
Community Development
Manager, Breyer Group**

I am a Southern Housing Group resident. Like many people, I left school, keen to work, but with no clear idea of what kind of job would be interesting. Out of curiosity I went along to a careers fair organised by Breyer Group as part of a residents' open day. I was attracted by the idea of an apprenticeship role. Following a series of interviews with Breyer Group, I was accepted onto a two week training course at the Specialist Trade Courses in Harold Wood. There I was able to try my hand at plastering, plumbing and tiling; I discovered that I had an aptitude for all of them and enjoyed the challenge of learning something new. After that I was able to move into full time employment at K-10, which has been Breyer Group's apprenticeship training agency for almost three years. I have now completed my level 2 NVQ in plumbing, and I am contemplating pursuing this to NVQ level 3.

I have also been able to work in my local community, and I have received some very positive feedback from residents, who like the fact that I am a local.

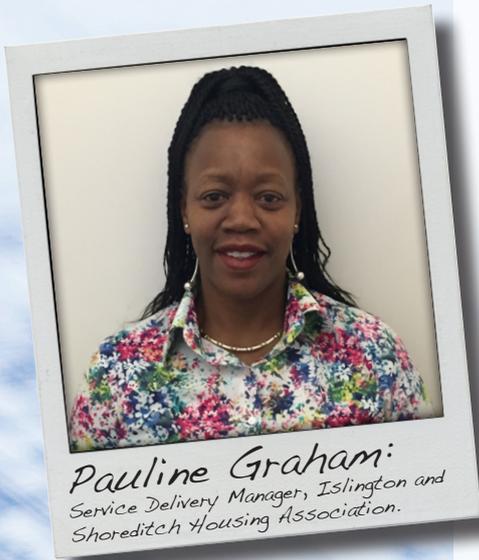
I admit that there have been some challenges. For example, some customers are taken aback to find a female operative on their doorstep to carry out a repair.

Over time I have learnt how to deal with their surprise and the mentoring provided by Breyer B-Line, where I work as part of the Responsive Repair team, has been very helpful. Sometimes I have to call for a colleague to help move heavy appliances but such things are not generally a problem. There can be many reasons why a repair job turns out to be a two person job so it is not uncommon for people to need an extra pair of hands.

I have thoroughly enjoyed my journey into the world of construction. I have learnt a lot from my apprenticeship training and from colleagues. I have grown in confidence through the whole process. In 2013, I received the "apprentice of the Year" award from REDS10, which was presented to me by HRH the Duke of York and then I won the The Worshipful Company of Plumbers Award, in Feb 2014.

I am pleased to be one of the few female plumbers in the industry and to be one of several female apprentices currently training with Breyer. I would definitely recommend this career choice to other young people wondering what to do.





*Pauline Graham:
Service Delivery Manager, Islington and
Shoreditch Housing Association.*

I first became involved in the varied and interesting world of housing in 1980, when, as a single mother and wanting to work part-time, I took up a role as an IT consultant computerising the housing waiting list for a local authority.

This first experience gave me an appetite to learn more about housing management issues, and when an opportunity arose I successfully put myself forward for a management position. This was really the start of my housing career.

I then agreed to a five year loan from PCHA to the Walerton and Elgin Community Homes as the maintenance Call Centre manager, which gave me my first taste of working in maintenance. Although I have held several management positions in the housing sector: Housing Manager; Allocations and Hostel Manager, it has been the Maintenance Manager role that I have really loved and taken the greatest satisfaction

from. This is because once the repair is completed to the residents' satisfaction it leaves them (and me) with a smile on their faces.

I have had the opportunity to obtain various professional qualifications, for example, an HND in Housing and Property Services and a post graduate qualification in Professional Management. With the support of my employers, these have equipped me to become the experienced and confident Maintenance Manager that I am today.

Although the housing industry in general, and maintenance in particular, are seen as male domains, I have never allowed this to stand in the way of pursuing a career that I find rewarding and fulfilling. I have found it to be more female friendly than it might appear from the outside, allowing for flexible working patterns that fit in well with family life.

I obtained a job in a Housing Association because I knew where a stop valve could be found, and thus began my construction career. Discovering that I had a fascination and affinity for the industry, I completed a degree in Building Surveying and became a chartered member of the Chartered Institute of Builders.

Over the years, I have found that, perhaps surprisingly, the industry offers a wide range of opportunities for women, and I have since worked in all fields of construction. My particular area of expertise, and what excites me most, is day to day repairs and refurbishment. I enjoy knowing that what I do improves peoples' living or working conditions.

When I began working in property management it was unusual, and in truth it still is, for a female to work in construction. However, I found

that once I overcame the contractors' initial scepticism, and demonstrated that I did know what I was talking about, I was able to build successful working relations that benefited from an exchange of views and ideas.

My membership of the NHMF has given me a wider perspective on how different housing providers operate. It is a mutually supportive environment, and is a useful forum in which to discuss and explore new ideas. The annual conference is a valuable addition to my continued professional training, as it provides me with a wealth of relevant information about all aspects of property management. The study tours are always interesting, as they show us the challenges faced by other countries, and the solutions they come up with to tackle them.



*Karen Cannon:
Group Responsive Repairs
Manager, WM Housing*

I started my career in construction as a trainee with Kier, where I was involved in large scale on-site construction projects. I then worked for a company that carried out commercial refurbishments, before joining Magna Housing as a surveyor. I then became an Area Surveying Manager overseeing a team of surveyors and trade operatives, before moving into my current role as a Project Manager in planned maintenance, where I am responsible for the delivery of major capital and investment work such as asbestos surveying and removal, planned kitchen and bathrooms, roofing, external works, EWI and PPR.

There are currently only a few women in technical roles in the housing sector, but I would recommend it as a career and urge

more young women to consider following in my footsteps. While not always easy, I have managed to balance my career with having two children, who are now four and six. I particularly enjoy the diverse range of work, the challenges that come from working with contractors and residents, and the considerable satisfaction that comes from delivering large projects that can transform neighbourhoods. I consider the housing sector to be forward looking and innovative in trialling new technologies that will allow us to maintain our assets into the future.

I have been a member of the NHMF committee for a year now, and have found it to be an excellent forum for networking and sharing best practice in the sector.



*Stephanie Lloyd-Foxe:
Project Manager, Magna HA*

Continue...

What could you do to recruit more women to careers in Social Housing Maintenance?

- Promote work opportunities at local schools and colleges
- Offer work experience opportunities
- Engage local residents at open days and fun events
- Arrange a 'Bring your daughter to work day' during the school holidays
- Invite careers officers to visit and see what you do
- Recruit and reward mentors from amongst your current staff
- Make it clear to HR that you expect to see female applicants
- Examine your policies for managing career breaks
- Use technology to reduce wasted travel time to and from work
- Consider the introduction of more flexible working hours

This list is not exhaustive. There are many academic studies, case studies and conversations on the internet that discuss the barriers to attracting women to careers in traditionally male dominated fields.

You may find that by taking time to check if the team in your department is doing all that it can to make it easy for women to consider working in your organisation, it would result in more favourable conditions for everyone. After all, it is in all of our interests to attract and retain the most skilled and dedicated staff to help our organisations prosper.

Women and Manual Trades (WAMT) - the national charity for tradeswomen - is 40 years old this year, and through training and quiet campaigning has been championing the cause of 'women on the tools' since its inception in 1975.

WAMT is interested in the scope for **tradeswomen to work in the social housing sector**. We recognise the fact that there is no existing agency set up exclusively to address the need for tradeswomen to service the needs of certain individuals and groups of social housing tenants and owner-occupiers.

If you are also interested in this, then we would like to hear from you; please contact us at wamt.events@gmail.com or by phone on **0207 251 9192**.

Further reading/resources:

Building the future: women in construction published by The Smith Institute
<https://smithinstitutethinktank.files.wordpress.com/2014/09/building-the-future-women-in-construction.pdf>

Developing the echelon Gas Model (4*)

Mathew Baxter, Managing Director (echelon Consultancy)

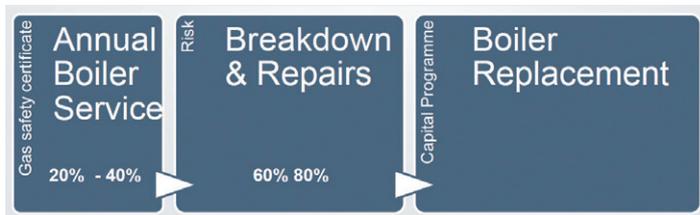


Developing the echelon Gas Model (4*)

A recent report by the Association of Gas Safety Managers was highly critical of the way in which gas safety contracts are currently procured; stating that “billions are wasted” and that some current processes are “bureaucratic, expensive, a waste of public money, no longer fit for purpose, unsustainable, lacking in innovation and collaboration, leading to fragmented economies”.

Many clients deliver their gas servicing and breakdown contracts through a traditional ‘3-star’ model where the Service Provider is paid a single fixed cost per annum per dwelling to undertake the annual Landlords Gas Safety Record (LGSR) and the heating breakdowns to the property. In most cases the replacement contract is delivered under a separate contract and often by a separate Service Provider with little (if any) relationship between the two contracts.

The costs for delivering this model are generally split as follows:



Traditional 3* Model

What can be seen from this model is that 60 to 80% of a traditional 3-star contract is effectively priced ‘at risk’. Working with several forward thinking clients we started to question whether this is the best way to approach the commercial aspect of such a critical service.

Following several scoping exercises, and drawing on our experience of developing fixed Price Per Property contracts for repairs and maintenance contracts, we have started to challenge what drives the pricing and delivery of the breakdown element of the 3-star model.

The factors that influence the pricing of this are as follows:

- **Components** - the type, age and condition of the boilers and other key heating components
- **Breakdown History** - the current number of breakdowns on the systems
- **Geography** - the geographic spread of the client’s properties

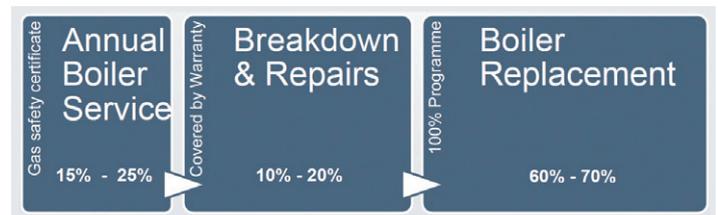
On capturing and reviewing this data it is apparent that many clients have a huge number of different boiler types, and often the repairs and breakdown history is limited. Aligned to this is that under a traditional 3* model the Service Provider has little or no influence over which boilers are replaced.

“It is apparent that many clients have a huge number of different boiler types, and often the repairs and breakdown history is limited.”

Following a consultation exercise with the sector we began to develop a model that gives ownership of the boiler replacement programmes to the same Service Provider that undertakes the servicing and breakdowns. This places the boiler replacement budget within a single service delivery model and effectively gives control of that budget to the Service Provider to enable them to mitigate their risk on breakdowns.

As well as reducing the risk profile on the breakdowns this also has the additional benefit of reducing the number of visits to each property.

The typical cost breakdown for this model are illustrated below:



echelon 4* Model

Outcomes

There are now several organisations that have adopted this model (including Network Housing and Your Housing Group) with more coming to market. In all cases significant savings have been made on both the breakdown and installation costs.

Some of the other benefits are summarised as follows:

- **Risk** - reduces the ‘risk’ element in pricing breakdowns
- **Capital Return** - service margin recycled back into replacement cost
- **Customer** - reduction in the number of visits to property
- **Transactions** - Reduction in breakdowns = less calls to call centre and single monthly payment for all costs
- **Social Value** - more attractive to Service Provider to attract staff/apprentices as install work included
- **Standardisation** - standardisation of boilers and having same company taking responsibility for failures
- **Warranties** - potential to maximise boiler warranties to extend cover to length of contract
- **Budget certainty** - locking down costs for the overall duration of the contract
- **Efficiencies** - Network Housing Group (NHG) & Your Housing Group (YHG) in excess of 10% per annum on breakdown cost alone

NHMF Study Tour 2014: Cardiff



Study tours remain an important fixture in the NHMF calendar and, in past years, visits have been made to locations in various parts of the UK, as well as overseas. For the 2014 tour, it was decided to visit Cardiff, a city that provided a number of fresh insights to the issue of social housing provision. One problem that is particularly acute in Wales, owing to the age of its housing stock, is the solid wall construction and housing types that are difficult to modernise. The low market value of the stock, makes it hard to raise funds for development. Therefore, one key issue that the tour was keen to explore was how solid wall insulation could be used to address fuel poverty and improve the quality of life for residents.

The Welsh government has had devolved responsibility for housing since 1999, since then it has slipped down the list of priorities. House building in Wales is at its lowest level since the Second World War. Only 5,291 new dwellings were started last year, but with an estimated 90,000 households

on waiting lists, an average 14,200 new homes are required annually. This emphasises the absolute importance of not only maintaining but also improving the existing housing stock.

The first full day of the visit was held at the impressive Millennium Stadium, of which we were given a memorable lunchtime tour. The first item of the day's proceedings was a meeting of the full NHMF committee. This was followed by a presentation from Mike Owen, Chief Executive, Merthyr Valley Homes, who spoke about the particular challenges faced by housing providers in Wales, as well as the current strategy for addressing them.

The UK has a commitment to reduce carbon emissions by 80% by 2050, and to generate 15% of its energy from renewable sources. The residential sector was responsible for around 24% of UK greenhouse gas emissions in 2011, with carbon dioxide being the most prominent gas for this sector. In the first session after lunch David Bolton, Greener Homes, Project Director Arbed, talked, inter alia, about Arbed, a Welsh Government programme which aims to reduce climate change, help eradicate fuel poverty and boost economic development in Wales.

The programme, which was established in 2009, has the following cross-cutting objectives:

- **Environmental:** to increase the energy performance of existing homes in Wales, particularly the most energy inefficient homes, and achieve carbon savings;
- **Social:** to reduce the impact of fuel poverty on households in Wales;
- **Economic:** to generate employment opportunities for Welsh residents and economic opportunities for Welsh businesses in the design, manufacture, distribution, installation and maintenance of domestic energy efficiency measures and renewable technologies.

The final session of the day was led by Greg Wheeler, Director for Housing and Public Sector, Savills, who gave an informative and thought provoking presentation on how information and technical background can be presented to assist effective asset management and investment decisions at Board level within housing providers.

The day was brought to a close with an excellent meal at the San Martino restaurant, which overlooks Cardiff Bay, followed by drinks in the hotel bar, which allowed for further discussion of the day's events and other topics of mutual interest.

“The low market value of the stock, makes it hard to raise funds for development. Therefore, one key issue that the tour was keen to explore was how solid wall insulation could be used to address fuel poverty and improve the quality of life for residents.”



Day Two

The second day started with a visit to Rockwool, a company that specialises in the production of external wall insulation. Of particular interest to the tour was the fact that Rockwool products are sustainable (97% recyclable, using recycled stone wool); deliver a strong acoustic performance (the insulation helps to dampen noise from the outside and from adjacent rooms); act as a critical fire barrier and are durable (made from rock, the products have a unique physical structure that enables them to retain their shape and toughness for many years).

Following an introduction to the family owned, Danish company which has been an important employer in Bridgend since the late 1970s, Paul Williams gave a talk which provided a valuable insight into the following areas:

- energy efficiency in social housing;
- the Rockshell walling system (a new build solution for affordable homes meeting CFSH levels);
- an External Wall Insulation (EWI) technical brief;
- particular possibilities for the refurbishment of high rise blocks; and,
- regional attitudes to social economic and energy saving strategies (ECO/Arbed).

The group discussion centred on EWI materials, correct specification and the importance of surveys by qualified persons, as EWI is not suitable for all properties. The treatment of high rise blocks was of considerable interest to delegates. Also the importance of resident engagement, not only during the works period, but afterwards to ensure that subsequent interventions did not compromise the material was considered. It was felt that more education was needed in terms of care and cleaning of the material to ensure maximum performance over a period of 25 years.

This was followed by a tour of the factory.

The final point of the tour was a visit to a housing regeneration scheme in Maesteg. It is an Arbed scheme, and therefore attracts high levels of resident engagement and Welsh Government focus. Part of the estate had been treated under Arbed 1, and was therefore three years old while the remaining properties were being addressed under Arbed 2. Delegates were therefore able to see the stages of installation.

Lessons learned from the two phases of the scheme suggest that the programme delivers benefits in terms of upgrading homes and energy saving. It also suggests that there are wider benefits beyond improving the fabric of the building, in terms of strengthening relationships with residents and communities. It was found that there were often misconceptions over why the work was being carried out, in that it was often thought to be purely cosmetic or solely for the benefit of the landlord.

The period of the work offered an opportunity for resident engagement through social events rather than formal meetings, where messages to emphasise the importance of changing wasteful energy behaviour were more easily received.

Some difficult decisions had been faced regarding the replacement of roofs and other improvements to the estate, for which funding had simply not been available at the time of the first phase of EWI works. The group considered the importance of wider engagement with housing management teams, resident groups and planned maintenance during a major works project. There was consensus that, although regrettable, such projects generally did not have adequate resources to extend the brief to include additional elements which might contribute to further estate improvements.

Choices have to be made. Among our group opinion differed as to which of the following potential improvements would add value: replacement windows, replacement doors, servicing of rainwater goods, bin stores, new fences, play equipment, more parking, car park resurfacing, conversion of grass areas to allotments, seating areas, creative planting. There wasn't time to ask the residents for their views, but it is likely they would have had as many differing ideas.

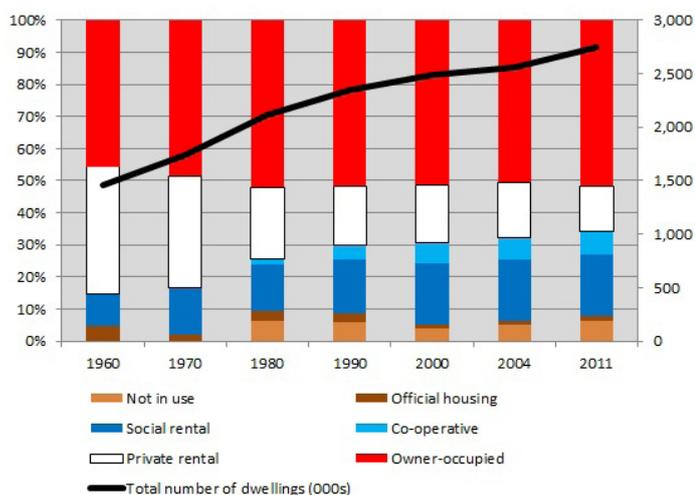
As with all previous tours, the visit to Cardiff provided a different perspective on a range of familiar and difficult issues. It provoked lively discussion, both during the formal sessions and in the downtime, when colleagues were again able to share views and experiences in a relaxed and friendly atmosphere. These discussions will continue at the NHMF Maintenance conference in January, and next year the NHMF study tour is likely to go either to Denmark, to see examples of how residents have assumed total management responsibility for their estates, or to Germany, to learn more about Passivhaus in practice.

NHMF planned study tours to Denmark and Ireland



The NHMF is planning a study tour to Denmark in October 2015. This will focus on the way tenant democracy works in that country, on the delivery of repairs and maintenance, and will include visits to housing associations and their estates.

The social housing sector in Denmark provides 20% of the housing stock, slightly more than in the UK. It is one of the few countries in which the social housing sector is still expanding. This is almost entirely self-funded with very little dependence on government subsidy. They have about 540,000 dwellings on 7,500 estates managed by 700 housing associations.



Changes in tenure of Danish housing

Each estate is financially independent and funded with its own loan typically covering 91% of the procurement cost. The loans are guaranteed through the municipality at 2.4% interest repaid over 30 years on an annuity basis. Additional costs of management and maintenance bring cost rents up to around 3% of the loan. The rents then rise with inflation for the first 20 years and at 75% of inflation thereafter. This results in surpluses after the mortgage is paid off which are split between the National Building Fund and the association's Disposition Fund, and used to subsidise the poorer estates and to fund construction of new social housing.

“The NHMF study tour to Denmark in October 2015 will focus on the way tenant democracy works in that country, on the delivery of repairs and maintenance.”

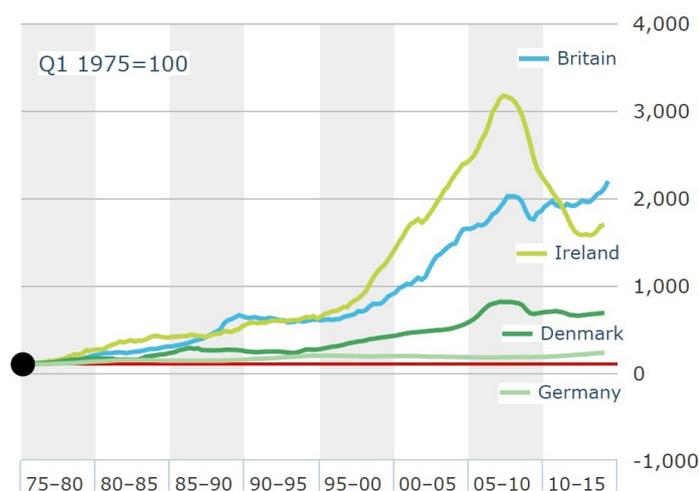
Average social housing rents are only slightly lower than in the private rented sector, but the standard and condition of housing is generally higher. There is no stigma attached to social housing which is seen as a highly desirable tenure. The poorest households are most commonly found at the cheapest end of the private sector. Housing benefit never covers more than 85% of the rent, and some of the poorest households could not afford to live in social housing.

In the following year, 2016, we intend to visit Ireland, where housing could hardly be more different. Back in the 1930s, Ireland was the first country to introduce the right-to-buy. By the 1990s, two thirds of the 330,000 dwellings built by local authorities in the previous century had been sold off. Private rental had also declined to 7% of the stock as rent control made further investment in it uneconomic. Home-ownership was heavily subsidised, and peaked at a little over 80% of the stock in the 1991 census, with almost half owning outright without a mortgage.

The Celtic Tiger emerged in the nineties when Ireland joined the Euro. International business was attracted by low corporation taxes. Access to global capital with a stable currency reduced mortgage interest rates net of inflation from around 7% in the mid-nineties to below zero by 2003.

Housing construction boomed, rising from 20,000 units a year in the eighties to a peak of 94,000 in 2008. This contrasted with very low standards of maintenance on poorly insulated inner-city estates. Earnings

rose rapidly and the Irish diaspora went into reverse with record levels of immigration, importing skilled construction labour from Eastern Europe.



Growth in houses prices since 1975

House prices rocketed. The value of homes was increasing each year by more than most people could earn in salary. The bubble burst with the financial crash in 2008. New construction plummeted to less than 9,000 units in 2011. Half-built houses, abandoned on the outskirts of little towns and villages, are still a common sight in Ireland. In the 2011 census there were almost 290,000 empty properties out of a stock of fewer than two million (14.5%).



Unfinished houses in Co Leitrim

The Irish Government's Housing Policy Statement in June 2011 signalled a shift of responsibility for developing social housing from local authorities to Approved Housing Bodies (AHBs), including both housing associations and cooperatives. These would finance development with private finance backed by a variety of revenue subsidies instead of public sector borrowing. In November 2014 the government committed to supplying an additional 35,000 social housing units by 2020 under this initiative at a cost of €3.8 billion.

The only way they could do this without increasing public sector debt was through subsidies enabling it to be funded by the private sector. There are parallels with the introduction in 1988 of private finance and Social Housing Grant to fund development by housing associations in the UK.

In 2014 the voluntary sector in Ireland had a total stock of around 26,000 units, shared between 520 AHBs. The largest thirty AHBs manage between 100 and 4,000 homes. If these are to become the main suppliers of social housing they will need to develop new skills in housing

“This will be an excellent time to visit Ireland. There may be experience we can offer them having gone through a similar process over the last twenty years. And there is much we can learn by studying the ways other countries tackle their housing”

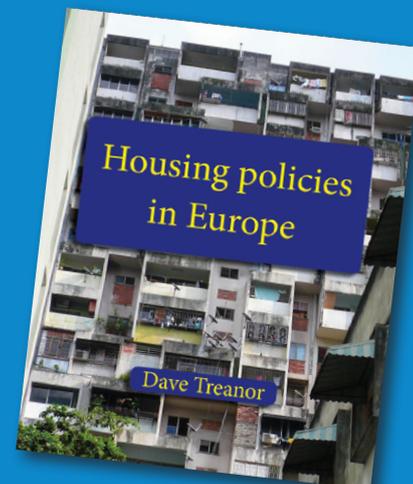
investment and become financially stronger. This will be a challenge for the new Housing Agency set up to regulate them. When private finance was introduced in Scotland they faced similar problems with relatively small housing associations, and dealt with it by transferring to them the 75,000 homes owned by the Scottish Special Housing Association. Consolidation through mergers and transfers is on the agenda in Ireland.

For all these reasons this will be an excellent time to visit Ireland. There may be experience we can offer them having gone through a similar process over the last twenty years. And there is much we can learn by studying the ways other countries tackle their housing.

Since retiring from M3 and the NHMF I have had the time to research housing policy in Europe in some depth, and written this up in *Housing Policies in Europe* published by M3. Some of the conclusions I came to surprised me, and I am sure they will also surprise you. But they arose from the facts as I found them. I take full responsibility for the views expressed which are not necessarily shared by M3 or the NHMF.



Dave Treanor,
Director (M3)



Available from www.m3h.co.uk/publications

NHMF best practice award winners 2015

Project of the year

Winner: Magenta Living

Low carbon retrofit investment and tenant education



Following the successful delivery of its Decent Homes programme, Magenta Living turned its attention to the development and implementation of its post-decency investment strategy, from which emerged the need for neighbourhood regeneration as well as addressing challenges of tenant fuel poverty. In response, Magenta Living launched Project Save to regenerate three of Magenta Living's underperforming neighbourhoods through low carbon retrofit investment and tenant education. Utilising a wide range of investment and neighbourhood initiatives, Magenta Living has successfully blended low carbon retrofit investment with neighbourhood partnership to create sustainable customer impact for over 1,000 of its tenants.

Judges comment

Great project which has used major works and retrofit works to stimulate an estate with the resulting regeneration.



Best client Winner: Four Housing

Improving insulation and empowering communities

This innovative and complex project had the goal of benefitting two communities in Berwick. It addressed the poor insulation of 500 concrete 1960s system buildings by sourcing 100% Energy Company Obligations funding to carry out critical External Wall Insulation works. Its success can be measured by the fivefold legacy of: i) Financial - average household saving of £600+/yr, ii) Environmental - CO2 emission reduction 594,000 tonnes over 30 years iii) Community empowerment: establishing an Energy Advice service, iv) Health benefits: through warmer homes, v) Street scene transformation, every property contributing to the uplift of the streets

Judges comment

Supportive of this approach for improving the energy efficiency of non-traditional housing stock. It contains many lessons that can be applied elsewhere. Impressed by the positive impact on the community, and the delivery of low fuel bills



Best contract Winner: Sovini Property Services

Customer satisfaction through collaboration

Sovini Property Services works within a collaborative triangle which incorporated the clients (One Vision Housing and Pine Court Housing Association) and the supplier (Sovini Trade Supplies). Each individual organisation sits within the Sovini Group. The working collaboration creates efficiencies and places extra emphasis on quality, which increases customer satisfaction and enhances the reputation of the organisations. The arrangement also creates financial security. It is a virtuous circle, with everyone striving to create lasting legacies in the communities we serve.



Judges comment

An innovative, refreshing and highly relevant submission. The solution works well for the client and contractor



Sovini | PROPERTY SERVICES

Most improved asset management service Winner: Oakleaf Commercial Services / The Community Housing Group

Transforming derelict garage sites

Oakleaf transforms old derelict garage sites which can be a magnet for anti-social behaviour into new build housing developments for Wyre Forest Community Housing. Local direct labour is used including many existing tenants and training opportunities are provided including apprenticeships and work experience. Efficiencies have been created as the programme has progressed, leading to better value and Oakleaf are delivering an affordable solution to the provision of new housing.



Judges comment

An innovative solution for dealing with problematic garage areas. How the tangible objectives are to be met are explained and evidenced.



Best customer impact Winner: Bournville Village Trust

The guiding principal of sustainability

Sustainability has always been a fundamental guiding principle for Bournville Village Trust, and is a paramount consideration in all aspects of our work. Our project demonstrates how this key principle can be applied, not just to environmental considerations, but also to financial strategies, as well as ensuring sustainable communities. From identifying a housing need, our project shows how through an innovative approach, asset managers can unite all aspects of our business, enhance quality of life, save money and protect the environment for generations to come.



Judges comment

This demonstrates a good use of the income generated by implementing PV, while tackling both social and digital isolation amongst older people.



NHMF BEST PRACTICE AWARDS 2016



Entering for the awards is a great way of focusing attention on what you do best. It is good for the morale of your maintenance teams, and promotes the work of your organisation. Sharing your projects contributes to the knowledge base created by the NHMF.

Applications for the NHMF awards are open now with a shortlist published on the website in January 2016.

visit

www.nhmf.co.uk/awards

A large, 3D-style gold star graphic is positioned in the lower right quadrant of the page. The star is oriented vertically with its point at the top. Inside the star, the words 'AWARDS' and '2016' are written in a bold, blue, sans-serif font, stacked vertically. The star has a gradient and a shadow effect, giving it a three-dimensional appearance. It is surrounded by several smaller, semi-transparent blue stars of varying sizes scattered across the background.

**AWARDS
2016**

Another HCA serious detriment finding. This time it's not gas safety it's repairs and maintenance...



Baljit Basra, Partner (Anthony Collins Solicitors)



Barely an Inside Housing daily bulletin goes by without a mention of the Homes and Communities Agency (HCA) investigating a new breach (or potential breach) of the Regulatory Framework.

In the latest sweep, following a spate of gas safety breach downgrades, Circle Housing is now facing the first regulatory downgrade for a poor repairs service. This is the first reported case that relates to another customer service other than gas safety.

Up until now, all HCA serious detriment findings have been about gas safety services, and that is where the focus has been and continues to be for organisations. It is now time to be fully aware and alive to HCA interventions relating to other services such as repairs and maintenance within your organisations.

In conjunction with the publication of the new HCA Regulatory Framework it is clear that now is the time to ensure that your organisation is complying with all of the Regulatory Framework standards.

A focus on repairs and maintenance

- Do you have customers that have repeatedly complained about your repairs service?
- Have you dismissed those complaints as matters falling outside of your repairing obligations?
- For example, condensation related dampness, have you decided that these complaints are due to the customer's lifestyle and therefore unrelated to the "structure" and "exterior" of the property and therefore outside of your repairing obligations
- Are you confident that you do not need to investigate these matters further?
- Are you confident that your tenancy agreements do not place greater obligations on you as a landlord as compared to the statutory obligations to repair as set out in S 11 of the Landlord and Tenant Act 1985?

“It is now time to be fully aware and alive to HCA interventions relating to services such as repairs and maintenance within your organisations.”

- How watertight are your procedures and how watertight is your paperwork?
- The real test: If a complaint was made to the HCA would you be confident that no adverse findings of “serious detriment” (“risk of or actual, serious harm to tenants or potential tenants”) would be made against your organisation...

What is the HCA's process?

Where a Registered Provider (RP) has breached a consumer standard, before intervening the HCA must establish that there are reasonable grounds to suspect that:

- the failure has resulted in a serious detriment to the RP's tenants (or potential tenants); or
- there is a significant risk that if no action is taken by the HCA, the failure will result in a serious detriment to the RP's tenants (or potential tenants).

This process consists of three stages:

- **Stage 1** - an initial review to see whether the matter falls within the HCA's remit;
- **Stage 2** - more detailed consideration as to whether there is a serious detriment and
- **Stage 3** - a detailed investigation.

The HCA's response (including any enforcement action) will depend on whether the breach was disclosed (Your Housing Group Limited and First Wessex Group were strongly criticised for failing to disclose a potential breach to the Regulator) and the severity of the breach. In recent cases, the HCA in deciding whether there was a breach of the standard leading to 'serious detriment' took into account how many tenants were affected, for how long and whether the failings were systematic in nature.

'Serious detriment'- three years on!

The HCA's second consumer standards review, published in September 2014, largely reiterated the responsibilities of boards and councillors in ensuring that their organisation complied with all of the Regulatory Framework standards and highlighted the need for them to make sure they have a proper and clear oversight of all health and safety issues.

Think ahead and act now

- prioritise compliance throughout the organisation.
- Ensure there is sufficient staff awareness of the standards with staff training available for any identified areas of weakness.
- Review your complaints policies and procedures to ensure they meet the requirements of the Tenant Involvement and Empowerment Standard and also ensure they are more widely publicised to tenants.
- As well as gas safety, think about other potential non-compliance areas including repairs and maintenance and those areas that will impact on health and safety of occupants.



Maintenance and financial planning: a finance director's view

Tim Jackson, Director of Resources (Golding Homes)



At this time of year we are concluding putting together our business plans, bringing together lots of numbers over lots of years to summarise the future direction of my organisation. Maintenance costs are a key influence

on this. So what are my expectations of maintenance and what do I worry about? In this article I set out a few thoughts on how financial and maintenance planning come together.

The economic environment

Since 2008 we have been faced with a relatively benign environment; rents have risen faster than costs and interest rates have been low. However this is changing, as inflation falls our rents fall, but what has driven low inflation is falling fuel and food bills. Fuel and food are not major costs for us, but staff and build costs are, and these are rising. So we will come under pressure from falling income and rising costs. Keeping a lid on costs will become tougher in the coming few years.

The financial planning environment

A lot of Registered Providers (RPs) have borrowed substantially. Grants are drying up. Loans on their own are not the answer to how we can fill the gap. Instead RPs are focussing on generating cash, by getting more efficient and using this cash to replace loans and grant in funding new properties leading to another squeeze on RPs costs.

What does this mean for maintenance?

In a nutshell, we cannot afford maintenance expenditure we do not need. The historic view of holding an asset for ever is changing to an expectation we will only hold assets where we generate a good and improving return over time. This means selling assets that do not meet this objective.

“Maintenance can help support the finances of the business, and related planning.”

Planning ahead

In preparing a business plan I have to meet an annual interest cover target. This is a key measure for our lenders, and effectively sets a minimum surplus we have to meet after interest costs. Maintenance costs that move up and down over the years can cause a breach of these measures, so the smoother the profile of maintenance expenditure the better. If you overspend in one year and breach the covenant, lenders don't care if you spend less next year to compensate.

Also, in any business plan the surpluses generated go towards new homes. Development teams will plan years ahead based on these surpluses. If the long term maintenance programme changes in next year's planning round, Development may have to unravel their plans. So I want as much continuity as possible in the long term maintenance projections. Other challenges I would put to the maintenance team are:-

- Are maintenance costs in line with the longer term stock condition survey?
- Is there a five year detailed plan?
- Are there any surprises (please no) - is this year's budget and five year plan in line with last year's plan?



- Are we spending money only where necessary?
- How can we be more efficient? Can we be more innovative in procurement?

How do you annoy a finance director?

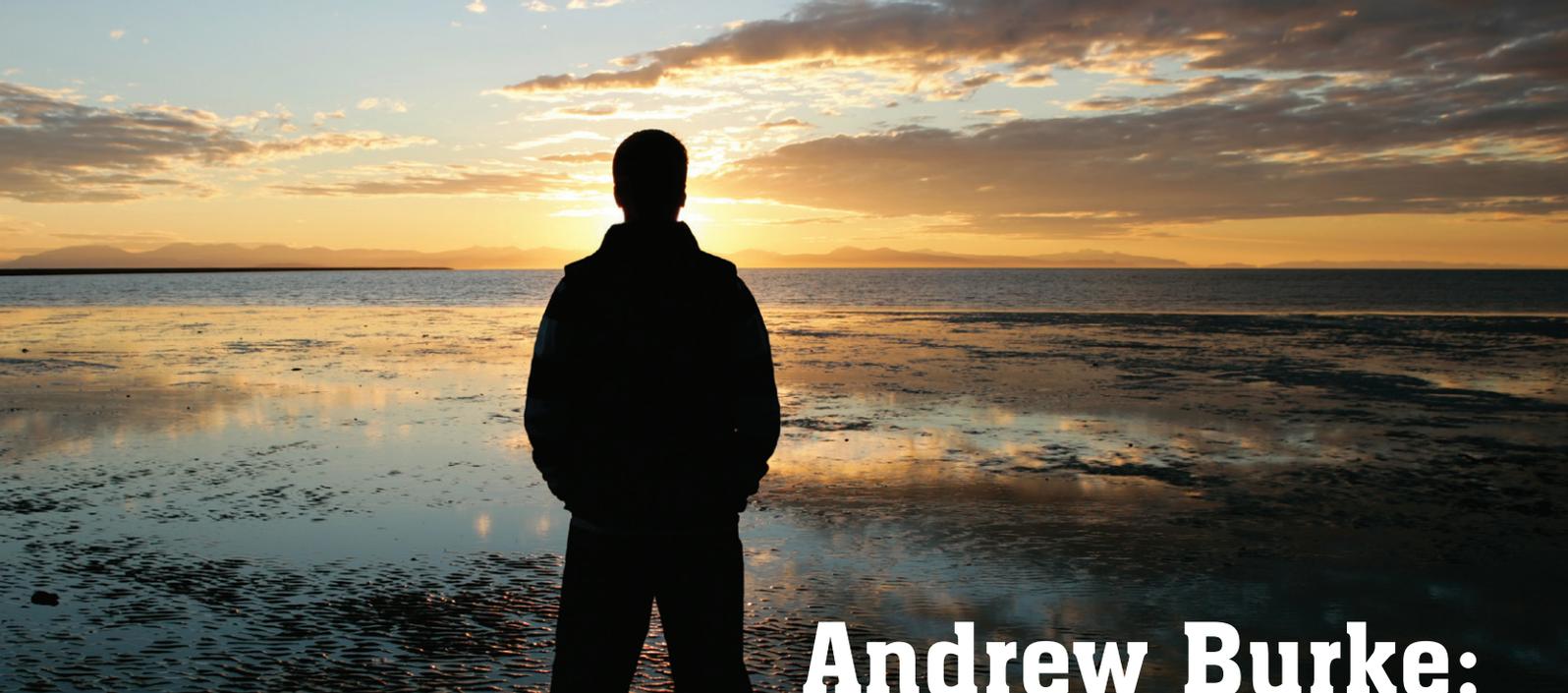
On the flip side - here is a list of how to annoy your finance director:-

- Let assets deteriorate then ask for a big increase in your budget.
- Pour good money after bad - invest in assets that should be sold.
- This year's budget bears no resemblance to what last year's business plan predicted.
- The plans are based on poor or non-existent stock condition data.
- Over spend budgets and threaten loan covenant compliance.

Some final thoughts

In summary, Maintenance can help support the finances of the business, and related planning by:-

- Keeping and investing in good quality assets, and disposing of the poorer ones.
- Carrying out lots of sound long term planning on costs.
- Looking for efficiencies where possible, and limiting contracts to CPI, not RPI.
- Being able to explain the numbers to Executives and Board.



Andrew Burke:

Andrew Burke, Sustainable Environments (National Housing Federation)



As I retire from the National Housing Federation, I have the opportunity to reflect on the privilege of being on the NHMF Committee for the past five years. During that time much has changed, with a coalition government being elected in 2010 and having to deal with the consequences of the economic recession. Combined with government austerity measures, this has impacted on the work of social landlords and their

residents. It has forced social landlords to reassess their priorities and has increased the pressure to do more for less with existing homes, reinforcing the importance of the NHMF's mission of promoting best practice in repairs and maintenance.

I was recruited by the National Housing Federation at the beginning of 2010 to lead its work on helping housing associations with their green policies for their existing homes. In spite of the recession there was still tremendous enthusiasm among associations about the green agenda, reducing carbon emissions from existing homes and using renewable energy. Many were pioneering energy efficiency projects, such as participating in the Government's ambitious Retrofit for the Future programme in which emissions were to be 90% lower. These ambitions could be achieved by the programme's generous funding, typically £100,000 a home. The sector was nearing the end of the Decent Homes Programme and using energy company funding from CERT (carbon emissions reduction target) and CESP (carbon emission saving programme) the energy efficiency of much of the stock had been improved but this has left a legacy of harder to treat homes.

With the new government's ambition to be the greenest, there was optimism in the sector that they could continue delivering green policies for their stock in spite of the recession. They were positive about the concept behind the 'Green Deal', the government's flagship energy efficiency policy to kick-start improvements to existing homes by providing up-front funding that could be repaid by savings on residents' energy bills. Generous Feed-in tariffs for on-site renewable electricity generation, such as photovoltaic (PV) panels, were introduced and chased by social landlords because they provided 25 years of guaranteed income. However, this bonanza ended when concerns about costs made the government halve the tariffs, resulting in many social landlord schemes being cancelled, leaving many disappointed residents.

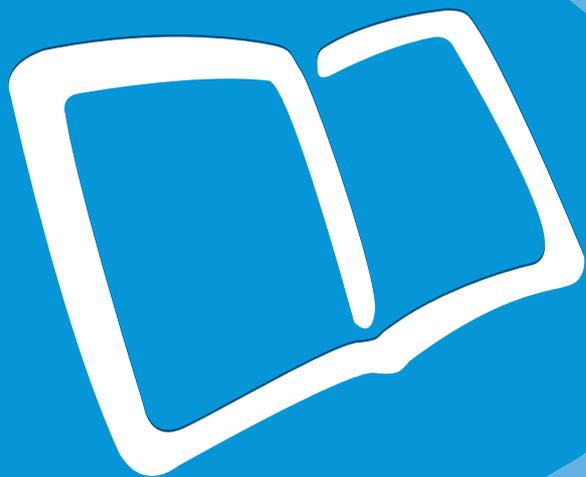
By 2012, with rising energy bills and government U-turns, the sector's priorities for energy efficiency no longer talked in terms of reducing carbon emissions but focused on reducing fuel poverty and delivering affordable warmth. Welfare reforms and continued increases in household energy bills reinforced this. There was also disillusion as housing associations

a personal reflection

“I have the opportunity to reflect on the privilege of being on the NHMF Committee for the past five years.”

found that some of the new housing developed under the Code for Sustainable Homes did not provide the expected low energy bills and was costly to manage and maintain. My role at the Federation expanded to cover all technical aspects relating to the design, construction, maintenance and improvement of homes. This was a helpful move because it enabled feedback on how new homes operated in practice for the Government's Housing Standards Review. The Review rationalises and simplifies housing design by replacing all the existing standards, such as the Code for Sustainable Homes and incorporating key elements into Building Regulations. The new standards will come into force in October 2015 and will apply to all new housing so there will no longer be different standards for private and affordable housing.

The NHMF has been very supportive of my work at the Federation to raise the importance of maintaining existing homes. It contributed to the production of four, well-received asset management guides promoting good practice. The Federation has recently formed a new national group to provide a strategic focus on existing homes and neighbourhoods. We are finalising a more formal relationship with the NHMF on how best to maintain and improve existing homes and neighbourhoods. I am pleased to be leaving the Federation and NHMF in a strong position and with a clearer plan for the importance of existing homes.



M3NHFSCHEDULE

David Miller, Director (Rand Associates)



The M3NHFSchedule of Rates is now in its twenty-first year. It was originally conceived by a small group of Housing Associations in the South West. They sought to pool their expertise, and share a common approach to day to day repairs, by commissioning a standard schedule of rates by which they could both describe work, cost job orders and control the quality of the work carried out on their properties.

The schedule is now used by over 650 social housing providers, and the number continues to grow as it supports contracts managed under a wide variety of procurement methods and payment mechanisms. It is used to monitor costs, analyse the nature of the work carried out, order specialist or exceptional work, manage work required to turn around empty properties to re let and build robust property histories.

As technology has improved, the schedule has become even more valuable as a means of transferring information about a repair job. It can be incorporated into repair systems by simply pasting the code which has the full description of the work attached to it. In this way, information can pass quickly from where the tenant reports a repair, through the administrative systems to the operative. Equally, surveyors on site can pass back reports of work completed or required without the need for transcription from paper forms.

Version 7 of the M3NHFSchedule of Rates was planned for 2013, but the NHMF Committee made the decision to defer any changes to the rates as the market was volatile and uncertain at the time. The rewrite of the M3NHFSchedule of Rates: Responsive Repairs and Voids works, and all the 22 Specialist modules, will begin in May 2015 with a view to the final product being launched at the NHMF Conference (26-27 January 2016) and delivered in its final format by April 2016. All subscribers to the M3NHFSchedule of Rates will receive the new version under their current licence arrangement.

To help inform the development of the schedule, we are engaging with clients and contractors through a survey based data collection exercise and by face to face interviews arranged for May. The analysis will cover four specific areas of standard minute values, labour rates, vehicle costs and material costs to ensure that rates reflect current practices and prices. We will also look to consolidate the number of items to eliminate overlap or duplications of descriptions which can result in confusion.

After the initial consultation, review groups will be set up divided into the following trade groups:

- **Group 1:** ground works/drainage/fencing/brickwork/masonry
- **Group 2:** roofing/carpentry and joinery
- **Group 3:** plasterwork/floor and wall tiling/painting
- **Group 4:** plumbing/heating/electrical
- **Group 5:** glazing/cleaning and clearance/special treatments/disabled adaptations

There is also the question of scaffolding and access which is hotly debated in all parts of the country, particularly now prices are rising very rapidly in some areas.

There are concerns about the way the Schedule of Rates (SOR) is being used by customers in some contexts, and the position needs clarification in the light of the requirements of the new OJEU regulations which came into force at the end of February 2015. Clients subscribe to, and pay an annual fee, but are instructing contractors to go and buy it too. There needs to be more communication between clients, contractors/sub-contractors to give each other access to interpretations of the SOR as specified in the tender documents of the particular contract they are working on. The rates in the schedule should not be altered, but narrative relating to materials, working practices and quality will differ. Contractors also need to be party to the definitions and measurement rules. Under the new rules these documents must be made available as part of the invitation to tender. This should be done in a way that protects the copyright of the documents.

Clients and contractors are invited to comment via www.m3h.co.uk on specific items in version 6 which they consider need reviewing in version 7.

Beyond the jargon: how strategic asset management can help you deliver

Chris Seeley, Partner (Ark Housing Consultancy)



'Strategic asset management' is on everyone's lips these days but what does it actually mean, and how can you put it to work to help achieve the best return on assets?

First some context: It should not be news to anyone that the regulatory requirements around housing assets have never been as stringent. All organisations must now be

able to demonstrate that they understand their return on their assets and have a strategy for optimising future returns on assets, including rigorous appraisal of all potential options for improving value for money.

The pressure is not just on the asset management teams; in the aftermath of the Cosmopolitan debacle, boards too are now required to have a thorough grip of assets and any liabilities on them. Smart and strategic asset management has never been more critical, not least when you consider that it now constitutes on average 40% of a housing provider's annual spend.

Many organisations still focus on the stock condition value survey or net present value modelling for their asset management strategy planning. In my view, neither of these approaches can deliver a thorough enough picture of the balance between assets and liabilities and how commercial decisions fit with your social objectives.

So, what is strategic asset management and how can it help deliver on these requirements? At its core is the intelligent use of data to create a long-term view of how assets will perform in a business context, both commercially and socially. It is not about meeting short term targets for stock condition; it focuses on a central business plan and delivers a thorough understanding of asset performance through analysis to create a strategy for investment planning, procurement and the efficient delivery of services.

“Times have changed and affordable housing businesses are becoming ever more complex.”

Ark has developed a strategic asset performance model (ASAP) to help deliver these outcomes. There are key steps we work through with clients:

- Decide which tests apply and how they should be weighted: All organisations have different priorities
- Collate data: What data is available, who holds it, what is missing?
- Understand the assets: Run the model to grade into asset classes ranked by quality, cost, net income and location
- Identify your positive assets for retention and reinvestment
- Identify poorly performing assets and appraise your options
- Result: Gain a thorough knowledge of your assets, liabilities and marketplace and create a long-term asset strategy

Times have changed and affordable housing businesses are becoming ever more complex. We need to move on from a narrow approach to asset management planning based on an inadequate understanding of assets and liabilities.

A truly strategic approach will enable you to maximise returns, increase capacity for future investment and deliver demonstrable value for money and social value.

Case study: Muir Group Housing Association

Sam Scott, Director of Housing Services

We had good anecdotal knowledge of our stock performance but in the light of HCA expectations on returns on assets and VFM statements, we realised we needed a more detailed financial model.

“We now have a new integrated asset management strategy which links with other key strategies throughout our business and it has really whetted the board's appetite for having a much deeper understanding of stock performance and considering investment options.”

This project was part of a significant cultural change at Muir, so getting other teams such as Finance on board early was critical. Of equal importance was engaging front line staff in the process

to capture that all important anecdotal feedback into the model. We worked together to create a model that was simple, user friendly, and “ours”. It had a focus on the outcome and actions, not the process. The model takes a holistic view of stock, modelling geographically and taking into account other important influencing factors.

The process produced a detailed league table of stock performance, split into three asset classes. There were some surprises, with a clear difference in some cases between staff perception and what the model revealed on some schemes. It also flushed out some historic issues, predominantly with some of our older supported housing schemes and it helped us refine the quality of our data.

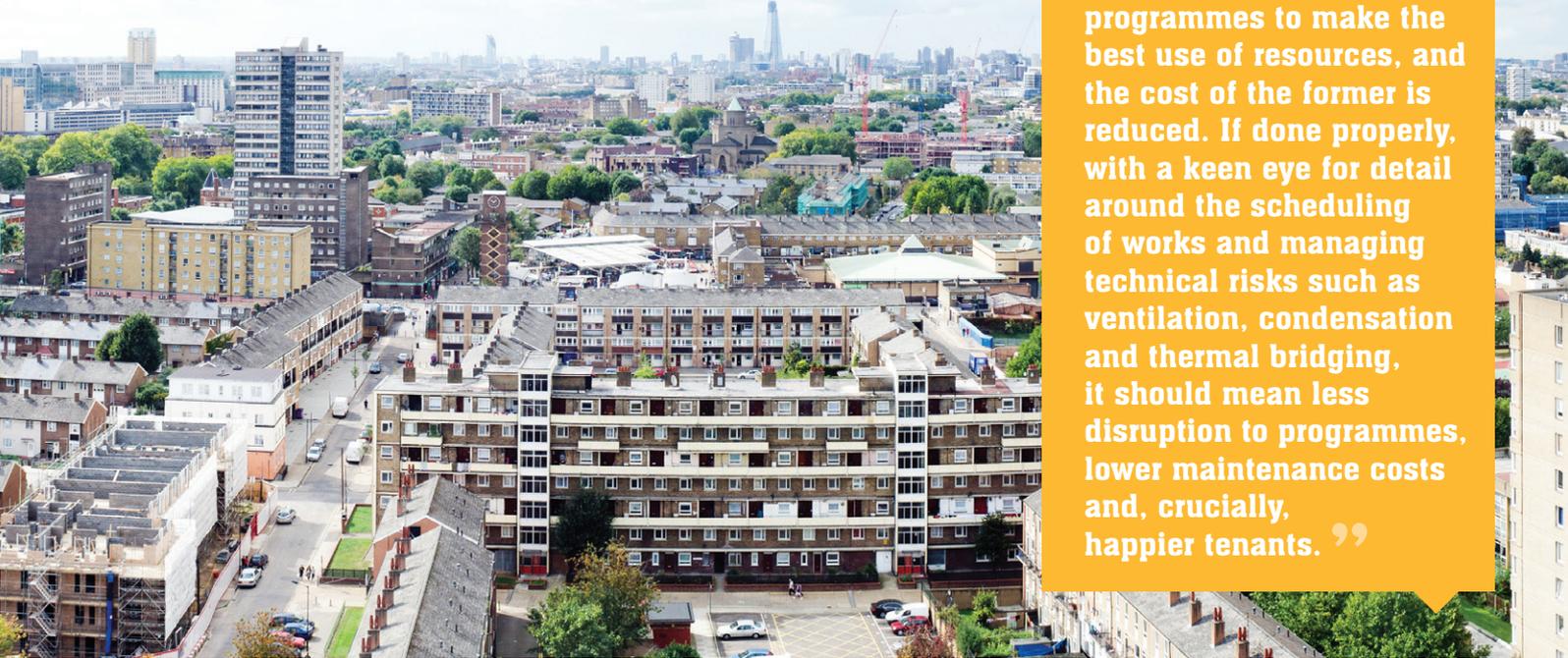
We now have a new integrated asset management strategy which links with other key strategies throughout our business and it has really whetted the board's appetite for having a much deeper understanding of stock performance and considering investment options. The whole process has had a very positive cultural impact across the business.



Retrofit? You shall go to the ball!

Hot topics

“The principle is very simple: align retrofit works with existing programmes to make the best use of resources, and the cost of the former is reduced. If done properly, with a keen eye for detail around the scheduling of works and managing technical risks such as ventilation, condensation and thermal bridging, it should mean less disruption to programmes, lower maintenance costs and, crucially, happier tenants.”



Jules Bickers, Director, Housing and Consultancy (Capita)



Just over a year on from the changes to the Energy Companies Obligation (ECO), is the future for domestic retrofit bleaker than ever? There are some days when it seems hard to disagree with this. Set against the context

of funding changes, pressure on budgets and acute housing need, there is a real risk that energy efficiency remains the Cinderella at the housing ball just at the time when stagnant salaries, changes to welfare and rising energy bills (the temporary fall in global oil prices aside) mean that tenants' need for warmer, more efficient homes is all the more important.

The effect that colder, damper homes can have on human wellbeing is well documented and cannot be ignored. There is much less statistical evidence around how rising fuel poverty is affecting or could affect housing providers' bottom line, in terms of an increased maintenance requirement, increased property turnover and increased rent arrears. However, there is much anecdotal evidence and broad agreement that rising fuel bills are likely to influence all of the above.

The bad news is that someone seems to have locked up the fairy godmother and hidden the key under a roll of loft insulation. The good news is that our experience from working with

housing providers through the GLA's RE:NEW programme suggests that there is still a huge amount that can be done.

One part of this work that those who attended our presentation at the NHMF Conference in January will be familiar with is programme optimisation. The principle is very simple: align retrofit works with existing programmes to make the best use of resources, and the cost of the former is reduced. If done properly, with a keen eye for detail around the scheduling of works and managing technical risks such as ventilation, condensation and thermal bridging, it should mean less disruption to programmes, lower maintenance costs and, crucially, happier tenants.

In order to get to this stage, it is especially important to have a really good understanding of housing stock data and, in particular, which are the most cost-effective energy efficiency measures for each property. The results of carrying out this analysis can be surprising and may prompt a rethink of spending priorities.

This information is then overlaid with planned programmes to identify where measures can be scheduled alongside other works or where works can be carried out in a way that makes any future retrofit easier.

Take a roof replacement programme for example. The cost of installing solar PV can be

substantially reduced if this is done in tandem with a roof replacement. Meanwhile, if the eaves of the new roof are made slightly longer, this rules out the need to extend eaves if and when solid wall insulation is installed at a later date.

Of course, when managing multiple contractors, things are not always as neat and tidy as this and savings cannot cover 100% of the cost, but this approach can make the business case for retrofit much more compelling. We are seeing that the organisations that have been willing to commit to retrofit, plan carefully and make the most of their resources are able to go further, faster.

While this may be reason for cautious optimism in the short term, in the longer term there are some really exciting opportunities for Registered Providers (RPs) that are prepared to take a strategic view on retrofit, for example Energiesprong, an initiative from the Netherlands that offers RPs the means to achieve a good return from investing in zero energy retrofit (yes, really!).

What is certain is that a good case for investment is a huge help to leaders in housing to enable them to commit to retrofit at scale. If we look carefully, we already have much of the evidence to make this case, but we ignore it at our peril.



NHMF training days 2015

NHMF training days have been a regular feature in the calendar for several years, providing an opportunity to learn about, or to refresh knowledge of, contract management.

This year, in the light of new EU regulations, we are offering two training days to help clients focus on the management of a responsive repairs contract.

- What is the competitive procedure with negotiation and does it offer any advantages over the other procedures?
- Have you worked out what to do about prequalification questionnaires in the light of the CCS guidance?
- Can you now take references about prior performance without the fear of challenge?
- Are interviews and site visits still possible under the new Regulations?
- What is life-cycle costing and how can we use it in our contract awards?
- Do the new compulsory contract termination provisions create risks?
- How are we dealing with these and other legal changes (including CDM 2015) in the latest update of the NHF Schedule of Rates contract?

If you want to hear the answers to these and your other questions on the new EU procurement regulations, then visit the website for available places on the NHMF training days.

The content of the days is suitable for experienced practitioners, looking for a refresher course and for those who are new to the tendering process.

We welcome delegates from both client and contractor organisations to promote interesting discussion in a neutral forum.

Day 1 Wednesday 20 May: Tendering and implementing a contract

Mary Ward House
5-7 Tavistock Place
London
WC1H 9SN

Day 2 Thursday 24 September: Managing and evaluating a contract

Anthony Collins Solicitors
134 Edmond Street
Birmingham
B3 2ES

Speakers will include:

David Miller, Director, Rand Associates
Andrew Milross, Partner, Anthony Collins

Book your place at
www.nhmf.co.uk

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NHMF Maintenance Conference 2016

26-27 January 2016

Hilton Birmingham Metropole

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

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 the new venue of the Hilton Birmingham Metropole on Tuesday 26 & Wednesday 27 January 2016.

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, exhibitor and sponsorship opportunities please see the website: www.nhmf.co.uk/conference

The conference has been oversubscribed for the last four years, so don't miss out and book now for 2016.



**A number of
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**To find out more visit
[www.nhmf.co.uk/
conference](http://www.nhmf.co.uk/conference)**

