

Date: 5 October 2022

Location: Online

Chair: Mike Turner (Chair)

Minutes: Andrew Burke (Deputy Secretary)

Attendees: Andrew Burke, Imogen Bowen, Mike Turner, Ben Virgo, Tyrone Stalberg, David Miller, Chris Sutton, Alex Greenfield, Paul Maghie, Chris Brown, Amy Jansen, Rosie Hughes, Sonya Russell, James Darker, Paul Milsom, Stephan Coetzee, Nicholas Duvill, Stephanie Harris, Fiona Reilly, Alex Thomas, Victor Salciuc, Adrian Rujoiu, Joanne de Sousa, Ben Bright, Martin Stone, Vlad Nedalcu, Tony Woods, Tom Gregorek, Connaire McGreevy, Claire Bailey-Jones, AJ Eaton & Jay Taylor

NHMF Contractor Forum Meeting Minutes

Agenda:

| No. | Description | Who |
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| 01. | Welcome | Mike Turner |
| | MT welcomed everyone and explained that due to the rail strike, they had moved to an online meeting and had rearranged the programme to have the Best Practice update earlier. | |
| 02. | Compliance update | Andrew Burke & Paul Maghie |
| | <p>AB explained that social landlords (clients) faced the challenges of the new regulations - Building Safety Act and Fire Regulations. Contractors had the opportunity to help their clients by making sure they were aware of their new responsibilities and helping them comply. The Best Practice website had been updated to explain these new regulations and what social landlords had to do. He encouraged members to use these updates to understand what their clients had to do so that they could help them comply.</p> <p>In addition, residents were facing high energy costs, even though bills had been capped by Government, combined with rising food costs. To help their residents in the long term, social landlords had to improve the energy efficiency of their homes to reduce the amount as well as cost of heating needed. They needed to accelerate plans to achieve EPC Band C and to reach net zero carbon before the deadlines. SHDF funding (see later presentation) could help and there were lessons to be learnt and applied from the Pilot Projects and Wave 1 schemes. However, there were other opportunities during void works and planned maintenance to improve energy efficiency and to ensure that future improvements would not be blocked i.e., insulating solid walls before new kitchens were installed. This would be covered in the NHMF webinar on 6 December.</p> | AB |

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| | <p>Clients were also facing proposed new regulations, with others in the pipeline. The NHMF had responded to the consultation on electrical safety, agreeing with 5-yearly electrical testing but explaining that this needed to apply to both tenants and leaseholders for blocks to be safe. The case for PAT testing of landlords' and residents' appliances was less clear cut. Access for mandatory testing would still be a problem and the NHMF had argued for simpler and less costly processes to gain access when residents refused. Other regulations, included the creation of a heat network market framework, with networks being regulated like other utilities. The NHMF was involved with the sector in working with officials to ensure any regulations suited social landlords as well as the large energy and heat network providers. Finally, there was the Social Housing Regulation Bill.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • MT encouraged members to use the NHMF Best Practice website because there was lots of information freely available that they could share with their clients and also be used for induction and training. • AT commented there was a lot of information of what residents could do to reduce their energy costs, including from Worcester Bosch but there was a danger that the drive to reduce carbon i.e., the move to electric, could increase residents' energy costs. • TS reported that clients were unprepared for procuring and securing funding for energy efficiency and decarbonisation. This provided an opportunity for contractors to help clients. • PM agreed that it was incumbent on good contractors to help their clients understand their responsibilities and to be better equipped to procure. It was always good to use the BP website. He reported that United Living was hosting a roundtable on building safety to help their clients and others were taking similar initiatives. With Retrofit, early involvement of the contractor was very useful to help set the scope, build capacity (consultants, etc.) and supply chain. | |
| <p>03.</p> | <p>Contractor Forum Working Group Impact of the Economic Crisis</p> | <p>Paul Maghie</p> |
| | <p>PM provided an update on proposed working group to examine the Impact of the Economic Crisis. He explained that the current challenges had never been faced before and were affecting all contractors individually and professionally in multiple and, in many cases, very worrying ways. Cost-of-living crisis was likely to worsen which will have a far-reaching impact on the sector, affecting contractors, clients and most importantly residents. These imminent life-changing experiences would significantly shape their future.</p> <p>He explained there were multiple contributing factors, starting with the legacy of pandemic issues (recovering from past 2 years) so that we now lived differently than we have done before. In addition, were the post-Brexit changes and ramifications, most notably the impact on both labour & materials. The war in Ukraine combined with the prospect of a challenging winter ahead with significantly increased energy costs. Growth was</p> | |

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| | <p>stagnating, inflation was rising (CPI rose to 9.9% in August) and the country was officially in recession.</p> <p>Challenges were numerous and varied (rent cap announcement due 12th October 2022, estimates in HON article), new Prime Minister, new Housing Minister and mini-budget. There were the on-going challenges around Building safety, decent homes, decarbonisation efforts, as well as legal disrepair cases and a backlog of responsive repairs. Together these showed the need for a more strategic asset management approach and challenging procurement processes because there was more risk in the sector.</p> <p>The CF could help by taking a leadership role to collectively mitigate and/or overcome these challenges they were all facing by contractors, consultants and clients working more closely to achieve better outcomes. They needed to show what good procurement looked like for all stakeholders and to improve client/contractor collaboration to develop more holistic solutions. They needed to embrace innovation and technology as well as engage in more consultative procurement.</p> <p>It was proposed that a working group should be created and members were invited to volunteer. The Group needed to consist of a cross section of representatives. The next stage was to set dates for follow up meetings and to define output more clearly. There would be a session at the NHMF annual conference before they published a best practice article.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • MT commented that it was a high-inflation market with rising costs which were not covered by the contracts. They needed to discuss these issues with clients to avoid loss-making contracts. In addition to inflation, a below inflation rent increase was expected, resulting in a cut of up to 9.9%. • TS said that the new procurement regulations did not seem to be reducing bureaucracy (Government aim) because 7 notices had to be issued rather than 2 previously. Early involvement to offer help earlier could improve the process and referenced previous work (Construction Playbook and Constructing the Gold Standard) on importance of early contractor involvement. He encouraged members to talk to their clients to find better ways and for the CF to set up a support group. • CMc asked if there were figures for legal challenges, incl. NI. <p style="text-align: right;">Action: Members to volunteer for WG</p> | <p>ALL</p> |
| 04 | <p>Social Housing Decarbonisation Fund: How can contractors support clients to produce a successful bid? Understanding the key markers for success for Wave 2.1</p> | <p>Ben Bright, Turner & Townsend</p> |

BB explained that the SHDF was a BEIS funded programme to install energy performance measures in social housing stock to bring it up to EPC C. It had 6 aims :

- Deliver warm, energy efficient homes
- Reduce carbon emissions
- Tackle fuel poverty
- Support Green Jobs
- Develop the retrofit sector
- Improve comfort, health and wellbeing of residents.

Wave 1 (£179m) would end Mar 23 and Wave 2.1 (£800m, Mar23-Mar25) was more ambitious. Wave 2.2 was being planned to mop up any overrun on projects. He encouraged the CF to look at the [Retrofit accelerator podcasts](#), particularly from Selwin Brown and Caroline Withey. T&T's role was to support bidders through the new, free technical assistance facility available to social landlords until 18 Nov. Bids would be assessed Dec22 and winners notified late Feb/early Mar23, with projects starting Mar23. There would be less time for mobilisation. The service has improved quality of bids (many landlords were not used to bidding for funding).

Comparison of Wave 2 bids with those in Wave 1 showed a desire to make a difference because bids were higher and had greater ambition with the greater funding available. There would be a greater regional spread than Wave 1 in line with levelling up and projects were better defined (data & scope), having learnt from Wave 1. Factors in successful bids were data-led decisions that built an argument for the project, VFM and a fabric 1st approach. The supply chain could help with developing appropriate specs for work. The biggest factor was explaining how risk was going to be managed. However, many landlords, not at the procurement stage could not collaborate early and had challenge of finding contractors and delivering within the timescale. One of the risks was the difference between real data (what contractors found on site) and modelled data.

Key trends were inflation (being seen in Wave 1) coupled with the prospect of a rent cap (more impact for smaller providers) but this could be mitigated by including a buffer into bids. Clients did not have the resources or capacity to write bids or get data (very important to capture & improve before mobilisation) but resource was available to help build capacity. Biggest delivery risk was not having contractors in place and using contracts not suited to retrofit. To mitigate risks, clients needed to be realistic about capacity to deliver (underdelivery), ensure specification properly prepared, include buffer to deal with inflation and the technical expertise (skills and experience), something the supply chain could help with. CF could help by collaborating early to improve project scope, to build capacity and engage with residents to avoid work being refused.

For the long-term, clients needed to include energy efficiency in their asset planning and capital programmes. Collaboration and consortia (area-based) projects provided opportunities. Learning from mistakes improved performance. A business case had to be built to show retrofit was the right investment (made stronger by rising energy costs). MMC and standardisation would improve

efficiency and data. There was a free resource at [Social Housing Retrofit Accelerator website](#).

Discussion:

- SR asked if there was a best practice resource for resident engagement, perhaps a toolkit, to ensure clear and consistent messaging. Consistency was also necessary at handover as well as continuity of person. Early messages needed to link to energy price rises to get buy-in and to improve bids. BB said there was reference material on resident engagement toolkits
- AJ reported there were problems with MMC when systems are not BBA approved, such as funding for façade solutions. Alternative ways were needed to accept MMC without BBA. There was a delivery risk without BBA certificate, experienced in relation to innovation on the GLA programme. There was not enough technical resource, trade resource, materials. The only way to be able to deliver the long term volume was to invest in training and engage young people, people looking for a career change and MMC. This had to be a long term focus to increase the sector's capacity (AG agreed sector had been underestimated in terms of size and lack of resource to complete the work). Needed to use SHDF to start change (Band C was only a staging post) to get the fabric right as a building block of the net zero plan.
- A video was suggested to attract young people (changing the world and tackling climate change not hiViz vests and mud). CMc said he was speaking at the CIH Futures event on 6th on attracting people to the housing sector! CS had thoughts and ideas on a video and would be happy to share/be involved in the group. SR mentioned the [Retrofit Academy call for consultation](#).
- AB asked about sharing the lessons learnt from the pilots and Wave 1, suggesting the NHMF would be a good forum for that and asked that NHMF be put in touch with BEIS. While BEIS organised events, BB explained these were often aimed at a single group rather than presenting to all involved in retrofit – clients, contractors & supply chain.
- PM suggested building capacity and modelling how funding could be spent was something the supply chain could help with so that the client did not overpromise. There was a lack of capacity for bid writing and for delivery. Sharing learning to support clients build skills to deliver the Government's ambitions. Match-funding was also required.
- TS said there needed to be a change of focus – delivery and not risk transfer (onto contractors), which should mean more planning to deliver by starting early discussions with supply chain. Clients needed to understand they had to approach these projects differently and to work with their supply chain because contractors could choose who to work for.
- BB said that retrofit should be part of asset funding i.e., long-term view.

Action: BB to put NHMF in contact with BEIS

BB

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| 05 | Drive to Zero: Commercial Fleet Hire Management | Jay Taylor, Northgate |
| <p>JT explained that reducing carbon emissions across vehicle fleets involved much more than just using electric vehicles (EV) and there were several things that could be done now. As a fully integrated business fleet provider, Northgate supplied and fully maintained its vehicles. It also had an electric charging business. However, there were current challenges due to international supply chains being affected by COVID, with problems getting semi-conductors (chips) used extensively in vehicles. This was impacting businesses – only about 20,000 low carbon vehicles supplied a year, even though more had been paid for. There was a need to extend the life of existing vehicles by keeping them fully maintained. Turmoil among manufacturers was affecting costs and how contracts were honoured. All manufacturers were changing their models, reducing the number of semi-conductors used by omitting non-essential items. Some manufacturers had stopped taking orders, lead times had been extended and prices increased.</p> <p>Different plans had to be made for replacing vehicle fleets and reducing CO₂ with existing fleets through better management rather than relying on improved technology (diesel technology was at its maximum and could not reduce CO₂ further). JT explained there was a range of solutions that started with using data to drive reductions and provide incentives. Drivers were business representatives because logos were on vehicles, options included right-sizing vehicle fleet (size, location and frequency of use). Telematics linked to fuel card spending could help drivers make big CO₂ savings through improved driving techniques and incentives to encourage this. Effective servicing, maintenance and repairs reduced vehicle downtime. Each new vehicle made resulted in 6-25 tonnes of CO₂ emissions, so using existing ones for longer saved CO₂. In the first year a fleet of 100 vehicles could reduce emissions by about 119 tonnes (equivalent to 3689 trees being planted). Business benefits from reducing fleet use could save £50,000/yr and reduce operating losses by up to £10,500/yr.</p> <p>Northgate had developed its 'Drive to zero' approach to assess which vehicles and drivers should go electric. They could offer full infrastructure and operational support that was so crucial for EVs. Drivers needed to be brought along to cement change. Working with partners could provide advice as well as technical help. Businesses needed to take time to assess (data-informed decisions) what was possible and when to engage with drivers.</p> <p>Discussion:</p> <ul style="list-style-type: none"> • MS said one of the key ways of reducing emissions was to ensure scheduling of engineers' work was geographically close to reduce miles travelled. • TS said contractors needed to work through partners and JT suggested trials and use for this. • MT asked about hydrogen – JT explained manufacturers were testing but it was costly and EV was expected to be the main way to deliver carbon reductions. Hydrogen was something for the future. | | |

| | <ul style="list-style-type: none"> BV asked what solutions there were for semi-conductors. JT explained there was a monopoly with only 2-3 manufacturers in the world. | | | | | | | |
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| 06 | AOB & Dates for the diary | Mike Turner | | | | | | |
| | <ul style="list-style-type: none"> MT encouraged members to apply for the NHMF Awards (9 Nov. deadline) and to register for the Conference in Jan. DM gave a brief update on the NHMF Frameworks and which Frameworks had been tendered: <ul style="list-style-type: none"> The Consultancy Framework Agreements 2022 for Energy Consultancy Services (Domestic Energy Assessors, Non-Domestic Energy Assessors & Retrofit Consultants, Publication ref: 2022/S 000-024369) had concluded on 3 Oct. Compliance Consultancy Services Tranche 1 (Gas Audit, Electrical Audit and Security & Access Compliance, Pub. ref: 2022/S 000-024677) on 4 Oct. Compliance Consultancy Services Tranche 2 (Fire Safety, Water Hygiene, Asbestos and Lift & Disabled Lifting Equipment, Pub ref: 2022/S 000-024961) 6 Oct. Those still out to tender were: <ul style="list-style-type: none"> Asset Management Consultancy Services (Stock Condition Surveys – Domestic, Non Domestic and Asset Management Consultancy Services, Pub ref: 2022/S 000-025678) due 13 Oct. Responsive Maintenance and Void Property Works (Responsive Maintenance, Void Property Works and Responsive Maintenance & Void Property Works, Pub ref: 2022/S 000-026588) due 24 Oct. Planned Maintenance, Net Zero Carbon and Passive Fire Safety Works (External and Communal Works, Internal Works, External, Communal & Internal Works, Cyclical Redecoration and Pre-Decoration Repairs, Net Zero Carbon Works and Passive Fire Safety Works, Pub. ref: 2022/S 000-028323) due 9 Nov. MT encouraged members to review their involvement with the benefits of being on these lists. He suggested having a Frameworks meeting area at the Conference. <p>Dates for the diary</p> <table border="1" data-bbox="236 1682 1169 1933"> <thead> <tr> <th>Date</th> <th>Event</th> </tr> </thead> <tbody> <tr> <td>24 January 2023</td> <td>Joint AGM (Stratford-upon-Avon)</td> </tr> <tr> <td>23-25 January 2023</td> <td>NHMF Conference, AGM & Awards (Stratford-upon-Avon)</td> </tr> </tbody> </table> | Date | Event | 24 January 2023 | Joint AGM (Stratford-upon-Avon) | 23-25 January 2023 | NHMF Conference, AGM & Awards (Stratford-upon-Avon) | |
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| 4 May 2023 (8:30-12:00) | Contractor Forum (London) |
| 17-19 May 2023 | NHMF Study Tour (Sweden) |
| 20 July 2023 (8:30-12:00) | Contractor Forum (Online) |
| 13 Sept 2023 (8:30-12:00) | Contractor Forum (London) |