

MAINTAINING VALUE

MODULE 3

The Provision of Commercial Maintenance Services for Listed Buildings

Final Report Submitted to Maintain our Heritage

by The University of the West of England, Bristol

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Executive Summary

Aims

The aim of Module 3 was to provide a preliminary understanding of current existing heritage maintenance services. It contributes to one of the key aims of the *Maintaining Value* research programme: to investigate the potential for systematic maintenance management to create opportunities for the construction industry to develop new products and services.

Methods

The research targeted contractors, consultants and clients of maintenance services. The regions chosen were Northumbria, London and Bristol/Bath. A number of methods were used to carry out the research. A survey of internet and other secondary sources was conducted in order to provide an initial database of contractors and consultants offering conservation among, or as their primary specialism. This was followed up by 51 short and six in-depth semi-structured telephone interviews with personnel from companies identified by the search of secondary sources. Interviews were conducted with companies in all three of the target regions. A questionnaire regarding the outsourcing of maintenance was sent to 76 client organisations in the three regions. Responses to this were poor, however. Hence the main data from client organisations was derived from 10 semi-structured telephone interviews with non-heritage organisations (the sector which the interviews with suppliers had identified as the largest potential market). Professional and trade organisation websites were also analysed to ascertain whether and the extent to which these organisations were currently giving attention to the issue of historic building maintenance.

Key findings

Commercial preventative maintenance services for listed buildings are clearly an underdeveloped market at present. This is both a demand and supply side problem. Lack of demand was a key factor cited by contractors and consultants. However, the underplaying and lack of proactive promotion of maintenance on the part of contractors and consultants is a potential contributory factor to a vicious circle where low demand leads to low (or under-emphasised, under-marketed) supply and where the latter at best does not stimulate, and, at worst, suppresses demand.

In general, preventative maintenance does not seem currently to be embedded in service providers' mindsets. Moreover, service providers tend not to distinguish between planned repair action (following inspection) and 'maintenance' (action following inspection and preventative maintenance as defined in this research. The types of service being provided reflects the mindset that clients and providers tend to focus on particular maintenance needs rather than on preventative maintenance in general.

There was little evidence that skills shortages were a barrier in client organisations using commercial maintenance services for their listed buildings. Furthermore, initiatives that emerged from the research of using a mixture of in-house (often multi-skilled) staff and specialist craftsmen employed direct by the client, of setting up alliances with groups of contractors/sub-contractors to obtain a range of skills, and the sharing of skilled personnel between organisations, indicate a flexible approach by some clients in procuring maintenance, particularly for listed buildings.

Cultural differences between professional, client, conservation, and contracting groups, which contribute to the barriers to successful outsourcing were underlined in the client interviews by the 'value' attached to different actions, the length of the view taken, and by the language used such as 'rationalising the supply chain' and 'Best Value'. In this context it was interesting that the terms 'sensitive' and 'vulnerable' were used by the interviewees, but nobody referred to 'cultural significance'. Hence, there is some evidence that conservation terminology is not used by maintenance professionals in organisations with 'mixed' estates. This has potential consequences when such organisations are applying for permissions and/or grants.

The findings of this study indicate that the first stage in stimulating further demand for commercial services will be to promote the importance and benefits of preventative maintenance per se. This is likely to require a 'carrot and stick' approach: a campaign of information and consciousness-raising, combined with a change in the law to a statutory duty of care, and the offer of financial and other support. In particular, there is a need to imbed the perception that regular checking and inspection of listed buildings is a legitimate commercial service just like the annual service given to a car or a boiler.

1. Introduction

This report presents the results from the third of nine modules included within the research programme *Maintaining Value*: the first-ever major research programme on the maintenance of historic buildings, led by Maintain our Heritage.

Although the shortage of trade skills within the heritage sector is well documented (for example, Heritage Lottery Fund, 2001; Construction Industry Training Board, 2003). Much less is known about the extent and quality of commercial maintenance services for historic buildings. The aim of Module 3 was to provide a preliminary understanding of current existing heritage maintenance services. It contributes to one of the key objectives of the *Maintaining Value* research programme: to investigate the potential for systematic maintenance management to create opportunities for the construction industry to develop new products and services.

2. Research methods

The research targeted a number of contractors, consultants and clients of maintenance services in three geographical areas all of which have a significant listed building stock. These represented three contrasting settlement types:

- Bristol/Bath – a mixture of rural and urban areas;
- London – the largest metropolis in the UK comprising mainly of urban areas;
- Northumbria – a predominantly rural area.

These areas were chosen because differences in settlement type was thought likely to be a factor in the number and accessibility of firms specialising in historic building work.

A number of methods were used to collect data for this module. These are outlined in Sections 2.1-2.5 which follow.

2.1 Sources for samples

A survey of internet and other secondary sources was conducted in order to provide an initial database of contractors and consultants offering conservation among their services, or as their primary specialism. A number of sources were investigated. These included the Building Conservation Directory (Cathedral Communications Ltd, 2003), specialist directories on the professional and trade organisation web sites (for example, Royal Institution of Chartered Surveyors (RICS), the Register of Architects Accredited in Building Conservation (AABC), The Federation of Master Builders (FMB), RICS' Building Conservation Forum directory), general trade directories and the chambers of commerce for the three study regions. In addition the websites of individual consultants were also examined where these were available. This was not possible for contractors as only one company had a website. The Heritage Information Trust website was not live when the search was conducted.

2.2 Telephone interviews with service providers

The search of secondary sources was followed up by 51 short and six in-depth telephone interviews with personnel from companies included in the database. The sample comprised both contractors and consultants from each of the three regions. The majority of consultants had websites, which made it possible to check ahead of an interview if they advertised

maintenance among their range of services. All of the companies that advertised maintenance among their services were approached for interview. In addition telephone interviews were conducted with a random sample of organisations that either did not advertise maintenance as a specialism or whose specialisms were not known. Very little web-based information was available about the services offered by contractors. Interviews were therefore with a random sample of organisations that had been identified as conservation specialists through the search of sources described in Section 2.1 above. Tables 2.1 and 2.2 summarise the number of consultants and contractors that were interviewed in each of the three regions.

Table 2.1: Summary of consultants interviewed

	Bristol/Bath	London	Northumbria
Maintenance advertised	7	5	1
Maintenance not advertised	6	7	0
Not known whether maintenance advertised¹	3	3	2
Total	16	15	3

Table 2.2: Summary of contractors interviewed

	Bristol/Bath	London	Northumbria
Number interviewed	10	9	4

2.3 Website analysis: professional and trade bodies

Professional and trade organisation websites were also analysed to ascertain whether and the extent to which these organisations were currently giving attention to the issue of historic building maintenance.

2.4 Client questionnaire

A questionnaire regarding the outsourcing of maintenance was sent to 76 client organisations in Bristol/Bath, London and Northumbria. Heritage organisations², organisations with mixed building stock³ and organisations with no historic building stock were included in the sample. Unfortunately, only 14 questionnaires were returned in spite of repeat requests. This was particularly disappointing as there had been a good response to a pilot questionnaire and many of the people to whom the questionnaires were sent had agreed to complete them during telephone calls in advance.

It was also disappointing that six of the returns were from organisations with no historic stock. This group was intended as a 'control' group, but, because the response from the heritage and mixed estate organisations (four in each case) was so small, the 'control' group was of limited use.

¹ Information about services advertised not available through electronic sources.

² Organisations that included the care of listed buildings as one of their primary purposes.

³ Contained both listed and non-listed stock.

Three of the four heritage organisations responding were single building Trusts and hence their experience was limited, and their answers could not be related to the management of a portfolio of properties.

Of the non-heritage (mixed estate) organisations responding, one did not outsource any maintenance. Because of this poor response rate, no meaningful quantitative analysis of the responses was possible. However, the client survey threw up anecdotal evidence and there were some interesting comments made to the open questions, and reference will be made to these in the discussion of the findings.

2.5 Telephone interviews with clients

The questionnaire was followed up by semi-structured telephone interviews. The original intention had been to conduct six of these, but in the light of the low response to the questionnaire the number was increased and the range changed in order to focus on the non-heritage (mixed estate) organisations, with the majority in the public sector (these were the areas that emerged as the largest market in the survey of suppliers). Hence ten interviews were carried out: four with organisations in Bristol/Bath (one university, one local authority, a police authority, and a ‘privatised’ utility with properties nation-wide); three in Northumbria (one university, a city authority, and a county council); and three in London (one university, a local authority, and a banking group with properties nation-wide). Table 2.3 summarises the organisations that were interviewed.

Table 2.3: Summary of client organisations interviewed

	Bristol/Bath	London	Northumbria
Public (mixed stock)	3	2	3
Private (mixed stock)	1	1	0

All interviews were with senior staff in the property/estates departments.

3. Findings

3.1 The consideration of historic building maintenance by professional and trade organisations

It appears that scant attention is currently being given to the issue of historic building maintenance by the professional and trade organisations. Historic/listed building maintenance was not mentioned specifically on any of the professional and trade organisation websites that were surveyed: The Royal Institution of Chartered Surveyors (RICS); The Chartered Institute of Building (CIOB); The British Institute of Facilities Management (BIFM); The Construction Industry Training Board (CITB); The Royal Institute of British Architects (RIBA); Institute of Maintenance and Building Management (IMBM); The Federation of Master Builders (FMB); The Institute of Historic Building Conservation (IHBC).

More general reference is made (to differing extents) to building conservation in terms of accreditation, education and practitioner lists by, for example, IHBC, RIBA, the Register of Architects Accredited in Building Conservation (AABC), CIOB, FMB and the IMBM. The RICS has a Building Conservation Forum whose mission is to promote standards of excellence in building conservation and the use of appropriately qualified professionals. They also run a building conservation accreditation scheme. The CITB have just published a report on heritage building skills (referred to in the introduction). No mention is even made of building conservation, however, on the BIFM website.

3.2 The provision of commercial maintenance services

Common findings from each of the three regions about the extent and nature of commercial maintenance services for historic buildings and the factors that are currently constraining this market are presented in Section 3.2.1. This is followed by a discussion of the comparative results from the three regions in Section 3.2.2.

3.2.1 The nature and extent of commercial maintenance services

3.2.1.1 Contractors

Type of work

Eight out of the 23 contractors who were interviewed provided some kind of maintenance regime service, for example, checking of roofs, gutters and other rainwater goods, and carrying out minor repairs following inspections and painting. Half of the contractors interviewed had term contracts whilst the other half said that they would do such work in response to customer requests. A further two contractors said that they would be very keen to be involved in this kind of work, but their experience was that there was simply no demand for it. For many of the companies that had ongoing maintenance contracts, this was a result of a previous repair or restoration contract which they had had with the client.

Type of work programmes

Only two out of the eight companies (both of which were based in London) stood out as proactively promoting a preventative maintenance service. One of these, a roofing company, had just started to offer a roof inspection service which involved undertaking four roof inspections per year (of roofs which had previously been repaired/replaced by the company) for which they charged £1000. Work on historic buildings represented a fairly low proportion of their overall workload, and where this was the case, this was usually being provided for mixed-stock organisations. The second company that actively promoted a preventative maintenance service specialised in the conservation sector. Their service involved the regular inspection (weekly or fortnightly) of the most sensitive building components with annual and quinquennial inspections carried out on other parts of the building. They also undertook cyclical cleaning of bronze and stonework three times per year. This company felt that they had 'captured a niche in the maintenance market'. Heritage organisations represented their main client group, although they also undertook some work for public sector non-heritage organisations.

Mix of work type

Apart from the company referred to above, the small proportion of overall workload that this kind of maintenance work represented emerged very strongly in the research. Companies generally referred to 'one or two of our clients' who had asked for an ongoing maintenance service and the strong message was that the shortfall was in demand rather than supply. Also of significance was the fact that organisations rather than private individuals comprised their main clientele. This clearly resonates with the findings from individual owners (Module 2) who did not think to approach contractors to undertake preventative maintenance.

3.2.1.2 Consultants

Type of work

Fourteen of the 34 consultancy companies interviewed said that they provided a maintenance programming advice service whilst a further five companies said that they could provide a maintenance schedule following a quinquennial or some other kind of inspection if requested to do so by the client. The core of the maintenance schedule was a list of maintenance/minor repair work which needed to be undertaken. In some cases consultants said that the schedule would also prioritise tasks and provide costing details. Some of the consultants descriptions

of the maintenance schedules that they produced following some kind of inspection is indicative of what currently constitutes maintenance in their thinking. This involved planned repair action, rather than preventative activities of any sort. Companies that offered a conservation plan service said that they might hint at the broad basis of a maintenance schedule within this, but had the expectation that giving advice about maintenance programming would be the remit of a consultant who specialised in this area. Not surprisingly more of the surveying than the architectural practices offered a maintenance programming service (eight surveyors compared to four architects). In addition two multi-disciplinary practices also offered a maintenance programming advice service.

Proactive service

Only two companies stood out as offering an innovative maintenance service. One interviewee (a surveyor) said that they were involved in giving advice about organisational maintenance structures and other strategic issues and felt that their company had very few competitors in this field at present. Significantly their client base for this type of work was non-heritage organisation dominated. The other company, an architectural practice in Bristol/Bath, had recently developed their maintenance advice service as a result of being approached by a client who was unable to obtain a normal House Builders Federation building guarantee because of the building's age. In order to get around this, the architect's practice had installed a computer-based damp monitoring system. They had adapted the traditional damp monitoring system to be networked so that the architects could inspect the data in their own office rather than having to go and inspect the computers on site. The system had also been adapted to send a warning email to the architect if readings from the damp monitors indicated that there might be a problem in a particular area of the building. The company's commercial hope was that they would be retained on a regular basis and that this might also lead to the monitoring of other components such as the roof.

Mix of work type

As with the contractors, the provision of a planned and/or preventative maintenance service constituted a very low proportion of the respondent organisations' overall workload on listed buildings and very few were proactively marketing such a service. The remark, 'we could offer that kind of service if clients wanted it, but very few of them request it' was typical of interviewees' responses to the question of whether they offered any kind of maintenance advice service and if so what the nature of that service was. The fact that all the organisations which did not advertise maintenance as a service on their websites, actually did say that they offered it when asked about it in the telephone interview is indicative of the lack of emphasis on maintenance advice services in the consultancy professions at present. Significantly only one of the companies which drew up maintenance programmes for mixed stock organisations said that the programmes would be specifically tailored to the different needs of listed and non-listed stock. They mentioned, for example, the inappropriateness of having a common timetable for the cleaning of stonework for the listed and non-listed stock. Three of the respondents who discussed this issue in more depth said that although they would draw up a combined programme for listed and non-listed stock, different approaches might be recommended for particular buildings or components.

As with contractors, the results indicate that the provision of ongoing maintenance consultancy services is currently very much a niche market. This niche appears to have been captured by only one or two companies with which other organisations perceive it as being either difficult or impossible to compete. Again as with contractors, such services are being provided almost exclusively, at the current time, for organisations rather than for private individuals. The heritage and public sector seemed to be the main source of demand. One consultant suggested that the public sector was currently increasing its budgets for maintenance whilst private sector organisations were looking to cut budgets for maintenance unless it was part of a statutory requirement. One potentially positive finding was that the idea of approaching consultants for advice about long-term maintenance programming

seemed to be emergent. Three of the companies that were actively offering maintenance programming advice said that they had just started to offer this in response to recent customer requests.

3.2.1.3 Clients

Outsourcing

Although all client organisations interviewed outsourced some aspect of maintenance to contractors and consultants, the variation in the volume of work outsourced to contractors or consultants, for listed or non-listed buildings, was wide (5-100 per cent). No patterns (in terms of type of organisation) could be identified from this small sample. It was interesting, however, that two of the organisations (one of the large 'private sector' companies, and the county council) were employing managing agents, who were a 'one stop shop', responsible for both the consultant and contractor roles, and who sub-contracted the work.

Listed building practice

Maintenance work to listed buildings in one local authority was awarded via a tender list comprising of specialist contractors, while in the remaining three organisations it was in-house staff who focused on the listed buildings, whilst other work was outsourced. In one of these organisations, it was the professional work related to listed buildings that was handled in-house. In the other two (both universities) the actual building work to listed properties was carried out by in house staff. Consultants sometimes carried out work to non-listed stock, however.

Five of the ten interviewees (the two large 'private sector' organisations, two local authorities and one university) made no distinction between listed and non-listed buildings in the way that maintenance was managed and implemented, although there might be differences in the specification. The manner in which the two groups of properties (listed and non-listed) were treated in the organisations of the other interviewees varied. In one local authority it was a matter of degree, where the outsourced inspection routine for roofs and rainwater goods was monthly for those buildings where there had been problems in the past, and which had the most sensitive interiors; quarterly for those which were a little less sensitive; and annually for the least sensitive historic, and the most vulnerable, non-historic, stock.

Preventative maintenance

The variety of interpretations of the term 'maintenance' by the interviewees, reflected the findings from earlier stages of this study (Module 1), namely that there were varying interpretations and the terms maintenance and repair were often conflated. With regard to preventative routines (for example, gutter clearing, removing bird 'deposits', painting, and associated minor repairs), all interviewees reported that some activity took place in their organisations, but the extent varied widely (statutory mechanical/electrical inspections were taken as universal). At one end of the scale one of the local authorities only carried out cyclical painting, and one university 'did not bother' with gutter clearing, relying instead on rapid response. At the other end of the scale there were two contrasting good practice examples from different types and sizes of organisation:

1. One local authority had employed a joiner since 2001, to carry out very minor repairs (for example, to a door closer), and small painting jobs as well as joinery and other general work. He has a well-equipped van, and stores of supplies at each building. He was someone who had performed well previously on a temporary contract and who displayed a variety of skills, and hence gave the maintenance department the opportunity to establish this role (there had been dissatisfaction with the cost and efficiency of the outsourced contractor). At first he was given responsibility for 5 leisure centres and the Town Hall, but this was gradually built up as he 'got on top' of the backlog, his expertise was

recognised, and he demonstrated that he could work on his own. He now aims to visit all properties (50 in number) once a week. He also reports to the maintenance manager if he thinks that larger-scale works are required, and, in turn, carries out some minor works that are part of the annual planned maintenance programme. The interviewee was very satisfied with the results of this system, although he recognised that it was dependent on finding ‘the right man for the job’ - someone who knew the buildings well and could be trusted, both in terms of their expertise and in their autonomy.

2. The privatised utility, with nearly 3,000 properties nation-wide (of which nearly 100 are listed) tendered this type of work on a regional basis. The tender list comprised the nine or ten contractors with whom it had regional, measured rate, three-year fixed term contracts for fabric response maintenance, and three or four others. Currently this work consists of monthly gutter clearing, cleaning seagull/pigeon ‘deposits’, and weekly drain clearing, at certain properties. The scale of the operation is shown by the fact that the gutter clearing contracts are worth £0.5m per annum. The properties where drain clearing is undertaken were identified by interrogating the helpdesk database for locations where frequent ‘urgent’ (four hour) plumbing call outs had been made, and then checking that the cause was not poor design (problems at some properties were solved by redesigning the drainage layout).

Some of the interviewees whose organisations performed very few of these routines applied the ‘preventative’ label to their ‘rapid response’ teams, as these were seen to minimise the resultant damage.

Term contracts

Five of the ten interviewees (and the pilot organisation) used term contracts, and one was considering using them. There were examples of their use for both response and preventative maintenance, and the length of the term ranged from three to five years, usually renewable for a further period. Issues with this type of arrangement were mentioned by several of the interviewees. These were:

- the need for trust between the client and the contractor (because only a sample of jobs are audited);
- the difficulty for the client in obtaining all the relevant information (for example, the *cause* of the problem) to inform management decisions. This is not just in the context of recurring faults, but also about tracking such things as poor practices amongst users, and vandalism. The comment was made by one interviewee that there was an issue of different cultures between the client and the contractor, hence it was important to ‘train’ the contractor to know ‘how we like things done’;
- the danger of complacency on the part of the contractor because of the length of the contract. The privatised utility tackled this aspect in three ways:
 1. contractor liability for termination/new set-up costs in the event of non-performance;
 2. tight contract performance measures, with financial penalties (reduced valuation);
 3. the ‘carrot’ of some ‘minor works’ contracts in addition to the maintenance contract if performance on the latter is good.

The London local authority considering term contracts for building fabric (already in use for mechanical and electrical work) suggested that the review associated with their introduction might change the way in which maintenance to listed buildings was managed. It had already been decided to exclude stonework from these contracts and employ specialists direct.

All the client interviewees were asked whether they had experienced difficulty in obtaining any specialist skills required for work to their listed buildings. None of the interviewees saw this as an issue. This may be because those who outsourced to contractors expecting them to sub-contract to specialists, would not necessarily know if there were difficulties, and those who used in-house staff had often chosen to do so in order to develop specialist skills within the organisation. One interviewee (the London university) had adopted a system of using in-house tradesmen supplemented by specialist craftsmen. The latter were employed direct, and a relationship with them was cultivated over time, in order to give both quality control and continuity. The only slight problem had arisen recently when the specialist in cast iron railings had ceased to trade and it took a little while to find a replacement. Interestingly, the one large heritage organisation, which did respond to the questionnaire, listed iron work, as well as craft skills in general, as being difficult to obtain.

3.2.2 Regional comparisons

Great caution should be exercised when drawing conclusions about the comparative provision of maintenance services in each of the three sample regions: Bristol/Bath; London; Northumbria. It is important to be aware that many consultants and contractors provide a service outside of the geographical location in which they are based. The absence or presence of firms in a particular location offering a maintenance service, does not, therefore, directly correlate to the adequacy of service provision in that area. It is known, for example, that at least one major firm of historic building consultants based in York serves Northumbria. Moreover, the interviews revealed that consultants, in particular, often served customers in a wide area beyond their base location.

3.2.2.1 Contractors

The provision of maintenance services by contractors was particularly poor in Northumbria. Nine companies who advertised conservation as a specialism were identified in the search of secondary sources. All but one (whose contact details were unavailable) of these were contacted for interview. Only four of them said, when contacted by phone, that they were genuinely involved in work on historic buildings. Of these, only one company (for whom historic building work represented over 95 per cent of their workload) was currently involved in providing ongoing maintenance work. This company worked mainly for heritage organisations. One firm which used to undertake term maintenance work for schools with listed buildings said that this type of work ‘fell by the wayside 10 years ago’. The interviewee said that their organisation would not actively seek out such work now, but would, for example, do work such as clearing out gutters on a call-out basis.

Based on the interview sample, an equal number of companies in Bristol/Bath and London said that ongoing maintenance was among the services that they provided. Nevertheless, given the relative populations and numbers of listed buildings in these two areas, the findings suggest that London is less well-served by contractors than Bristol/Bath. As previously highlighted, however, the two companies of all those surveyed who proactively promoted their maintenance service were found in London.

3.2.2.2 Consultants

As with contractors, the provision of consultants offering a maintenance advice service for historic buildings appears to be poor in Northumbria. The three companies interviewed (two architects and one surveyor) offered nothing, except for a quinquennial inspection service, which could be considered even remotely connected to a maintenance service. None of the firms offered a maintenance programming service although one did say that they had recently been approached by a local authority to advise on a maintenance management scheme, adding, 'we don't have a very developed role in providing that kind of service at the moment'.

As with contractors, the total numbers of consultants who said that they offered a maintenance programming service were equal in Bristol/Bath and London. Again given the potential market in each of these areas, service provision in London is proportionally lower.

3.2.2.3 Clients

One of the clients with properties throughout the country (the privatised utility) commented on the cost implications of the distances between buildings in a contract area. He highlighted, in particular, the possible four to five hour journey times in Scotland, compared to London. He went on to note, however, that tender prices had been escalating in London and the South East, and hence he expected problems re-negotiating the term contracts there when they came up for renewal (his experience was that prices were not rising in the North). Another effect of the dispersion of properties in rural areas was mentioned by the interviewee from the police authority (Bristol/Bath). He employed multi-skilled local contractors in rural areas, not just to obtain fast reaction times, but also to use people who knew the buildings, and the broader situation in the area (e.g. one of 'his' listed buildings in a rural area was the subject of much local interest and scrutiny).

The three interviewees from Northumbria all emphasised the important role of in-house staff with regard to preventative maintenance routines. One of them, as mentioned above, had a 'roving caretaker' for all buildings, and another was about to employ a professional to carry out continuous inspections specifically on listed buildings.

Also in Northumbria, there was evidence of contacts between the organisations; one of the local authorities and the university, both mentioned initiatives to share staff with the local cathedral, and draw upon the expertise of its maintenance managers. These moves may reflect the size of the organisations concerned and of the community, but may also be a result of wider public sector initiatives to encourage partnering and local alliances.

The London Borough in the interview sample was interesting in that the organisational structure was such that maintenance was the responsibility of the facilities manager who was located in the Regeneration Department. This appears to reflect an emphasis in a city centre location, where regeneration is a major issue, and the central services buildings owned by the local authority are an important part of that agenda. This emphasis could support maintenance management, but it could also cause problems if refurbishment and renewal were championed at the expense of maintenance.

3.3 Current barriers within the commercial maintenance service market

3.3.1 Contractors

3.3.1.1 Demand

From the above comments it is clear that historic building commercial maintenance services is an undeveloped market at present. Half the contractors who responded to the question of what they perceived to be the main barriers to developing or expanding their maintenance service referred to a lack of client demand. The following types of response were common:

People say that it [maintenance] is a good idea when it is offered to them, but they never take it up. The only time we get a call is when there is a problem.

A maintenance contract like the kind that you might have with a plumber for a heating system doesn't make sense for dealing with maintenance work on the fabric of a building. What client is going to pay upfront for things which may or may not need maintenance?

We've been in the trade for 20 years and have never been asked to carry out an ongoing maintenance regime, although we have many clients that we keep going back to.

A number of the contractors in particular were enthusiastic about the idea of developing their maintenance service seeing it as a regular source of income.

The contractors who referred to lack of client demand as one of the main barriers to the development of a maintenance service identified two particular client groups in connection with this. The first group included customers whose commercial goals meant that they had no interest in preventative maintenance. Commercial property owners, such as freeholders of blocks of flats, were frequently cited as an example of a client group which had minimal interest in maintenance and who would instead wait to call a contractor when some kind of failure occurred. The second group was organisations with an interest in carrying out an ongoing maintenance regime, but whose budgets did not allow for this. Public sector organisations, in particular, were often cited when contractors talked about this kind of barrier. Related to this, one contractor talked at some length about the difficulty of working around client companies' budgets. His experience was that his clients would often agree a particular amount of maintenance at the beginning of a year, but if the budget was cut or started to run out, preventative maintenance would often be the first item to go.

Contractors who dealt with individual owners felt that this group were even less likely than organisations to be interested in using them for preventative maintenance work. Two contractors spoke at length about the difficulties they had experienced when negotiating maintenance with multiple owners in blocks of flats. They both highlighted the fact that it was usually only one or two owners in a block (usually those on the top or ground floors who were most affected by leaky roofs and damp) who had any interest in preventative maintenance at all. Obtaining payment at the end of the job could also be problematic when dealing with multiple occupants. One said:

Dealing with residents associations is a nightmare! There are just too many people involved to make decisions and there are problems getting payment when the work is finished. Usually there are only one or two residents who are affected by problems with the roof and that makes it very difficult to get other residents to take a decision. The roof was in a terrible condition at one property I looked at. In the end the residents said that someone they knew in the trade would repair it.

I drove past the house the other day and still nothing has been done and that's one year later!

One contractor referred to the Beezer properties⁴, as a rare exception to the ad hoc approach to maintenance which he experienced with most flat owners. In the Beezer properties a separate company is responsible for maintenance and owners pay an annual fee for this.

3.3.1.2 Supply issues – tender process

As with the problems related to low demand, discussed above, many of the other barriers to the development of a maintenance service which contractors identified were not listed building specific. Three contractors said that compulsory competitive tendering was often a barrier to a company, such as theirs, which specialised in historic buildings entering into maintenance contracts with public organisations. Many had had the experience in the past of producing a lengthy and time consuming report about work that needed to be done only to find that they lost out to a non-specialist company that could do the work more cheaply when the work was put out to compulsory competitive tendering. This was especially an issue with mixed stock organisations which would often save up maintenance work and then put out a large contract that included both their listed and non-listed stock.

3.3.1.3 Supply issues – quote time

Contractors also spoke about the lost-leader syndrome in relation to dealing with individual owners. Some contractors reported that they spent a great deal of time advising and reporting to the client about what needed to be done only to find that the client went to another contractor who could do the work more cheaply. One specialist contractor now only worked on a referral basis (for customers who 'know that they will get a quality job done and are willing to pay for that') for this reason.

3.3.1.4 Supply issues – unskilled nature of work

The piecemeal and rather uninteresting nature of maintenance work was also a deterrent for some contractors. One said:

It's not the most exciting sort of work. Good tradesmen don't want to get involved in work like cleaning gutters and undertaking minor repairs.

Another contractor referring to the 'bittiness' of maintenance work said: 'We like big meaty contracts where you can get the work done and then pull out again'. A third contractor said that he now preferred to concentrate on buying whole houses and refurbishing them rather than getting involved in smaller maintenance-type jobs. The latter he felt were more risky because it was more likely that customers would use him to obtain free advice on the pretext of requesting a quotation for maintenance work.

3.3.1.5 Supply issues – legal liabilities

Linked to the issue of risk, one contractor highlighted the negative legal implications associated with entering into ongoing maintenance contracts. He said that clients had now started to introduce liability clauses into maintenance contracts making the contractor responsible for any damage caused to or by elements included in the maintenance contract. This meant, for example, that if the company was contracted to carry out preventative maintenance on the roof and the roof subsequently leaked, the contractor would be liable for the damage to the roof and any other element caused by the leak. Because of this the

⁴ C. H. Beezer built a great deal of housing in the 1950s including the refurbishment of some listed buildings.

contractor no longer entered into ongoing contracts, and would only undertake preventative maintenance work on the basis that the customer would need to call them every time they wanted the roofs, gutters and other rainwater goods to be checked.

3.3.1.6 Supply issues – uncertainty of costs

Connected to the issue of contractual problems, some contractors said that they would be reluctant to get involved in a fixed-price contract because actual maintenance needs could be very unpredictable.

3.3.1.7 Supply issues – specialist equipment and access

Finally, among the general problems associated with offering a maintenance service, contractors also highlighted the barrier of the expense associated with the need for specialist equipment and scaffolding. This made it difficult for companies to offer a maintenance service at a price that clients were willing to pay.

3.3.1.8 Supply issues – cost of required supply structure

Several contractors referred to the specialist nature of maintenance work as a barrier. They felt that to offer a maintenance service would require a completely different organisational structure in which it would be possible to call on a range of tradespeople at short notice or to be able to employ such staff in-house. As one said, ‘our management is geared up to do normal contracting work and at the moment we have all the work we need’. One interviewee said that this particular blend of staff flexibility combined with the extra skills required by tradesmen working on listed building made it especially difficult for a small company, such as his, to compete with the larger companies which had captured the niche of the historic building maintenance market.

3.3.1.9 Supply issues – mix of skilled and mundane work

A shortage of tradesmen with historic building skills was referred to by one interviewee only, a contractor specialising in masonry and other stonework. One did suggest, however, that craftsmen with such skills are generally reluctant to get involved in maintenance, which is perceived as uninteresting and unglamorous.

3.3.2 Consultants

3.3.2.1 Demand

Sixty per cent of the consultants interviewed also cited lack of client demand as one of the most significant barriers to the further development of their maintenance advice service. The following responses were typical:

Who will pay us to do it? [that is, give long-term maintenance advice]. More frequently we are asked to solve an immediate problem than tell them what to do in the future. There needs to be client education to encourage them to get involved in maintenance more proactively.

Companies don't have the budgets to call in professionals to develop planned [that is, preventative] maintenance programmes.

Interviewees spoke about a number of specific problems with the demand side. Those consultants who dealt mainly with the commercial sector said that their clients had very little long-term view of maintenance. As one said:

We are involved in restoring a building for a private developer and then there is an absolute break, that is, the management companies take over. The only time they are interested in maintenance is when something goes wrong. All this talk about life cycle costings, but no one is really interested in that. The developer is just interested in flogging the building on and so are the people that they sell it to. No one has a holistic overview.

One architect suggested that preventative maintenance was simply at odds with the 'contemporary maintenance philosophy to let something go until it needs replacing'. He also said that there was a lack of understanding about the benefits of maintenance and that clients also feared 'being locked into costly maintenance contracts'.

Consultants generally seemed to feel that public organisations had a much greater awareness of the benefits of maintenance, although, like contractors, consultants found that clients' maintenance budgets were often the ultimate barrier to them making use of a commercial maintenance advice service. One of the consultants, however, suggested that public bodies were currently spending more on maintenance than they used to, whilst corporate owners were spending less, unless it was part of a statutory requirement. Other consultants did not reinforce this view: most felt that budgets were a strong limiting factor for both public and private sector organisations. In connection with this, one architect said that his experience was that it was 'difficult to present clients with a bill that seemed like a reasonable recompense [for the service that they received]'. He went on to explain that 'people get little immediate benefit from a service which seems to cost a lot of money'.

3.3.2.2 Supply – consultants' awareness

Whilst the need for client education was mentioned frequently, very few consultants suggested that there was a lack of awareness about and commitment to maintenance in their own profession. One did say that 'many architects are not as aware of good maintenance practice in relation to historic buildings as they should be'. The implicit message in many of the responses, however, was that giving maintenance advice was not high in consultants' awareness or strongly embedded in their professional identity. Architects in particular indicated that maintenance advice fell outside the general scope of architectural work. Responses such as 'its not really our kind of work' or 'workload in other directions' were typical. One said that they were so busy with architectural work that once a job was finished they didn't have time to 'wrap the job up with a maintenance management programme'. It was noteworthy that both architects and surveyors had the expectation that maintenance work was the domain of other professions or of contractors, whilst one suggested that it was more the remit of estates management.

3.3.2.3 Supply – loss leader

The loss leader aspect of providing a maintenance advice service was mentioned by three interviewees (one surveyor, one architect and one from a multi-disciplinary practice). The architect said that inspecting and preparing a maintenance report for listed buildings could be very time-intensive, but that they would invest in doing that kind of work, especially for heritage organisations, in the hope that it would lead to further work in being the custodian of particular buildings. The other interviewees said that it was very difficult to make money from listed building work because it tended to be very time consuming and less profitable. One of these estimated that whilst 50 per cent of their work was on listed buildings, this work only generated 25 per cent of their income. The other said,

The listed building clients always tend to be poor, it's easier to make money doing work for other types of client.

3.3.2.4 Supply – implementation of maintenance plans by clients

Many consultants mentioned the issues of the poor implementation of maintenance advice. Two problems in particular were highlighted. First, that advice or maintenance management plans were not implemented at all. Second, that if they were implemented they were often carried out by inappropriate contractors. This reinforced the problem highlighted by contractors that organisations would often go to the cheapest company to carry out a maintenance programme rather than the one that was most appropriate for the listed building stock. Consultants perceived this to be a particular problem in organisations with mixed stock, such as railways, hospitals and universities, where maintenance jobs would be saved up and carried out by the contractor making the cheapest bid. The latter, according to consultants' perceptions, were usually not conservation specialists and they also gave little regard to the particular maintenance needs of listed buildings.

3.3.3 Clients

3.3.3.1 Knowledge of stock and continuity of staff

The main reason given for not outsourcing maintenance was the need to develop an intimate knowledge of the buildings and to give continuity. Six of the interviewees specifically referred to the importance of such aspects; for two it was in relation to in-house staff who carried out preventative maintenance routines for all stock, and for one it was in relation to continuity of consultants used for all stock. Other interviewees, however, who implied that this continuity was important, referred to the extension of term contracts, suggesting that it might be possible to satisfy this aim even with outsourced services. This echoed the comments of the small London Heritage Trust which responded to the questionnaire:

There are very few disadvantages [to outsourcing maintenance to contractors] if you work hard at choosing them, make sure you get continuity of personnel on site and supervise the process properly...

The current political climate, particularly in the public sector, which emphasises partnering, and other forms of contractor/client alliance, can also be seen as providing a possible solution to this barrier (although one interviewee was of the opinion that the job costs were, to date, higher for this form of procurement, although the scheme was still in its infancy).

3.3.3.2 Bottom line factors

Ideas of outsourcing 'non-core' business are particularly prevalent in the private sector. One of the interviewees from this sector recognised that the thinking behind the way in which maintenance was managed was part of an overall management culture which emphasised the 'rationalisation of the supply chain', and basing decisions on economic data ('the bottom line'). In this sample of organisations, this philosophy was seen in a fairly 'pure' form at the banking group, where it was interesting that the interviewee's professional paradigm led to a different conclusion about the value of preventative routines. It was also interesting that it had taken a while for an understanding to develop that in order to win the argument with senior management on this issue evidence needed to be presented in a way which fitted the prevailing value system. Conversely, recent initiatives in the public sector relating to 'Best Value' and 'Value for Money' were recognised by several interviewees to be helpful. These initiatives acknowledge a balance between quality and price, and encourage a longer-term

view than had been the case previously, and can be seen, therefore, to be particularly relevant to both outsourcing and maintaining listed buildings.

3.3.3.3 Control of outsourced work

The problem of the client losing control when maintenance work is outsourced had been tackled by one interviewee (from the privatised utility) by developing long term relationships with consultants, who not only produce specifications appropriate for the type of building (listed or non-listed), but also suggested specialist craftsmen/sub-contractors. The main contractor was *required* to use these sub-contractors/craftsmen where the building was particularly 'sensitive' (where this was not the case, the increased contractual liability was seen to outweigh the benefit).

3.3.3.4 Cost-benefit data

Only one organisation (the privatised utility) appeared from the interviews to have an effective database, and even here the system was not sufficient to provide adequate data for cost/benefit assessments for all possible preventative measures. The lack of good databases is a barrier to outsourcing in two ways: firstly in terms of providing cost data; and secondly in, potentially, providing a tool to aid the integration of work from different organisations and individuals (the variety of IT systems, which may be incompatible, however, is a problem).

4. Conclusions

4.1 Demand side

Commercial preventative maintenance services for listed buildings are clearly an underdeveloped market at present. If service provider interviewees' responses are taken at face value, the current lack of uptake of commercial maintenance services appears to be mainly a demand-side problem. This finding was reflected to some extent in the client interview/questionnaire responses. On the other hand, the underplaying and lack of proactive promotion of maintenance on the part of contractors and consultants is a potential contributory factor to a vicious circle where low demand leads to low (or under-emphasised, under-marketed) supply and where the latter at best does not stimulate, and, at worst, suppresses demand.

It is interesting to compare the results from this research regarding demand for commercial maintenance services to those from a question included in the questionnaire sent to heritage and non-heritage organisations for Module 1 of the *Maintaining Value* research programme. This question asked organisations to indicate their potential interest in an independent maintenance service similar to the one offered by Monumentenwacht in the Netherlands. Of the 12 heritage and 20 non-heritage organisations that responded to this question, 44 per cent of heritage and 45 per cent of non-heritage organisations expressed either a medium or high interest in a Monumentenwacht-type service. This suggests that there may be a significant latent demand for commercial maintenance services and reinforces the argument made above that the current apparent lack of demand for commercial maintenance services should not be taken at face value. If preventative maintenance is to be promoted it would appear that action will be required on both the supply and demand side.

In general, preventative maintenance does not seem currently to be embedded in service providers' mindsets. Almost without exception, the service provider interviewees did not refer to preventative maintenance unless prompted to do so. Moreover, comments made suggest a conflating of planned repair action following inspection and preventative

maintenance as defined in this research. The service providers identified both heritage organisations and non-heritage public sector organisations as being more likely to understand and practice preventative maintenance. The types of service being provided reflects the mindset that clients and providers tend to focus on particular maintenance needs rather than on preventative maintenance in general.

The small size of the client interview sample, and the small number of questionnaire returns means that it is not possible to make any generalisations about the demand side. The interviews did identify varying knowledge and approaches, however: for example, in the Banking group, a private sector organisation focuses on 'the bottom line', does not carry out regular preventative routines, and does not make distinction between the way maintenance is managed for historic and non-historic buildings.

4.2 Skills supply

One heritage organisation responding to the questionnaire did identify a shortfall although, none of the client interviewees thought that obtaining the specialist skills needed for 'their' historic buildings was a problem. This could mean that they have an inadequate appreciation of what is needed. Again, the small sample size prevents any firm conclusions. Nevertheless, combined with the views of the service providers, it can be said that this survey found little evidence of skills shortages. Furthermore, initiatives that emerged from the research of using a mixture of in-house (often multi-skilled) staff and specialist craftsmen employed direct by the client, of setting up alliances with groups of contractors/sub-contractors to obtain a range of skills, and the sharing of skilled personnel between organisations, indicate a flexible approach by some clients in procuring maintenance, particularly for listed buildings.

4.3 Consultants' awareness of maintenance

It was noted earlier that very few consultants acknowledged any lack of awareness of maintenance in their own profession. A rather different client perspective on this was given in one of the questionnaire responses (a university in Bristol/Bath):

The main disadvantage of using consultants, especially national firms is their belief that any qualified surveyor has the necessary experience to cope with work on listed buildings. In my experience most qualified surveyors can cope with 75 per cent of the work on listed buildings but need to be more open when confronted with the 25 per cent specialist problems for which they have no experience.

4.4 Awareness of conservation issues

Cultural differences between professional, client, conservation, and contracting groups, which contribute to the barriers to successful outsourcing were underlined in the client interviews by the 'value' attached to different actions, the length of the view taken, and by the language used such as 'rationalising the supply chain' and 'Best Value'. In this context it was interesting that the terms 'sensitive' and 'vulnerable' were used by the interviewees, but nobody referred to 'cultural significance'. Hence, there is some evidence that conservation terminology is not used by maintenance professionals in organisations with 'mixed' estates. This has potential consequences when such organisations are applying for permissions and/or grants.

The national Heritage organisation which responded to the questionnaire listed 'variances to approach' and 'knowledge of the [organisation's] working' amongst the disadvantages of outsourcing maintenance work (along with cost and consistent quality). Concerns about quality are not exclusive to organisations with listed buildings, however. One of the

questionnaire respondents with no historic stock (a college in Northumbria) cited 'control over the quality of sub-contractors to the main maintenance contract' as an issue. Another possible area of difference in approach was highlighted in a response to the questionnaire (a university in Bristol/Bath). The university commented that consultants did not always appreciate the implications of the use to which the historic building was being put (that is, tension between the mixed estate's 'core business' and the requirements of conservation).

4.5 Summary

The findings of this study indicate that the first stage in stimulating further demand for commercial services will be to promote the importance and benefits of preventative maintenance per se. This is likely to require a 'carrot and stick' approach: a campaign of information and consciousness-raising, combined with a change in the law to a statutory duty of care, and the offer of financial and other support. In particular, there is a need to embed the perception that regular checking and inspection of listed buildings is a legitimate commercial service just like the annual service given to a car or a boiler.