Rethinking Repairs 2016

Redefining Asset Management

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Asset management… the agenda

- Redefining what asset management really means and what it needs to deliver for social housing organisations, tenants and communities
- With the combination of regulatory requirements, operational challenges and the financial climate the imperative for organisations to take a more ‘intelligent’ approach has never been greater

It’s definitely a whole new ballgame
Our project aims & objectives

• A new, sector led definition of asset management that responds to the changed challenges faced by housing providers across the UK

• A new ‘model’ or agenda that the sector can embrace and use to drive future approaches that seize the opportunities that exist
Our project members

Northern England & Scotland
- Dumfries & Galloway Housing Partnership
- First Choice Homes Oldham
- Incommunities Group
- Magenta Living
- Thirteen Group
- Weaver Vale Housing Trust

Central England & Wales
- Charter Housing (Seren Group)
- City of Lincoln Council
- Midland Heart
- Two Rivers Housing

Southern England
- Dacorum Council
- London Borough of Barking & Dagenham
- London Borough of Newham
- Network Housing Group
- Spectrum Housing Group

National contractor / service providers
- Mears Group
- Willmott Dixon
Asset management: why is it important?

- Social housing organisations are asset management businesses
- Assets are the engine of the business, they are what the organisation is all about
- The housing provides the income to power the business
- Assets fund the business plan
- Whilst the housing creates the biggest cost to the business, they are also the greatest asset

The housing assets are the biggest risk, so effective asset management is crucial to meeting business aims & aspirations
Modern asset management: the key drivers

Demand & Supply
- Demographic changes, including ageing population
- Fluctuations in demand for particular locations and property types (impact of welfare reform)
- Growing emphasis on choice & increasing customer demands/expectations

Stock Condition & Sustainability
- An ageing stock profile & ‘fit for purpose issues’ with some property types
- The pressure to deliver either higher or more locally determined standard
- Delivering neighbourhood & economic sustainability

Funding, Financing & VfM
- The imperative for assets & asset planning to support the Business Plan
- The need to optimise value & use of assets (economic regulation)
- The need for proactive solutions to improve stock portfolios & their performance
1. Getting everyone ‘on board’

Securing ‘buy-in’ from across the organisation to a new, broader kind of asset management thinking

• A stronger role for asset management at the centre of decision making
• A better collective understanding about the cost of doing nothing or getting it wrong
2. Location, location, location

Having an asset management approach that really responds to your local operating context

• Understanding & reflecting the organisation’s individual ‘narrative’ and corporate objectives
• Delivering stronger, more sustainable communities as well as just decent homes
3. Broadening horizons

Moving the thinking on beyond traditional stock condition & regulatory driven approaches

• Delivering more tailored, differentiated approaches that are ‘shaped by, rather than ‘determined by’ stock condition survey data

• Delivering a shift from ‘asset maintenance’ to ‘asset management’
4. Data, data, data

Delivering quality, accurate & well maintained data on asset and non-asset aspects that can be used more intelligently to inform decision making

- Taking the lead in pulling together all the data & information you need to shape & inform a new kind of asset management
- Making effective use of more meaningful, relevant ‘external’ data
5. Performance assessment

Genuinely understanding asset & neighbourhood performance in the broadest sense, through approaches that are embedded in the day job

- Actively using improved knowledge of stock performance to inform & drive decision making
- Asset performance is as much about the non-asset information & data (e.g. housing markets)
6. Options appraisal

Delivering change that’s informed by robust decision making processes

• Having systems and approaches in place to help you implement potentially difficult decisions
• Having broad decision making criteria
7. Programmes & procurement

Thinking differently about how work is organised and how value for money is achieved

- Reconfiguring how repairs & investment programmes are delivered, breaking down traditional distinctions
- The development of more ‘total asset management’ approaches
Ensuring a fit for purpose asset management strategy & delivery plan that truly aligns with the organisation’s corporate objectives & local context

- Make sure your asset management strategy is distinctive and truly reflects the stock and organisation’s objectives
- Make sure the strategy is actively shaped & informed by performance assessment (rather than performance assessment being merely an objective in itself)

“Asset Maintenance is just a facet of Asset Management”
Jeremy Kape, Affinity Sutton
9. Equipping the profession

Delivering the knowledge and skill base within the organisation & across the sector

• A key place for asset management ‘at the top table’ in the organisation
• Teams that incorporate the new blend and extent or skills needed (e.g. asset intelligence roles)
Managing & maintaining the housing stock in a way that delivers value for money by optimising the return to the organisation through achieving the right balance between cost, quality and timing of works; also utilising the housing properties in a way that contributes to neighbourhood sustainability, all within the organisation’s own context.

CIH Working together to redefine asset management - November 2015
Redefining asset management

Some key messages

- Move our thinking on from Decent Homes/SHQS/WHQS
- Develop a much more ‘whole organisation’, inclusive approach to AM
- Asset managers need to take a stronger lead, shifting AM much more centrally within the organisation
- ‘Performance assessment’ is about much more than NPV, it’s about wider housing markets, neighbourhood sustainability etc.
- Information, data and ‘performance assessment’ need to actively inform the AM Strategy, not just be objectives of the AMS
- There can be real benefits of developing & nurturing in-house skills and talent
- Don’t underestimate the importance of operating context
6 key Asset Management challenges facing the social housing sector

- Securing buy in – getting everyone engaged and bringing Asset Management more centrally within the organisation
- Ensuring a fit for purpose Asset Management Strategy and delivery plan that truly aligns with the organisation’s corporate objectives & local context
- Delivery of quality, accurate and maintained data on asset and non-asset aspects (e.g. housing need/demand) that is used ‘intelligently’ to inform decision making

“...the stock exists to deliver the objectives of the organisation: the organisation doesn’t exist to service and maintain the stock”
6 key Asset Management challenges facing the social housing sector

- Genuinely understanding asset & neighbourhood performance in the broadest sense through approaches that are embedded into the day job
- Equipping the organisation - developing the knowledge and skill base within the sector
- Embracing & embedding a redefinition of asset management – delivering long term sustainable homes & neighbourhoods

Asset management – the solution for delivering stronger, more sustainable neighbourhoods
8. Review, monitor & account for your actions and progress to make sure you truly unlock the potential of your housing stock

7. Be imaginative – use options appraisal to work through the widest range of alternatives

6. The crucial ingredient – produce, publish & promote a detailed, meaningful & robust delivery action plan

5. Be ‘intelligent’ - use what you know about your stock & its performance to develop a proactive Asset Management Strategy

1. Understand your organisation, operating context & corporate objectives

2. Know your stock - identify, collate & systemise your key asset, financial, housing & neighbourhood information/data

3. Use your data - thoroughly understand the profile, financial & non-financial ‘performance’ of the housing stock

4. Collaborate – be inclusive in developing a range of strategic asset management priorities that reflect your own organisation’s challenges

Unlocking the potential of your housing stock

Intelligent Asset Management
Happy to take questions & discuss!

Asset Management redefined: what does it mean for you, your organisation & your operating context?

Asset Management redefined: is there a perspective that you’d like to contribute?

Asset Management redefined: what do you think are the key pieces of insight/learning that we should be telling the rest of the sector about?

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