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## Asset Management 'A Holistic Approach'

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## Welcome

- Introductions
- Format of presentation
  - Methodology
  - Implementation
  - Outcomes
- Who is WPH
- Why the need to review the Asset Management Strategy
- WPH partnership with Savills



## Managing your Assets for the Future

- What do we mean by Asset Management
- What is an Asset
- Business Planning – Asset Management and implementation
- Is Asset Management important
- What can't it achieve



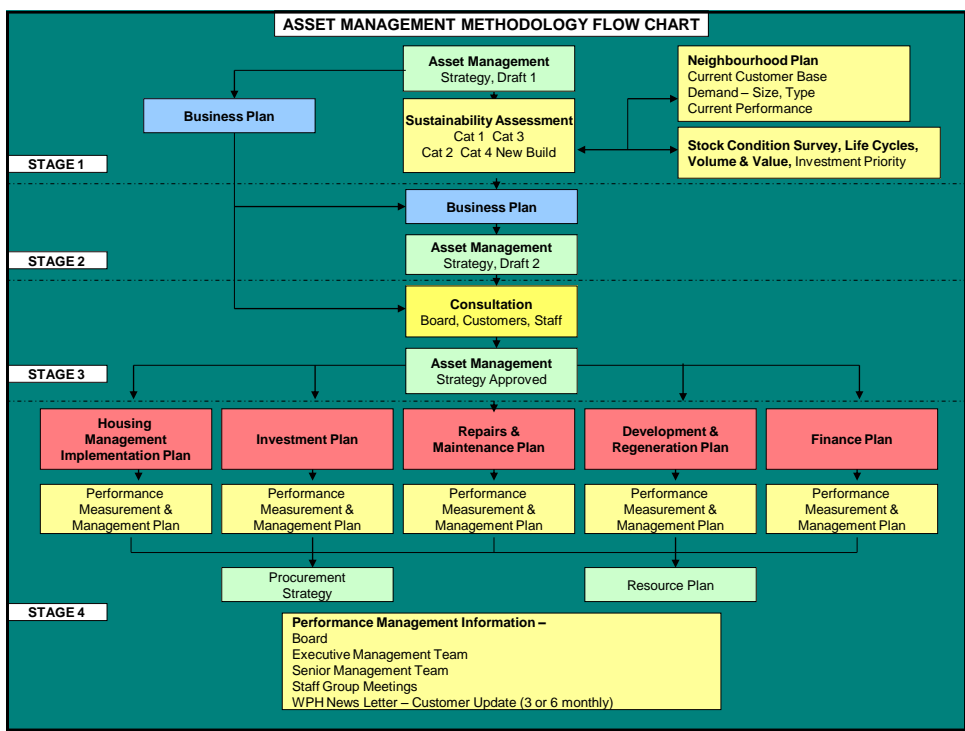
## What do we mean by Asset Management

- Understanding what you own now
- How it performs
- Is it a desirable/sustainable asset – next 30 years
- Current cost, predicting future cost/cashflow – holistic approach
- Future market supply/demand and services – competition
- People – Stakeholders – Influence
- Predictability – minimise surprises – sustainability
- Affordability
- Matching existing customer base to property and services and predicting future customer base and property/service needs
- Create a strong viable business foundation based on supply/demand for quality of product and services within your market area



# What is an Asset

- People
- Land – developable and non developable
- Play area
- Garages/lock ups
- Offices
- Retail/work spaces
- Cash flow assets – telecoms, aerials, satellite, factoring
- Shared equity
- Dwellings



## Is Asset Management Important

- Yes
- Adds value to what you know
- Challenges past, present and future – Plan, Plan, Plan
- Informed decisions based on robust information – monitor progress
- Creates holistic management approach regarding the provision of services and property – breaks down barriers
- Predictability, Flexibility, Sustainability, Accountability, Affordability, “Deliverability”
- More importantly helps create/deliver well maintained, sustainability communities where people want to stay



## What Can Asset Management Achieve

- Clearer roles responsibilities and accountability
- Joined up thinking – brings people together – common cause
- Better understanding of client's needs and aspirations – deliverable
- Prepare for the future
- Predictability, Flexibility, Sustainability, Accountability, Affordability
- Priorities
- Defines your role in the market place – clear focus and direction
- Continuous improvement and understanding
- Strong business foundation – viable future
- Helps define where you are now, where you are going and how to monitor and show progress



## What Can't Asset Management Achieve

- Give you excuses for standing still
- Remove the need for people to make difficult decisions
- People are the innovators and drivers of success, if they work together



## WPH's Asset Management Strategy

- What does we Asset Management mean to WPH
- Developing the strategy
- Creating the investment plan
- Consultation strategy
- Outcomes



## What does Asset Management mean to WPH?

- Asset Management is about creating a challenging environment to meet the evolving needs and expectations of customers
- The Business Plan is a tool that should be regularly challenged to meet the needs of customers



## Establishing a Corporate Vision

- The corporate strategy – 5 key corporate objectives
- The AMS core objective – *provision of quality houses and quality services*
- From this core strategic position the strategy was developed to bring together the often conflicting requirements of:
  - Finance
  - Housing Management
  - Development
  - Capital Investment
  - Repairs and Maintenance
- Corporate buy in
- Agreement of joint priorities and long terms goals
- Cultural re-alignment
- Core strategic objective - *“its only an asset if we can let it”*
- Key question – how to match existing customer base to current property and services, and predict future customer property/service needs?



## Developing the Asset Management Strategy

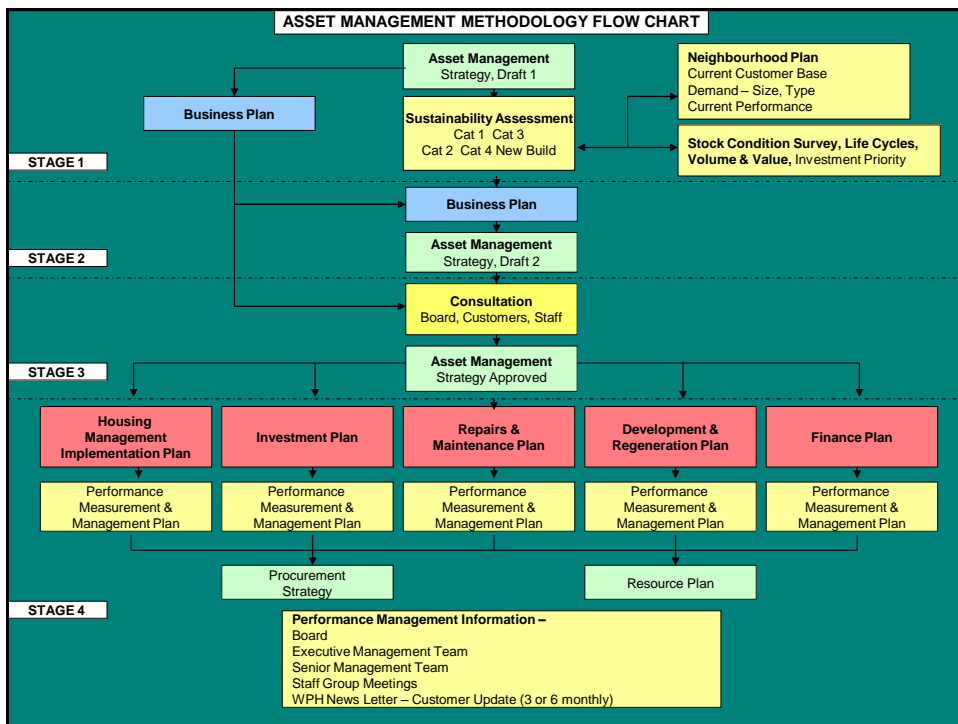
- Gain an understanding of all assets -100% stock condition data
- Understand asset performance
- Creation a base position of BP assumptions to measure business performance
- Challenge your base BP assumptions, i.e. 'sweat your assets'
- Creation of performance pyramid – strategic, financial and operation performance measurement
- Understanding assets future life – stock categorisation
  - Cat 1 – 30 year life
  - Cat 2 – 15 year life
  - Cat 3 – 12 month feasibility review
  - Cat 4 – no future value
  - Cat 5 – future development opportunity – stock replenishment
- Current and future cost performance analysis – stock categorisation to predict future cost performance
- Create future predictability and minimise surprises



## Creating the Investment Plan

- Build Investment Plan and BP around the strategic direction and investment base position
- Creation of a 30 year stock appraisal and a 5 year detailed investment plan (stage 1)
- Affordability assessment – current/proposed costs v base assumptions
- Challenge current/proposed costs or review base assumptions
- Run the investment plan through the BP model – is it sustainable? (stage 2)
- If not, review the BP phase (stage 1) – challenge your assumptions and/or review the strategic direction





## The Consultation Strategy

- Identify key stake holders
- Develop a consultation strategy (stage 3) – don't under estimate this key stage!
- Establish a base position of knowledge and bring the audience with you
- Internal departments – strategy alignment
- Front line staff
- Senior management
- External stake holders
- Customers
- Review feedback
- Board





## Implementing the Strategy

- Ensure that projects deliver the strategic objectives both in terms of strategic achievement and operation performance (stage 4)
- Measure delivery – performance pyramid
- Communicate performance outcomes – internally and externally
- Continuously measure and challenge all aspects of operational implementation
- Don't be afraid of challenging your assumption part way through a project
- Feedback performance data into stock condition data base
- Ensure that the procurement strategy compliments the operational need
- Measure and forecast resource requirements – mitigate any potential surprises
- Measure value in all its forms
- Culture of accountability is critical
- Annual - high level reviews
- Three yearly - detailed reviews



## What Did the Asset Management Strategy Achieve for WPH?

- Corporate focus on key strategic priorities
- Culture of accountability
- Established greater levels of joined up thinking, creation of a common cause – R&M, Investment, Housing Management, Finance
- Focused understanding of Housing Management needs
- Detailed 5 year investment and resource plan - mitigate surprises
- Predictability, Flexibility, Sustainability, Accountability, Affordability
- Defined WPH's role in the RP market place – new clients
- Culture of continuous improvement and understanding
- Greater understanding of business position and future viability
- Helps define where you are now, where you are going and how to monitor and evidence progress



## Performance Outcomes

- 4 year 400 unit stock replenishment programme
- £77m saving in investment costs (over 30 years)
- £1.5m saving in R&M costs (over 2 years)
- £1m additional rental revenue (over 2 years)
- £7m external wall insulation programme
- £4m low carbon cyclical programme
- £7m low rise refurbishment programme
- Performance improvement from quartile 3 & 4 to 1 & 2
- Void lettings improvement 39 days (over 2 years)
- Customer satisfaction improvement 4.5% (over 12 months)



## What Didn't the Asset Management Strategy Achieve for WPH?

- Provide excuses for standing still!



*Thank you and questions?*

*WPH*