

Transforming Asset Management

Case for Change



Document Control

Document Description	Case for Change Transforming Asset Management
Version	3.0
Date Created	09/06/2023
Status	Final
Document Sponsor	Clive Palfreyman (Strategic Director for Finance & Governance)
Document Owner	Jens Gemmel (Interim Transformation Director, Housing)
Document Classification	open

REPORT SECTIONS

0. Introduction
1. Preparing for the Future
2. Our Strategic Asset Management Delivery Framework
3. Progress so far
4. Challenges
5. A Framework for Improvement
6. What does the timeframe look like for this?
7. Our focus for the remainder of 2023/24 and beyond
8. Workforce Planning & Culture
9. Technology
10. Customer Services
11. Strategic Procurement & Contract Management
12. What does the future hold for Southwark Asset Management?

0. Introduction

This paper provides an overview about **transforming how we repair and maintain our existing homes**. It is about transforming how our teams work and where they work and understanding the connectivity and relationships between the various functions of our Council wide system while stabilising our repairs service.

It is a call for a more interventionist approach and step change to improving our Repairs and Maintenance services and do so in a much more structured way than we have done so far.

1. Preparing for the Future

Future shocks will test our ability to respond with an already fragile social infrastructure and support system. The World has changed and so must we - People will change and organisations will change, regardless of whether it is planned or not.

While our ways of working have been resilient during crisis (because we had to), the old structures and systems are no longer fit for purpose to service future needs. Some examples are: silo working, disparate systems, poor contract management, performance data availability and quality, organisational design build our internal processes rather than our customers' needs and not aligned with demand.

We now need to adopt what has worked well during the pandemic and re-arrange ourselves, from finance, processes, people and technology, while funding pressures require us to have a strong Medium-Term Financial Strategy (MTFS) and Housing Revenue Account (HRA), replenished reserves and a plan.

A **Sustainable Asset Management Service** requires us to have an organisational structure and a system that is built around needs, fixes the basics and delivers excellent customer services using a 'OneCouncil – OnePartnership' approach. This means looking at all aspects of not only WHAT we do but HOW we do it, together with our residents and partners. Essentially this is about:

- **How we serve** – delivering excellent services to our residents at all opportunities, based on their needs rather than our structures.
- **How we work** - maximizing flexibility and minimum constraints to optimise performance in support of those who depend on what we do.
- **How we enable** - creating highly performing services with fit for purpose HR, IT, Finance, Procurement, Customer Serv
- ices and key capability in data & insight.

The success of what we do and how we do it not only depends on our ability to create the right capacity and capability to develop high performing functions to support service delivery but a strategic Asset Management support function which can lead, plan, enable and make sure service delivery is integrated and collaborative – this is as much about leadership and people as it is about getting the basics right.

Members have provided a mandate to look at our core structures, to build a new type of Asset Management service that is capable of leading on our priorities, ultimately realising the vision of the emerging Southwark 2030 Borough Plan. This requires us to entirely overhaul how we look to deliver our Asset Management priorities and arrange ourselves over the next 3 years – this is about:

Creating a preventative system which helps & supports residents before issues escalate into crisis while at the same time stabilising the service and fixing the basics.

We start with our Asset Management support functions which exist to deliver for our internal and external customers – this means getting the basics right in terms of workforce planning, technology, data & insight, finance, procurement, customer services and how we engage and communicate with our customers and residents as a whole. We then embed capabilities and structures around governance, commissioning and a policy and performance framework that will periodically check in on the progress we make.

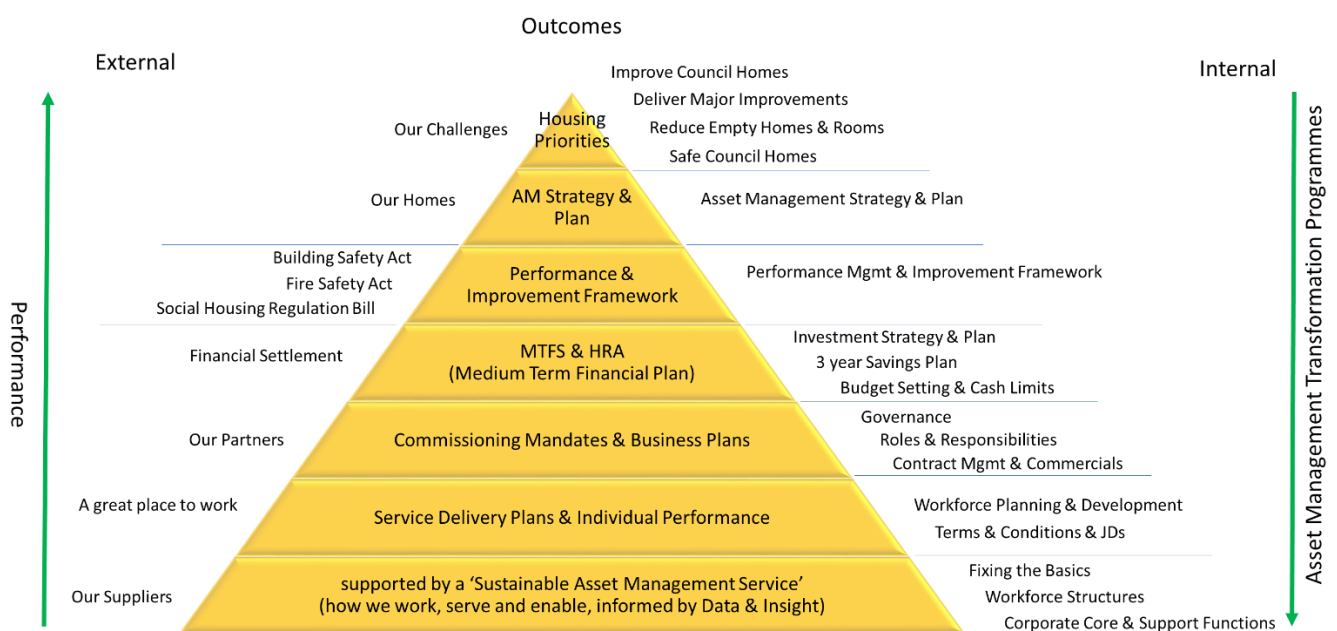
Our transformation programme will lay the foundations for the re-design of our Asset Management functions, led by our new Asset Management Transformation Delivery Unit – This is about a new culture and ethos, with a clear purpose over the short, medium and long term. The aim of our improvements is to implement support functions that are relentlessly reliable, lean and agile, and have a razor-sharp focus on performance.

This development requires us also to have a comprehensive performance & improvement framework linked to the new Housing Regulatory Framework and which we will develop through an iterative process of bi-annual reviews and quarterly reporting on progress against targets and outcomes and to make sure that change sticks – and then enable us to hold each other to account.

2. Our Strategic Asset Management Delivery Framework

Our **Strategic Asset Management Delivery Framework** helps us to make decisions, improvements and manage performance.

It includes the ‘golden thread’ of artefacts that describe our priorities in the long, medium and short term, and which are managed through our commissioning and performance processes. It provides a clear line of sight between the ultimate vision of the emerging Southwark 2030 Borough Plan to the Council’s day-to-day service delivery and individual performance.



The top-line of the 'golden thread' are our **Housing Priorities**, providing a shared long-term vision for the Borough. Our approach to realising this long-term vision will be translated into medium-term priorities and programmes of activity - our Priorities Plan.

Our Housing Priorities are the Council's response to the Borough's challenges and explain our overall approach to public service and translates this approach into tangible activity through a single Performance & Improvement Framework.

The **Performance & Improvement Framework** sets out, in detail, the activity we intend to undertake and the objectives we aim to meet over the next three years across the key strategic priorities that make up the Council's Asset Management agenda. The Performance & Improvement Framework contains two types of data which allow us to analyse the progress we are making towards achieving our objectives:

- specific actions to be delivered, with milestones and deadlines against them; and
- quantifiable outcome measures and indicators, with definitions and targets where relevant.

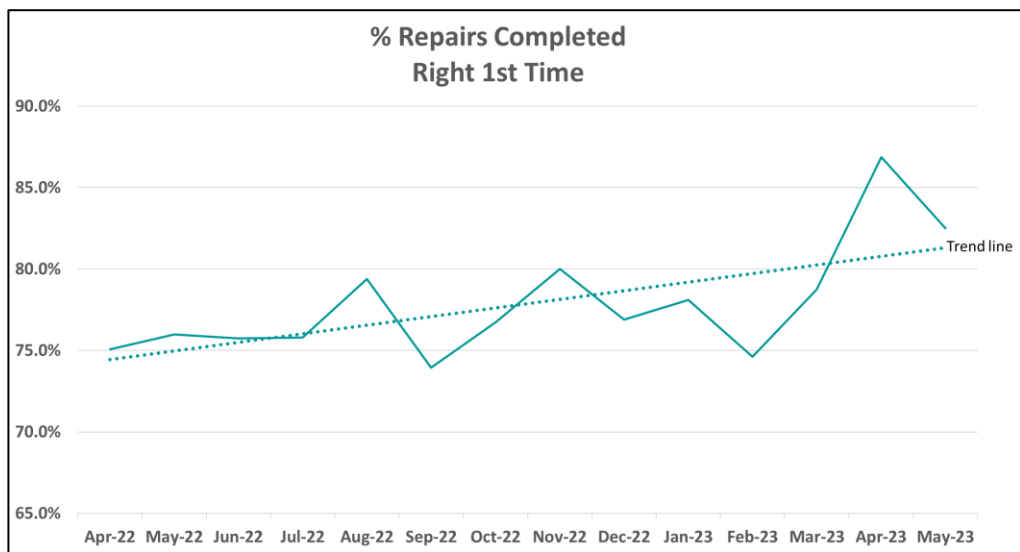
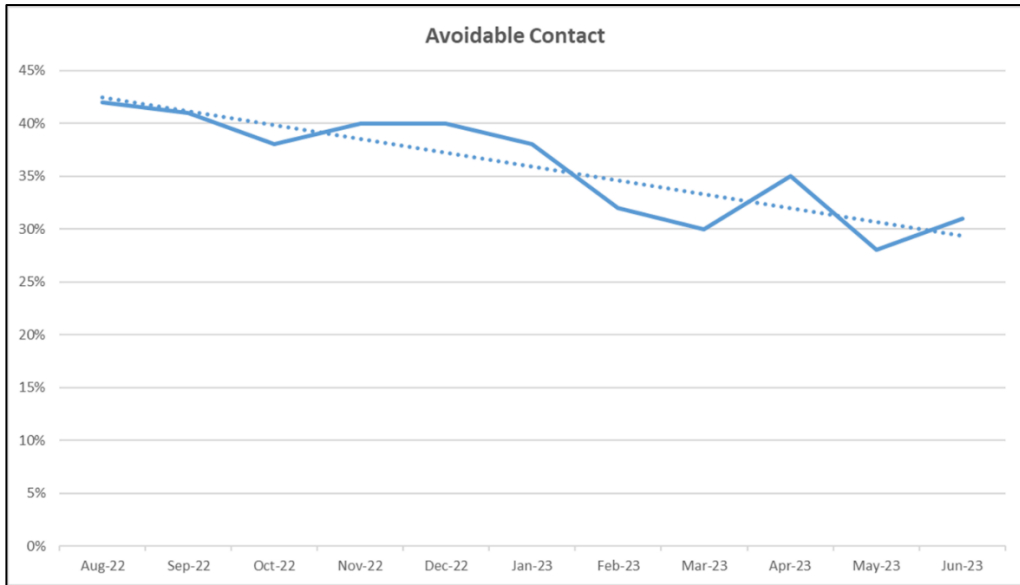
The Priorities Plan and Performance & Improvement Framework shape and are shaped by the **Medium-Term Financial Strategy** (MTFS) and our **Housing Revenue Account** (HRA).

The Priorities Plan, including the Performance & Improvement Framework, and our Medium-Term Financial Strategy (MTFS) in turn shape the **Commissioning Mandates, Business Plans** and other documents through which we plan the activity of each service and delivery block within the Council's system. These then drive frontline **Service Delivery** and **Individual Performance Management**.

The final element of our Strategic Asset Management Delivery Framework, which enables the key strategic priorities, is the activity we undertake in relation to our core Asset Management support functions, captured under a '**Sustainable Asset Management Service**' (how we work, serve and enable).

3. Progress so far

It is not despite our challenges but because of them that we have started to look at all aspects of not only what we do but how we do it and there has been a notable improvement to move the service forward and this has been reflected in the level of customer satisfaction and avoidable contact.



4. Challenges

Yet there are still some significant challenges we will need to address in order to create a sustainable Asset Management offer that has the ability to not only operate within a reduced financial envelope but can transform itself to deliver fit for purpose services within an uncertain future.

Some of the challenges are:

- **Performance:** Lack of performance management culture. For example, a lack of transparency and no single source of truth re operational performance or improvement, broken technology & data integration, limited levels of service quality and customer service satisfaction.
- **Capacity:** It is recognised the Council has not invested enough in, or embedded, the key capabilities and capacity required to deliver improvements and with it quality services. This includes investment to ensure operations are supported by highly efficient and effective support services such as Customer Services and its companion IT & Digital service, as well as Workforce planning and development, Procurement and Commercials, and the way we manage our budgets and undertake financial planning.
- **Partnering:** Over the years, the relationship between the Council and our Partners (external and internal) has lost some of its partnership ethos, resulting in a contractor/client mentality which has not maximised the value of the relationship. As such the Council and our Partners have not resolved operational issues as quickly as either would like. There is also lack of clarity in some areas of our contractual agreements with our external Partners.
- **Investment:** The pandemic and perm-austerity have impacted our fiscal performance, and a restricted capital programme. This comes at a time where we require investment to address planned, cyclical and major works to better manage and prevent spiralling reactive maintenance cost. Also, about 25% of our homes do not meet the 'Decent Home Standard' and this requires immediate attention.
- **Budget/Affordability:** We have a significant, unsustainable overspend to respond to - addressing the above will enable us to do so.

Leaving the above unchecked will most certainly not prepare us for a future in which we can operate effectively and within a reduced financial envelope while meeting the expectations of our residents and the Social Housing Regulator.

5. A Framework for Improvement

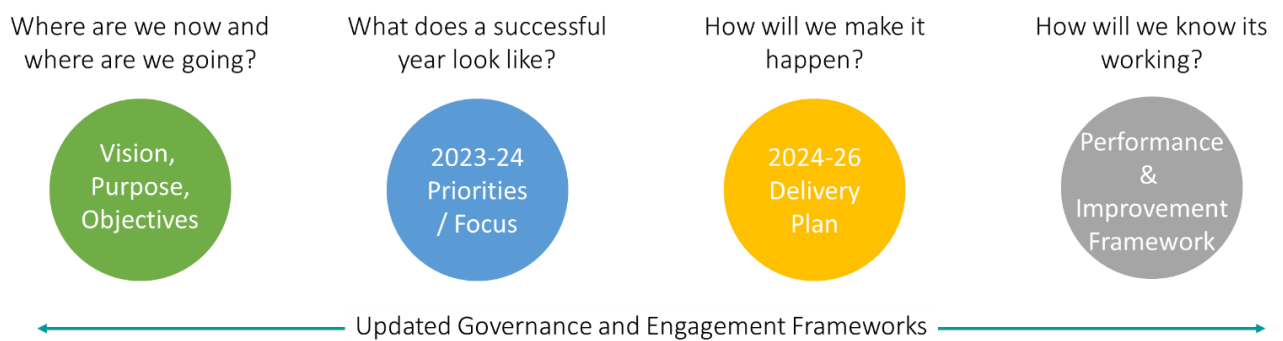
We are about to make a significant investment in our people and our organisation, and we must deliver on that investment. This means doing things with a new level of clarity and coordination and we will need to have:

- **A clear and common understanding of what constitutes success** today, tomorrow and beyond, and how that success supports a longer term vision and direction of travel for the Council.
- **An understanding of how each service will work together**, to support our short, medium and longer term priorities with clear goals, outcomes and definitions of what success looks like.

- **Identify what activity and deliverables we are going to prioritise** in support of our vision and mission, and what we cannot prioritise at this time.
- **An agreed view of how we measure our impact and progress**, what would constitute our collective success and failure, and how we embrace failures as opportunities to learn.

This is hard because this level of clarity and coordination is not always something we have done before. It will result in some short term pain for some longer term gain but it's a vital journey to make.

In summary it's about being clear on where we are now, where we are going, how we will get there, and how we will know when we have arrived.



Vision, Purpose, Objectives: What does this mean?

- A clear articulation, and common understanding between the Council, our Partners and Residents of where we have come from, where we are now, and where we are going.
- This needs to include a clear, concise and compelling vision of the future, based on a sound understanding of our challenges, opportunities and Member expectations.
- At this stage, if we can't articulate this on a page we are probably over thinking it. It will provide us with a clear sense of direction and the foundations on which we build upon.

2023-24 Priorities: What does this mean?

- Clear aims, objectives and priorities for 2023-24, understood and supported by Members, grounded in an understanding of where we are now and the immediate challenges and opportunities.
- This must also connect to our overarching vision, purpose and objectives and represent a significant step towards realising them. We must be ambitious and realistic in our commitments.
- As before, if we can't articulate this on a page at this stage we are probably over thinking it. This will help provide us with a sharp focus and a clear understanding of what success looks like this year.

2024-26 Delivery Plan: What does this mean?

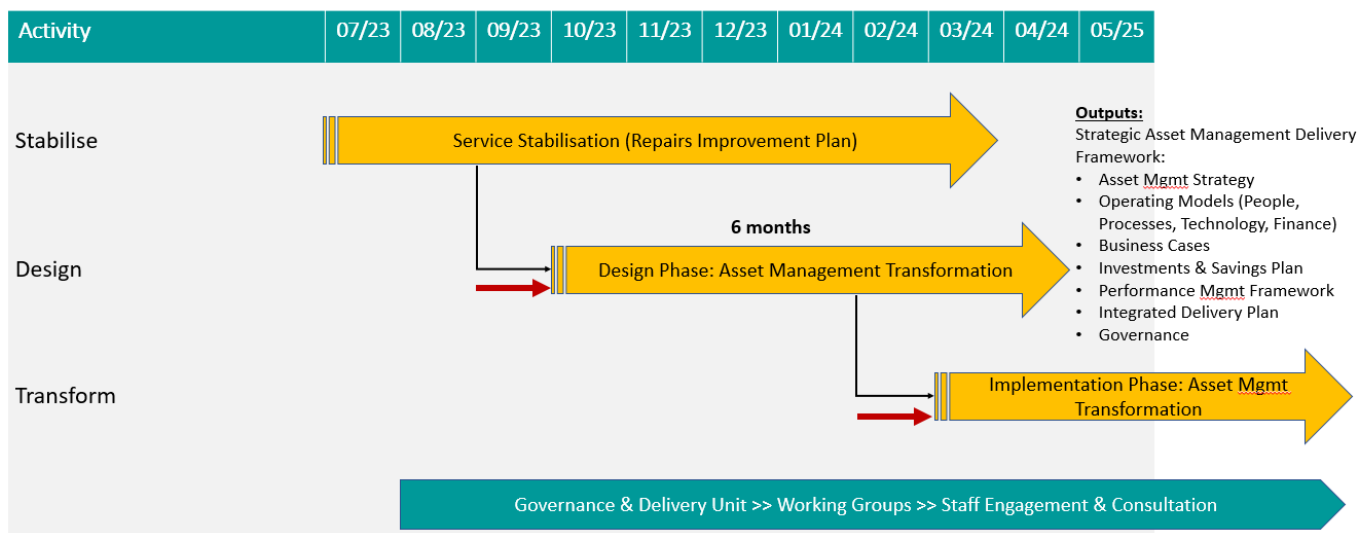
- The Delivery Plan will set out service strategies and key activity and milestones in direct relation to the 2024-26 Priorities and Focus. It will bring all our improvement activity together in one place.
- The Plan will set out specific deliverables and commitments that we will achieve over the years and how we will do this, aligned to our finances and accompanied by our refreshed Performance Management Framework.
- This activity will include tasks that are specific to particular areas of the business as well as cross-cutting priorities, and those which need to be delivered in a joined-up way with members, residents and partners.

Performance & Improvement Framework: What does this mean?

- Having an agreed set of key performance indicators/ vital signs and be confident we are measuring the right things, in the right way, at the right time, and that data is robust and reliable.
- Broadly speaking we need two areas of focus when it comes to performance management – 1) service delivery and 2) service improvement/ transformation. We need to understand our day to day performance and progress against improvement plans.
- It will enable a better understanding of the factors that either help or hinder performance/ improvement, identify what action can be taken to bring performance back on track, and to learn from and build on good practice.

6. What does the timeframe look like for this?

While we are defining and work up in more detail our priorities for the year, and connect it to agreed financial goals and a reworked longer term vision, our Asset Management Transformation Portfolio is made up of 3 distinct, yet inter-dependent phases, and which together will deliver the required transformation we are aiming for.



Repairs Service Stabilisation (Repairs Improvement Plan)

Repairs Service Stabilisation is acknowledging that an area we can make better now is Repairs, but that this needs doing so within the framework of wider Asset Management Transformation and the need to completely redesign how we deliver Repairs and Maintenance of our assets.

This in train plan is about gripping the immediate delivery priorities (treating the symptoms) whilst also getting to the root cause of performance issues and addressing them (administering the cure). It's about stabilising the service, fixing some of the basics now and get our asset management functions from delivering good services to a service which delivers great outcomes.

This work is picking up the missing bits from the existing 2020 repairs improvement plan - and we are doing this with existing resources and with internal staff leading on this. The Repairs Management Team responsible for delivering the plan has now been established and includes representation from repairs, the contact centre, engineering and commercial, so we have the whole of the customer journey represented.

The improvement plan has now been populated with delivery underway. The plan focusses on those things we can improve today, tomorrow, next week and in the near future. We are developing an ethos of being impatient with failure whilst celebrating success – sharing positive resident feedback and highlighting significant improvements is just as important.

Our number 1 priority is to focus on reducing our work in progress - this is what is generating significant call volumes, complaints, members' enquiries, and dissatisfaction.

At various points during the implementation of our plan, colleagues are being asked to contribute their skills and expertise while our start point for the service is: if there is significant enough demand to sustain permanent employment, we should self-deliver. This puts us in control of customer service standards, cost, and quality.

What we are doing:

1. Evaluate delivery options to reduce cost and increase efficiency of **Communal Repairs Team** (in-house vs. contracted out) – freeing up money that can be re-invested into our Asset Management stock.

2. Enable **GPS Van Tracker** for better planning and allocation of jobs incl. a van tracker policy to avoid misuse of devices. – so when a customer calls for a missed appointment we can immediately let them know whether an alternative van is just around the corner; but it also helps us to better schedule and plan our operatives and shorten call out times for our residents.
3. Review and re-design **Void Processes** and look at options for in-house delivery - to reduce cost and tenancy waiting times for empty homes & rooms.
4. Consider a process with the **British Heart Foundation** to remove and raise funds from assets left behind in empty homes & rooms – doing good and help with reducing waiting times for refurbishment whilst reducing our carbon footprint.
5. Review and re-design **Repairs Operations Manual** - to improve consistency and quality of repairs and steepen the learning curve of new starters.
6. Review and re-design **Area Structure and Trades** of field based teams - to improve allocation and utilisation of operatives so that customers do not have to wait too long for their repair. This includes store functions and our materials planning process to enable “**Just-in-Time Repairs**” and reduce inventory cost.
7. Introduce a **Code of Conduct & Customer Service Charter** across both our own teams and our contractors to provide for a consistently good and professional customer contact experience.
8. Roll out **Finance for Non-Finance Managers’** training to increase commerciality within our teams – to make sure we only spend the money we have and every pound we spend is spent to make a difference to our residents.
9. Review and re-design the way we commission and manage contracts to increase the **Performance of our Partners**.
10. Review and commission some “**Winter Works**” earlier to take some pressure out of the winter works period and to reduce waiting times.
11. Break down any silos that exist between our delivery teams to create a “**One Team Culture**” driving a more collaborative approach and improved customer journey.
12. Agree and embed **Service Level Agreements** (SLAs) between the complaints and operations team to allow for timely responses for our residents.
13. Negotiate same **Discounts for Residents** as the Council enjoys with Travis Perkins.
14. Take urgent action to ensure the contact centre has **complete visibility** of the status of all reported repairs (including notes) – so that when customers call to follow up on a repair status we are able provide for an accurate and live update.
15. Introduce **Daily Dashboards** covering performance to immediately identify the root causes of an issue and rectify it within that week.
16. **Share performance information** with our teams so they have a clear idea of how we’re doing and start to become emotionally invested in our success.
17. In conjunction with tenants and leaseholders establish a clear and unambiguous **Vision** for the repairs and maintenance service. Set out what tenants and leaseholders should see at various stages of the service.

18. Determine optimum van stocks, undertake gap analysis, arrange & implement required **Van Stocks** ensuring effective replenishment process is in place – to reduce back and forth trips between the customer and the warehouse.
19. Align operating hours to **Service Hours** (08:00-18:00).
20. Implement a **Corrective and Preventative Process (CAPs)** ensuring we not only fix our mistakes, but also learn from them.

Gearing up for Transformation & Delivery

This is about designing a sustainable, long term Asset Management offer and investing in areas we can deliver and are competitive on, whilst positioning ourselves for transforming the service. How we ensure that our residents' homes are maintained to a high standard requires a **step change** from how we currently operate.

We need to **define, design and document what great looks like, then plan and deliver that journey and underpin it with a comprehensive strategy and operating models**. This is also about accelerating the establishment and embedding of our support services and ensure associated organisational policy, process and technology is fit for our purpose.

The Council currently has several key portfolios supporting its corporate objectives. These are based on achieving its ambition in 7 distinct areas:

1. Transforming our borough
2. A thriving and inclusive economy
3. A healthy environment
- 4. Quality, affordable homes**
5. Keeping you safe
6. Investing in communities
7. Supporting families

In support of our Asset Management priorities and challenges, we need to solve old problems in new ways and while the implementation of these is not complicated, it is complex. So, to deliver at pace, with grip, and within budget, effective governance arrangements and a design team in the form of a **Asset Management Transformation Programme**, will play a critical role in ensuring the Asset Management portfolio is strategically aligned, effectively governed, and appropriately resourced (including the provision of specialist skill sets). But this will require investment, mandate and a degree of top-down governance to deliver at pace and eventually enable the council to realise the desired outcomes.

The Strategic Director for Finance, in their role as Sponsor of the overall programme, together with their management teams, members, and supported by the newly appointed Interim Transformation Director for Asset Management, is leading the development of an Asset Management transformation framework and delivery plan to support and get a grip on delivery against the Council's Housing priorities, and to ensure our Asset Management offer is both sustainable and agile in meeting the needs of the Borough for years to come.

The priorities which form part of the Asset Management transformation scope are:

- 1) Improve Council Homes**
- 2) Deliver Major Improvements**
- 3) Reduce Empty Homes & Rooms**
- 4) Safe Council Homes**

Our governance & support framework has been developed in recognition of the scale of these opportunities. At the same time, the Council recognises that the challenges facing the Borough are of such magnitude that a 'more of the same' approach is not enough to ensure positive outcomes, both now or in the future.

The Asset Management Transformation Programme acts as the engine room for transformation, and as a critical friend and single source of truth, to ensure the delivery of the Asset Management service's ambitions and strategic objectives.

It will further act as the 'home' for shared specialist knowledge, tasked with setting up robust governance, coordination of the programmes, and reporting on progress while providing a clear and effective programme management framework with supporting tools and guidance.

The Council is currently exploring, and to some extent implementing, several Asset Management intervention and improvement initiatives that are not only radical in their nature but will cut across several corporate services. It is these initiatives that would benefit most from more joined-up delivery to achieve the benefits they set out to deliver. The scope is large, the opportunities are many, and the cost of failure even greater – so we must work at pace, and do so in a much more structured and resourced way than we have done so far.

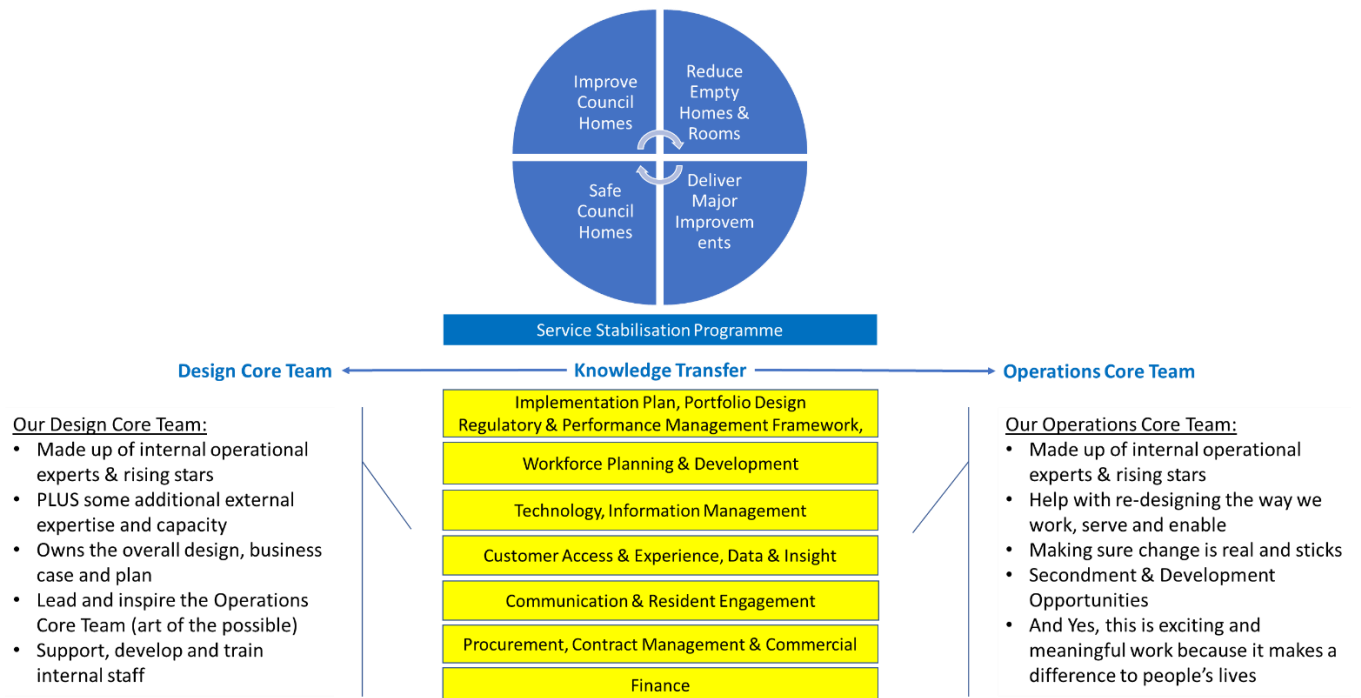
Supporting our People

We are about to embark on a new journey, and we need to support our workforce through it. This comes after some challenging years for us all (financially and operationally). We must recognise and respond to that, whilst embracing the opportunities we have in front of us.

This is as much about new ways of working as it is about investing in additional capacity. It must include all aspects of not only What we do (our priorities) but How we do it (people/culture, processes, technology, finance & integrated plans).

The proposed functions identified within the Asset Management Transformation Programme will comprise of teams with a wide multi-skilled knowledge base, strong communication skills and mentoring abilities, as summarised in the diagram overleaf.

The Programme will be staffed with a combination of resources seconded from across the Council, together with external specialist appointments. The advantage of using internal resources supplemented by some short-term external support is that new skills and knowledge can be embedded in the organisation leading to the development of future talent, and they can bridge internal capacity pressures. It will also allow us to mobilise a team quickly and work at the required pace.

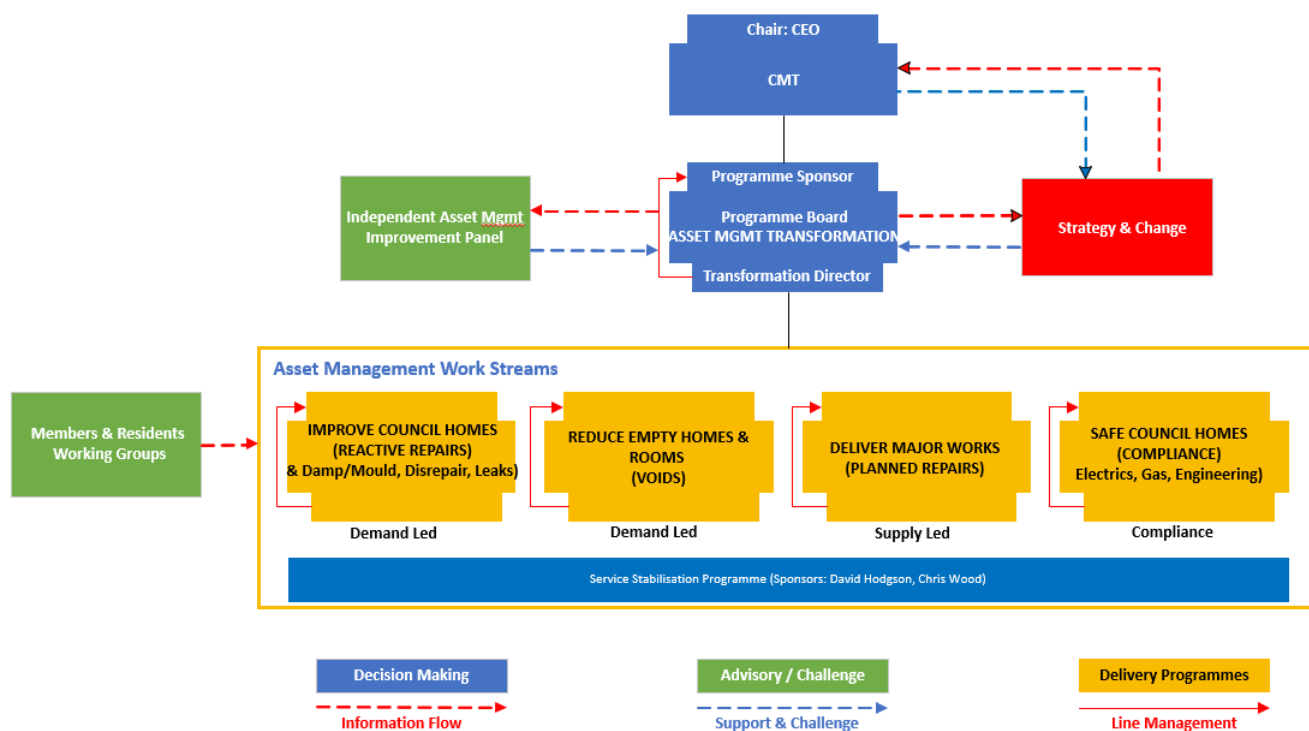


Governance

The level of governance required for cross-cutting change activities should be proportionate to the scope, scale and impact of the initiatives in scope. Embedding effective governance will enable the Council to maintain a strong focus on the delivery of outcomes, whilst ensuring that the overall programme is adequately controlled and resourced.

Corporate Management Team (CMT) have agreed that the Asset Management Transformation Programme requires corporate oversight and should report into CMT. Smaller projects that do not need corporate oversight will report to their Departmental Boards and their respective locally-based teams, and will be governed by newly set up programme boards which in turn will report into the newly formed Asset Management Transformation Programme Board.

These relationships are summarised in the diagram below:



7. Our focus for the remainder of 2023/24 and beyond

While we have started to stabilise the repairs service through our “Good to Great” Plan, we know that a transformation in our design and delivery of how we are maintaining our homes and communicate with residents is urgently required to ensure we are prepared for the future. We now need to define, design and document what good looks like in the medium to long term, then plan and deliver that journey and underpin it with a comprehensive strategy, operating models and a plan that everybody signs up to.

During the “Design Phase” of our transformation journey we design and then document the different components which make up our overall “Strategic Asset Management Delivery Framework” as outlined within this paper.

Essentially, this is about producing the required details which provide us with the confidence to successfully implement a sustainable Asset Management offer and one that has the ability to deliver excellent services while operating within a reduced financial envelope. It will also prepare the Asset Management service for the upcoming inspections as part of the government’s new Social Housing Regulatory Framework. Over a period of 6 months, together with staff and residents, we will produce the following outputs:

Strategic Asset Management Delivery Framework:

- 1) A revised Asset Management Strategy aligned to our priorities and finances
- 2) Future Operating Models: People, Processes, Technology, Finance
- 3) Investment & Savings Plans
- 4) Performance Management Framework (aligned to the Social Asset Management Regulatory Framework and keeping in mind the new Building Safety Act and Fire Safety Act)

- 5) Effective Implementation & Delivery Governance
- 6) An integrated implementation plan for our transformation journey

8. Workforce Planning & Culture

Why is this important?

We face 7 fundamental people-related questions that we need to address:

1. What workforce do we need? What capacity and capabilities do we need now and in the future as we transform? (**Organisation Capabilities**)
2. What is the shape of that workforce? How do we distinguish between our need for fixed and flexible skills/ capabilities? (**Resource Strategy**)
3. Where will it come from? How do we predict and manage internal & external supply/ demand of our people to meet the organisation capabilities' needs over time? (**Workforce Planning**)
4. How will we get them? How do we attract and source people with these skills and capabilities? (**Talent Acquisition**)
5. What do we have now and what's the gap? What skills do we have and what internal development/ succession plans are in place? (**Talent Management**)
6. How smart are we at deploying what we have? How do we move skills and capabilities around the organisation to respond to business needs? (**Resource Management**)
7. How good are we at growing what we need? How do we prioritise learning investment to ensure we can support the organisation's future needs, putting 'grow our own' at the heart? (**Capability Development**)

Discovery work would indicate that we don't know the answer to most of these questions. The details and ideas that follow help build a framework that starts to answer these questions whilst focusing predominantly on 'workforce planning'

Where are we now?

Good News:

- Emerging workforce planning but some way to go to be fit for purpose – particularly re workforce development and succession planning;
- Elements of good practice within Asset Management (e.g. apprentice scheme); and
- Significant opportunities (strategic and otherwise) to improve the way that workforce planning supports operational and strategic delivery – including a new HR delivery model.

Challenges:

- Visibility of the workforce we have, what we need and how to get there is not apparent;
- Strategic approach to workforce planning across Asset Management is absent;
- The change required to deliver the corporate priorities and the emergence of the portfolios/ programmes accentuates this need;

- But does not create it – **the gap between need and capacity/capability is already there;**
- Enabling HR & OD architecture still needs to be built.

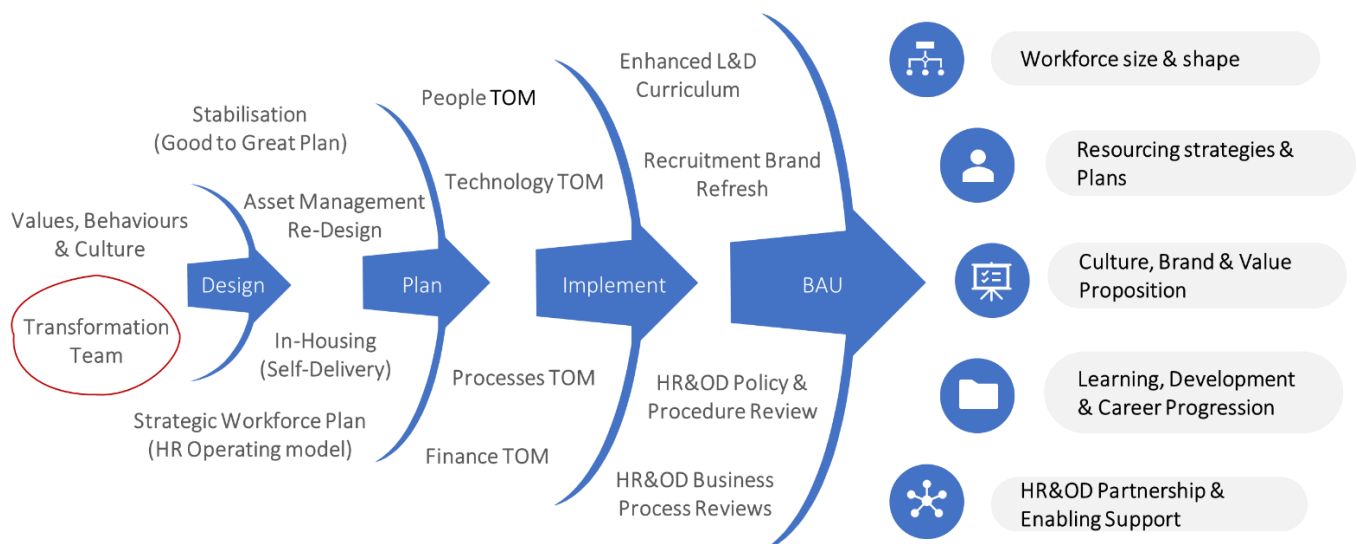
A possible way forward

In order to develop the work needed to address the gap the proposals for discussion are to:

1. Create a strategic workforce planning framework; and
2. Begin to develop the broader foundations needed to embed strategic workforce planning successfully across Asset Management (including some immediate tactical interventions).

This will bring multiple benefits:

1. Delivers a workforce plan which aligns to and enables delivery of Asset Management's:
 - a. immediate budget and service plan needs; and
 - b. wider strategic objectives
2. Avoids short term tactical decisions that may create longer term challenges;
3. Provides for a degree of preparedness for periods of flux and change;
4. Develops a platform to secure and/or develop skills needed now and in the future; and
5. Helps mitigate one of Asset Management's (and Asset Management Transformation's) principle risks – **capacity and capability**.



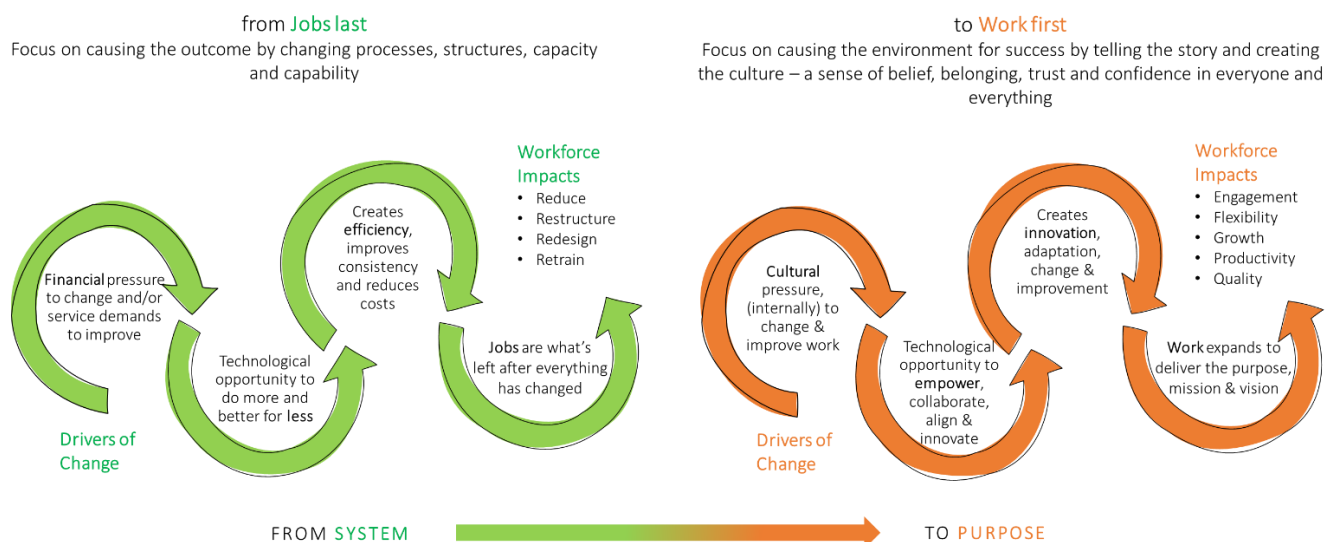
Putting our People at the Heart of Change

People will change and organisations will change, regardless of whether it is planned or not - recognising that there is always a people element to the change and incorporating it into our design will make sure that change sticks.

COVID has sharpened the pencil of organisational change - first was our response to survive by adapting and accelerating change - now we focus on recovery to reflect, rethink and reboot and the need to embrace the changed landscape and view the future of work through new insight and capabilities.

But this is no different to the cycles of change arising from most disruptive forces (financial crises, technological advancement, and political change). Our ability to survive, strive and thrive comes not from the efficiency, technology or market shift - but the response of the people involved.

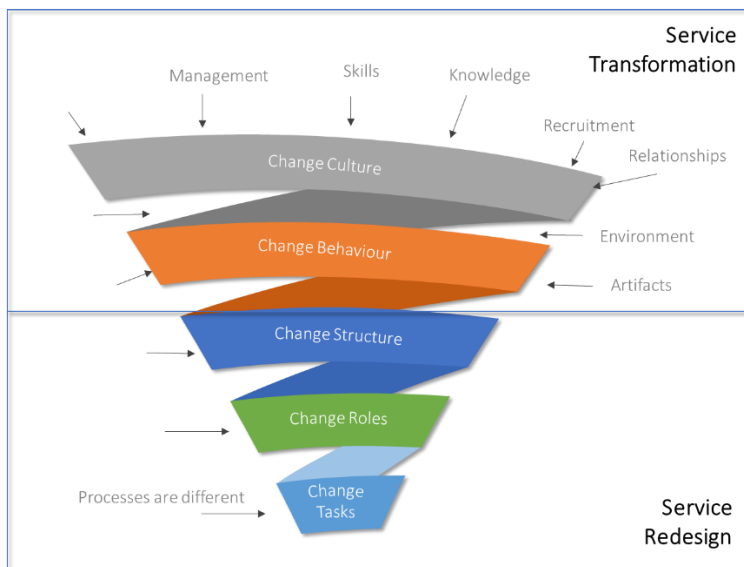
Now, more than ever, the need to focus on strengthening our colleague's sense of belonging and feeling of satisfaction, purpose and pride that they get from **Doing Good Work** is critical - not doing so in a world of hybrid working, perpetual disruption and generational shifts will lead to disengagement and organizational failure.



Culture is sensitive to any change, but it takes everything to change in the right way to create the right culture.

Changing our workforce structures is only a start and which will lay the foundation for the required efficiencies in a system which enables us to be as lean and agile as possible - but it is the change in **behaviour** of our staff that will ultimately deliver the positive outcomes we are aiming to achieve for our Borough.

This is as much about new ways of working as it is about introducing and then leading on a **new ethos of collaboration** amongst ourselves, our partners and our residents – it is about moving us beyond a system where processes and policies dominate us *being* to a wider *purpose* about us helping people.



From Process to People

Someone else's problem	⇒	My problem...our problem
It won't work	⇒	We can find a way to make it work
The rule says the answer is	⇒	The right answer is
The decision can't be made because	⇒	This decision can be made and..
I don't know the answer	⇒	Who knows/where can I find the answer
Because it's the policy	⇒	The policy is this because... and so we can do...
This was the answer last time so it's the answer this time	⇒	Who has approached this differently
Our system is rubbish	⇒	Our team are great

9. Technology

Vision

Our Vision is to balance the need to provide **accessible IT services** to the Council's Asset Management workforce, but still providing a secure framework to protect the services and the data we use. This will ensure that our critical assets are protected from the basic risks – confidentiality, integrity, and availability.

Moving to a more modern way of delivering services by migrating these services to cloud, enabling flexibility in workspaces, being device agnostic, supporting remote working and reducing our on premise management overheads, are equally important to us.

We must also minimise our carbon footprint. As well as removing the need to run our own Data Centre and instead, use the greater economies of scale and efficiencies offered by moving to the cloud, we want to continue the move towards using remote systems to reduce unnecessary travelling by staff. This should also be mirrored by making sure our services are delivered as near as possible to the point of consumption, by using local amenities such as libraries, warehouses and our estates.

Design Principles

1. **Secure** - The objective of security is to ensure that our critical assets are protected from the basic risks – confidentiality, integrity, and availability. This should be “baked in” to every solution, process, and application.
2. **Exploit the investment in current solutions** - The service must take full advantage of the investment made into already implemented systems and software. To save money and simplify the application and system portfolio we need to use what we have to its maximum. This approach also reduces duplication and can provide familiar interfaces across application sets.
3. **Interoperability** - Software and hardware should conform to defined standards that promote interoperability for data, applications, and technology. Standards help ensure consistency, thus improving the ability to manage systems and improve user satisfaction, and protect existing IT investments, thus maximising return on investment

and reducing costs. Standards for interoperability additionally help ensure support from multiple vendors for their products.

4. **Accessible and Inclusive** - It is useful to define the terms used in this section:
 - *Accessibility* – equivalent user experiences for people with different requirements
 - *Inclusion* – experiences that are usable by as wide an audience as possible

We must not only meet our legal duties to relevant EDI (Equality Diversity and Inclusion) legislation but to ensure everything we do has inclusion and equality at its core.

5. **Speed and agility** - The Service must adapt quickly to organisational changes, both internally and externally. It needs to respond rapidly and flexibly to customer needs and adapt and lead change in a productive and cost-effective way without compromising quality.

Within a constantly changing environment, agility and speed is crucial. To take advantage of opportunities and make the most of the challenges the public sector will face in the future, the service must innovate and adapt.

6. **Ease of use** - Applications are easy to use. The underlying technology is transparent to users, so they can concentrate on tasks at hand.

The more a user must understand the underlying technology, the less productive that user is. Ease-of-use is a positive incentive for use of applications. It encourages users to work within the corporate IT environment instead of developing shadow IT to accomplish the task outside of the organisation's preferred environments. Most of the knowledge required to operate one system will be like others. Training is kept to a minimum, and the risk of using a system improperly is low.

7. **Cloud First** - Services such as Software as a Service (SaaS), Platform as a Services (PaaS) and Infrastructure as a Service (IaaS) should be considered above local or collaborative implementations where applicable to ensure services can develop and evolve.

Cloud hosted Software as a Services, in their very design, can be simply scaled as demand requires. If PaaS or IaaS are selected, then the services hosted must be designed to fully utilise the capabilities of this platform, including scaling and authentication.

Themes

1. **Communities** – Residents increasingly want to access and interact with the Council using digital services. They increasingly have an expectation that these services are delivered across multiple channels.

Residents who have digital confidence and skills also have greater resilience and opportunities than those who do not. Giving residents the ability to access services digitally increases self-service which will allow us to direct our limited resources in the most needed of areas.

The next 3 years will see us making the best use of our assets including property such as libraries, warehouses, our estates and our workforce. This will allow us to deliver connectivity and training to communities so the above benefits can be realised.

2. **Inclusion** - Increased services and information are being delivered in a digital format. A section of our population does not have access to a device or the necessary connectivity to get online, leading to isolation and in some cases loss of access to services. They also might not have the skills or confidence to use devices and applications to access resources. These resources need to be designed to consider everyone who might need to access them and the issue of affordability where people in low-income groups cannot afford to be digital, must be addressed.
3. **Data** - Data must be understood, catalogued, and classified. We must be in control of what we hold and maintain the quality and integrity of the data, applying common standards and best practices.

Data must be made available and accessible to the people who need it, when they need and in the formats which provides insight and intelligence. It must drive automation, and the creation of predictive models using Machine Learning (ML) and Artificial Intelligence (AI) tools.

Data must be used as an asset, exploiting efficiencies in operational processes, generating better and more robust decision making and empowering our residents and staff across all aspects of service delivery.

4. **Workforce** - Staff must have access to technology that will enable them to provide the best possible services. Our workforce must be enabled to develop the digital skills and capability to ensure that as an organisation we fully use our investment in technology.

Staff need to be given the right digital tools and inefficient or wasteful processes must be automated, but they also need to take responsibility for administering permissions to some of their resources and data.

10. Customer Services

Vision

The Council has invested in improving customer services across the organisation, and with its companion IT service, we have delivered significant improvements. While progress has been made, the focus tends to be driven 'up and out' from our Customer Service Centre, rather than 'down and in' through a 'One-Council' approach to improving quality and consistency of customer contact and services end-to-end.

1. **Our Asset Management Service is ambitious** – we are ambitious for our residents, our local partners, and our staff – now let's be ambitious for our customers and lead the way in how we engage with our residents and deliver services they need.
2. **We understand the needs of our customers** - now we will use this knowledge to deliver the best possible experience for them. Customers will be encouraged to use digital channels by choice, and we will work with our customers and partners to develop these digital channels to make contacting us as easy as doing business with leading e-retailers.
3. **The pace of digital change is fast and getting faster** - this is true in our daily lives, and in the way the Council works. The expectations of our residents and how they find information, and interact with us, has changed. In order to meet these expectations, we need to understand what our customers need from us - and then design our services in a way that works for them.

4. **Customer experience is the impression people have of us** - when they get in touch or use our services. Digital is not just about technology, it's about having practices and processes which make sense, are simple and work. It is about having the appropriate technology which meets the needs of both internal and external users, supports our business processes, is secure, flexible and simple to use. It is also about making sure we have the right organisational culture in place which supports and encourages our staff to optimise the use of digital to meet the needs of our customers.

Design Principles

We will transform the way our customers interact with the Council, making it easy for them to find the information and services they need. We will ...

1. Always put the customer at the heart of everything we do.
2. Make our digital channels so good that you prefer to use them.
3. Continuously seek feedback and evidence to improve how we do things.
4. Create a culture that listens to what our customers want and take the time to understand what they need and implement it.
5. Continue to recognise that some customers need support to contact us digitally and maintain alternative ways of contacting us for our most vulnerable customers.
6. Support our staff to provide the best possible experience for our customers and invest in their training and understanding of digital and good customer service.
7. Invest in the right technology to meet our ambitions.

OneCouncil – OnePartnership

1. **We will work with our peers, private and third-sector partners** - to make sure we are delivering joined-up services to our shared customers. We will use digital technologies to work efficiently together and share data where appropriate to make sure we can provide the best possible experience at all times. We will also work with local, national and international organisations who are world-leading in their use of digital to provide excellent customer service and learn from them so that we can bring these ways of working and technologies to the people of our Borough.
2. **We are a local authority at the heart of a global city** - we need to make sure we are keeping pace with other cities around the world and giving local residents and our partners the best opportunities which the right digital infrastructure, technologies and use of data can provide.
3. **We are fortunate to have some great colleges** - we will work in close partnership with them and will make the most of the opportunities that our world-leading academics and facilities bring to the area.
4. **We will also become more open with our data** - publishing data which can safely be made publicly available and which could be used by others to help them grow or develop innovative solutions to help us meet local challenges and improve local outcomes. This will always be done in line with data protection legislation, it is happening in other places and is something we want to nurture in our Borough.

Opportunities

Our Customer Services transformation will have the following key projects of work within the Transformation Plan:

1. **Delivering New Ways of Working** - creating a more responsive, efficient and effective Asset Management service by ensuring our teams have the capability, confidence and tools to continue to work where, when and how they choose and how we need them to work, with maximum flexibility and minimum constraints to optimise their performance in support of those we serve.
2. **Help & Support early** - establishing an empowering and enabling model of early support that helps people before issues slip into crisis and making self-reporting tools available to all our residents while providing more local access to our services for those who need this.
3. **Data & Insight as a Service** - we will manage data as a valuable asset, turning it into powerful insight and using it to provide the best service possible to our residents.
4. **Performance & Improvement Framework** - map out the current state, challenges and opportunities for improving the performance operating model within Asset Management, including the development of performance dashboards enabling performance to be visually represented and easily accessible.

11. Strategic Procurement & Contract Management

As part of implementing our strategic procurement framework, we will ...

1. **Move away from strict compliance to a more managerial approach pursuing value for money in the whole 'supply chain to delivery cycle'** - we will do this through reviews that will identify ways to mitigate risks of waste and integrity throughout the procurement cycle, from the needs assessment through the tendering process and until the final payment.
2. **Ensure a strategic position for our procurement function to provide sound stewardship of our funds** - we will do this by drawing up an action plan, to provide a road map for reform, transforming procurement into a strategic function which will contribute to our objectives and priorities.
3. **Develop evidence to monitor the performance of the procurement system** - we will do this by helping services generating better quality data on procurement and promote performance analysis.
4. **Tap into the potential of consolidation with a view to achieving efficiency gains** - we will do this by centralising the purchase of goods, establish a maximum reference pricing and enhance the use of reverse auctions in order to achieve efficiency gains.
5. **Invest in professionalisation** – we will do this by enhancing our procurement unit inside the Council in order to equip us with a team of category specialists so we can tap into the benefits of the Council as a major local purchasing power.

6. **Keep strict controls in the use of exceptions to competitive tendering (e.g. for reasons of extreme urgency)** – we will do this by controlling more strictly the use of these exceptions.
7. **Provide sufficient flexibility in the procurement policy to adapt to different situations while ensuring transparency** – we will do this by publicising information on public contracts to maintain public trust regardless of the level of competition while we require a level of flexibility in the use of competitive procedures.
8. **‘Promote Local’ to support local suppliers and local employment where they can demonstrate value for money** – we will do this by creating evaluation models which not only consider but encourage our local supply chain to bid for contracts where these have historically been given to larger suppliers outside our Borough.
9. **Creating Social Value** - to look beyond the financial cost of a contract to consider how the services we commission and procure can improve the economic, social and environmental wellbeing of our Borough. We will encourage to use procurement to achieve wider financial and non-financial outcomes, including improving wellbeing of individuals, communities and the environment by making social value a decision-making criterion when awarding contracts.

12. What does the future hold for Southwark Asset Management?

Austerity & Money

Over a decade into **austerity**, local government finances have been eroded to tipping point, and so we face many more years of fiscal restraint as we move into a new era of permanent austerity. Meanwhile demand for our services is rising, partly as a result of the impact of austerity on some of our communities and partly because of the macro-economic reality we find ourselves in.

All this is happening in the context of increasing **climate targets** and a **new Housing Regulatory Framework** coming into effect in 2024 and which are driving up investment requirements for our Council owned assets and the Borough’s housing stock.

2022 has also seen the start of the **end of cheap money**, with inflation and monetary policies driving up prices and interest rates and with it the cost of borrowing (debt), creating uncertainty around future funding options.

The **pandemic** and **inflation** that followed has had a negative impact upon our own finances and operations, creating significant pressures on our **Housing Revenue Account (HRA)** which has been depleted to its lowest ever point after we were forced to drawdown £6.7m of reserves to balance the HRA operating account for the financial year 2022/23. The reserves are now considered to be below the optimal level necessary, requiring us to establish a more prudent and sustainable level of reserves going forward.

We reported a £19.8m gross negative variance in the HRA’s underlying financial position for 2022/23 compared to budget. This was driven by the exceptional impact of energy costs, the increase in the number of repairs being reported, an existing backlog of repairs from the pandemic and pressures from the cost of inflation and rising interest rates. With the rent cap firmly remaining in place, there is limited room within the HRA to absorb ever increasing demands, and the new burdens arising from government directives around building safety are further exacerbating this.

Not only does there need to be significant re-prioritisation of existing resources to those areas of highest need, but also a focus on identifying additional resources to continue to fund our capital programme and investment into improving services.

The **repairs and maintenance** of our housing stock consumes by far the largest proportion of operating resources. Despite significant budget growth over recent years, expenditure continues to exceed the approved budget, resulting in a negative variance of £5.9m in year after capitalisation. There is widespread overspending across the division as the volume of work increases due to an aging Asset Management stock and costs rise far in excess of budget expectations.

Now more than ever, our Borough is facing significant on-going financial challenges and risks – doing nothing or to continue doing what we have done in the past is not an option, nor is doing less. We need to find our own ways to plan and then gear up for a future in which we can operate effectively, independently and do so within a reduced financial envelope - this requires us to have a response and we need to act now and then move at pace.

Rising Demand

Funding pressures are only part of our problem. Nobody believes that ‘salami slicing’ will work - politicians, staff, businesses, nor our residents. We have plans in place to achieve financial sustainability:

1. As part of the Council’s Asset Management improvement journey we have and continue to look for ways to reduce spend and get a better deal from those organisations we rely on to provide services including our supply chain - pushing too far will have a direct, negative impact on our local suppliers and local employment.
2. We continue to improve the way we deliver services, doing things differently in a way that improves outcomes and doing more for less or have somebody else doing it cheaper - this has worked for some of our services, but we will be bringing back in-house service delivery where this has fallen short of our expectations and where demand justifies self-delivery.
3. New policy and governance around the acquisition and disposal of both housing and commercial assets will be brought forward in 2023-24 which should improve the flow and allocation of vital resources and will reduce the risk of future interest rates exposures. While these actions will be vital to achieve financial sustainability, selling assets only yield one off savings to our bottom line and once those assets are sold off diminish our opportunity to benefit from future returns.
4. We can stop ‘non vital’ services or charge more - this can only be done within the limits of caps, consultation and our statutory obligations to those who need our help & support the most.

The context the repairs improvement programme has been operating within has also changed. The transfer of the service into Asset Management and the start of an improvement plan at the start of the pandemic had detrimental consequences on the speed and depth of progress. The work required on restructuring the service, and culture changes, was hindered whilst a substantial backlog of non-urgent repairs built up during Covid-19. This has been a significant challenge to resolve, further exacerbated by productivity impact of the transition to new terms and conditions for operatives. The changes to the operating environment of the existing Repairs Improvement Plan in particular, and the service more broadly, have impacted performance materially.

But at its heart, this is not only about money and productivity - our long-term financial resilience

rests on our ability to manage demand and help & support our residents at the early stages of an issue and prevent issues escalating into crisis. Technology innovation and the data & insight available about our place (homes) and those who live in our borough (needs) are developing quickly - we should not try fight these trends but find ways to build on and then better plan for a preventative support system – this must include a well maintained housing stock through our planned, major and cyclical work.

Macro-economic circumstances and the pandemic have revealed characteristics of our stock condition that have been hidden in plain sight and which now need to be tackled. A vicious cycle of backlogs and reactionary repairs are driving the demand our services are struggling to afford to meet - understanding and then tackling the root causes of service demand is therefore absolutely key.

Expectations & Trust

COVID lock downs and policies have highlighted the importance of local government in building trust with our communities – but the pandemic has also highlighted the challenges we face in building trust amongst residents who live in Council owned housing, with repairs work build ups as a result of shielding and the limited access to dwellings as well as a struggling supply chain to deliver the much needed maintenance of our buildings – our Asset Management service still feels and struggles with the “hangover” of the pandemic. We now will need to find ways to break this cycle of backlogs and spiralling reactive repairs and rebuild trust that our service can deliver, on time, within budget and to the required quality that is expected of us.

Lock down policies have also shown our limited ability to engage with our residents, especially our digitally enabled population, with no self-reporting of repairs online and no live data on operatives’ availability and appointment bookings. This, combined with a lack of visibility of vans and warehouse inventory would have most certainly contributed to the deterioration of trust our residents have in our ability to deliver great services at speed.

Making better use of technology and data & insight to identify needs in our neighbourhoods and tap into their sentiment to continuously sense check why and what we do and whether we do it right will facilitate this change. This includes re-connecting and reaching out to our residents and using alternative methods of communication and new ways of bringing people closer to us and then a conversation about the role of the state.

The establishment of a new “Residents Improvement Board” is a good start but we must find better ways to engage with our residents - for some this means an online service that is built around their needs and for others this means better face-to-face access to our services locally.

National Policy & Regulatory Changes

Government has also been implementing reforms in national policy and legislation and which continue to have a major impact on council services, residents and local businesses. They include reform of the housing and planning systems; welfare reform, including a reduction in the cap in household benefits and with it our inability to charge a financially sustainable level of rents. This all comes at a time when our services face Housing Regulation Bill which will come into force in 2024.

The Social Housing Regulation Bill was introduced to Parliament in 2022 with the aim of delivering reforms outlined in the Social Housing White Paper. One of the key proposals within

the Bill is that underperforming social landlords would be subject to “Ofsted-style” inspections. The Bill expects that the repairs service is not only fit for purpose, but also becomes a quality, resident focused service which will meet both corporate and regulatory requirements.

There are increased powers given to the **Ombudsman** including the tools to refer more cases to the regulator and to issue complaint-handling orders against poorly performing landlords.

Furthermore, the tragic death of Awaab Ishak focussed attention on councils’ **Damp and Mould** policies. The emphasis on tackling damp and mould from the Department of Levelling Up, Housing and Communities (DLUHC) and the Regulator is a priority that the council agrees with, tenant safety is paramount, but the increased focus does give rise to another key area which has to be dealt with speedily but with the associated increase in costs.

The evolving regulatory environment combined with increasing pressures created by long-term underinvestment in our Housing stock (with a knock-on impact of a 46% increase in the number of new repairs orders raised in the last year) have brought both the scope and the resourcing of the existing plan into question. To meet the challenges and achieve service transformation something more is needed.

The combined impacts of austerity, population change and government policy mean that we can no longer afford to meet the needs of our residents by spending more money on the kinds of services the Council provides. Instead, we need to re-focus what we do so that we can identify the root cause of needs and tackle it - so that people have a better chance of living good, safe and healthy lives in their community, and with better outcomes.