COLLABORATING THROUGH STANDARDS

Slide 1

Thank you Paul

Thank you all for coming – we are pleased you are here

We are grateful to HM Courts Service for the opportunity to present our project to its supply chain – we hope you will decide to join our project team and help us develop the first published standard in property asset management directed at suppliers and end users in both public and private sectors in the UK.

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Asset management is a key part of business planning. It deals with the way in which an organisation makes use of its physical resources, including buildings and facilities, to meet its current and future needs.

The blue circle in this diagram represents the realm of conventional property management, where the emphasis is on the costs and resources needed for the day to day upkeep of property

The dotted line shows the wider boundaries of asset management. From this perspective, property is viewed not only as an overhead that has to be managed but more significantly as a productive asset.

Many of the outputs of property are far harder to identify, measure and manage than its inputs, which I think explains why many managers avoid this unoccupied area in the top, right corner and focus instead on the more certain and tangible issues within the area defined by the blue circle - denominator management.

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However, understanding how property can improve business performance is a prime concern.

In a recent meeting with Sir David Varney, who has now moved from Revenue and Customs to advise the Chancellor on Transformational Government, we were told:

'Any initiative that illuminates the dynamic between business and its assets, and provides practical approaches to improving this process would be welcome.'

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There are many different types of standard – but very simply a standard is an agreement by a group of people to adopt a defined practice.

Standards are built around consensus

Practice must be well defined, otherwise too vague to be effective

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The main types of standards can be categorised as follows

- Specification – drafted as a set of requirements that can each be objectively verified against actual performance.

- Code of practice – recommendations reflecting good practice

- Guidelines – Broad, general information about a subject, might be supported by case studies

Not good practice to mix specification clauses with codes of practice or guidelines, but a specification might be supported by guidelines in a distinct format.

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The aim of the standard is to bring practical benefits and improve the business through better property asset management – it should not be about simply ticking boxes or compliance with a piece of paper.

The focus of the standard is property in business and the guidelines will be written not only for property practitioners but also for business managers.

Grounded in objective measures and clear targets

We hope that writing the standard in the language of business will lead to better dialogue and increased commitment to managing property assets at Board level.

The last two benefits relate to the requirements for corporate governance to put in place robust systems for internal control and risk management.

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Winston Churchill – we shape our buildings; afterwards our buildings shape us. Property often used by business leaders to drive corporate change agendas – linking property and business will enhance the likely success of such initiatives

It is encouraging that HM Courts Service is planning to mobilise, in a voluntary way, its supply chain of managing agents and framework consultants around the development of the standard.

The Courts Service believe that agreement around a common specification will help it to instruct and prove in an efficient way a specified service level

Finally, asset management has a longer track record in utilities and transport sectors than property. The standard will help drive best practice into the property sector at a rapid rate.

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Our strategy for developing and delivering the standard is set out in a Project Initiation Document that has been agreed with the Project Board.

Here are the essential points in this strategy

- We will be building on previous work such as the IAM's PAS 55

- The principles of asset management are consistent in the public and private sectors. We will adopt a cross-sector approach that can be applied to a national asset base worth more than £1,000 billion

- We believe that information, although it has a cost, is increasingly becoming free at the point of its delivery. We intend to publish the standard on the Internet free of charge.

- The standard will be an 'open standard'. It will be published with a free licence for users that only restricts inappropriate uses, such as selling the document.

- Collaboration using the Internet will allow us to capture input form a wider and larger source than a conventional standards productions process, reducing time and cost.

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This slide shows the sequence of tasks we will follow to develop the standard

At our first event we reported that we had completed our market research and produced an outline scoping document.

Since then we have developed and agreed the Project Initiation Document, completed an enabling project to select and establish a project web site and completed a draft base document which is now being reviewed.

Over the next period, we will validate the base document and start full production of the standard through two cycles of drafting, editing and review before the final draft is validated, in the first half of next year.

The standard will need to be maintained and kept current over its life and we will develop plans to do this at the appropriate time.

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Brief look at the content and approach of the base document.

The starting point in the PAM process is to understand how all the organisation's resources, including its property assets are working together as a system to achieve its corporate objectives, and how this system might be improved.

According to Frank Duffy, the principal elements in this process for office environments are:

- People

- Process

- Place

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This diagram is adapted from ISO 9000 series, which itself takes a systems view of managing quality.

Businesses are extremely complex systems and managing such a complex process would be impossible without some type of model or framework.

There are various frameworks and models that have been devised to inform business decision making. Generally, these have been developed for particular parts of the overall system, most importantly for quality management but also environmental management, health and safety, information security and physical asset management.

Each of these areas is associated with formal standards as shown here.

Our framework is designed to align or become part of other business management systems, permitting a common approach and shared language that can help integrate or align activities and standards across different parts of the organisation and across different organisations in a supply chain.

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Each element in the framework represents a particular area of property asset management that we expect to be prominent in the future standard

The starting point in the process is the development of an asset management strategy for property that is embedded in the wider corporate strategy for the organisation and driven by a shared set of objectives

Planning and implementation will cover all aspect of property assets during their useful life – acquisition, operation, maintenance, renewal and eventual disposal.

At the heart of this process, and applicable to all stages will be performance management supported by appropriate tools and techniques and underpinned by sufficient and accurate data.

Policy and Governance with Audit function includes a range of hard systems and processes as well as softer issues such as trust and high standards of behaviour.

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BSI is currently developing a framework for integrating management system standards that will be called PAS 99.

This slide shows how the clauses of PAS99 map onto our framework for managing property assets.

Advantage of this approach is that it will make it easier for organisations who already adopt common management systems to introduce our industry standard and to align or integrate it with their existing systems.

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This diagram shows the activities and resources needed to carry out the work.

The Drafting Group will prepare and edit content which will be passed to a Review Group. This may happen several times until consensus is reached. The final size of this group will be at least 40 organisations.

The verified document will then be passed to an independent Project Board to be validated. The Project Board currently comprises representatives from IAM, RIBA, BIFM, OGC and COPROP.

Final size is expected to be about 8 institutions.

The drafting process will be assisted by the use of an Internet-based tool called a wiki.   A wiki is a web site that anyone can edit using only a normal web browser.

Perhaps the most famous wiki site is wikipedia, which is the home of an on-line encyclopaedia. The name of our wiki is PropertiWiki.net

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What are the benefits of this project for sponsors?

First, there is the opportunity to raise the profile by publicly branding the White Papers as well as the completed standard.

Sponsors are already using our network to find new clients, customers and business partners.

Sponsors can take a place on the Review Group and help shape interim and final drafts of the standard

Property asset management is an emerging theme. Sponsors will be able to create and protect a competitive advantage in this subject by engaging with the project at an early stage.

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Organisations can reduce risk and boost profit by' by selling goods and services into an agreed framework endorsed by Government and industry.

Participation in the standard signals to clients and business partners a commitment to business process improvement

We are exploring how to make time spent on the standard earn extra credit towards CPD requirements

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The budget is £105,000.

Since January we have raised a third of this amount £40,000.

We now need to raise £65,000 to complete the project.

We plan to do this by inviting 13 more sponsors to contribute towards the cost of the project at £5,000 each.

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Finally, here is a list of the organisations that have contributed time or money to the project so far.

These names are on the back of the project flyers which you have probably seen earlier, and which give more information about our project including the address of the project web site.

Our aim is to create an industry standard in property asset management.

It is intended to be a standard that is of the industry, by the industry and for the industry.

We look forward to working with you to develop this standard during the rest of this year.

Thank you very much for listening.