

3. Decision-making (8 Questions)

Measures

Question 3.1	What are the asset health and operational resilience measures that you use for decision-making?					
Guidance	Please provide a list of asset health and resilience measures used in your decision-making, outlining whether there is a hierarchy of measures and which measures are used internally versus externally. Indicate whether the measures are leading or lagging and whether they measure asset health or service performance. Please demonstrate how these measures are used in your decision-making processes and how they are reviewed for their suitability and improved. Please include any challenges you face with asset health and resilience measures.					
Suggested evidence	None					
Maturity scale						
Unaware	The organisation is unable to demonstrate that it has used asset health measures in decision making and there is no evidence of commitment to develop them.					
Aware	The organisation has identified the need for asset health measures to inform decision-making and there is evidence of intent to progress this.					
Developing	The organisation has asset health measures for a few asset types to inform decision-making. There are plans and resources committed to develop a more comprehensive set of asset health and operational resilience measures.					
Competent	The organisation has asset health measures for most asset types. These measures are a combination of leading and lagging measures and relate to asset health and service performance. The organisation reports on their asset health measures and operational resilience measures regularly and they are used to inform decision-making.					
Optimising	The organisation has an asset health scorecard (or equivalent), which is used to report at different levels of the organisation including the Board. The organisation monitors trends in asset health and resilience measures and projects future trends for different planning scenarios to inform decision-making. There is evidence that the organisation has identified and monitored aspects of asset health and operational resilience in the short and medium term to improve and update these measures.					
Maturity Score	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						
What are your plans in AMP7 & AMP8 (if applicable)? (500 words)						

If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)

--

Quantitative indicator

List of asset health and operational resilience measures including regulatory and internal measures, mapped to asset types/systems.

Please complete table 3.1 in attached spreadsheet.

Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

--

Need Identification

Question 3.2	How do you use asset health data, information, measures and forecasts to identify the need for investment and inform decision-making?					
Guidance	Please describe the process used to identify asset health needs and demonstrate how you use asset health data, information, measures and forecasts to identify the need for investment and inform maintenance and investment planning (including timing of interventions) in the short and medium term.					
Suggested evidence	An example of an asset health trend for an asset type and how it has informed decision-making and investment planning.					
Maturity scale						
Unaware	The organisation is unable to demonstrate that asset health information is used to identify the need for investment.					
Aware	The organisation uses asset health information on an ad-hoc basis to inform decision-making. There is no consistent and documented process for identifying asset health needs and informing intervention planning, although there are plans to develop one.					
Developing	The organisation monitors asset health information for critical asset type and uses this to inform maintenance and investment planning. There are credible and resourced plans to develop this capability further.					
Competent	The organisation consistently and systematically monitors asset health information and asset health trends for most asset types and compares it against expected asset health and performance. There is a documented process for monitoring asset health information and trends and using them to inform decision-making.					
Optimising	The organisation projects asset health information and trends for different planning scenarios to inform decision-making. The asset health information and trends are reported regularly across the organisation. The Board understands performance trends and makes reasonable use of asset health information in decision-making. The process is regularly reviewed for continuous improvement and to incorporate 'lessons learned' from internal and external sources.					
Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						
What are your plans in AMP7 & AMP8 (if applicable)? (500 words)						
If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)						
Quantitative indicator						
None						

Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

--

Question 3.3	Does the organisation establish a risk tolerance level for asset health and apply this in decision-making? If so, how?					
Guidance	Please explain how risk tolerance levels are established, including: who informs the risk tolerance levels (including customer and stakeholder views); how risk tolerance levels inform identification of needs; how they are understood at all relevant levels within the organisation and the involvement the Board has in setting risk tolerance levels. Please indicate and explain whether there are any differences in risk tolerance levels for different asset types/systems and illustrate how levels of risk tolerance are applied to decision-making.					
Suggested evidence	An example that demonstrates how customer, stakeholder and/or Board engagement has informed the organisation's risk tolerance.					
Maturity scale						
Unaware	The organisation is unable to demonstrate it has established risk tolerance levels for asset health and how it has been reached.					
Aware	The organisation has identified the importance of defining risk tolerance levels and applying them to investment decision making but does not have a documented or consistent approach to do this. There is evidence of intent to progress this.					
Developing	The Board is involved in developing risk tolerance levels relating asset health and service performance. These have informed investment planning for a few asset systems and/or services. There are credible and resourced plans to develop this further.					
Competent	The organisation has a documented or consistent process to establish risk tolerance levels, including engagement with customers and stakeholders on their expectations on asset health risk and service performance. This covers the majority of the services the organisation provides and has been systematically used to inform decision-making.					
Optimising	The organisation regularly engages with customers, stakeholders and their Board on their risk tolerance levels for asset health and service performance. These are used continuously and systematically to inform decision-making across the business. There is evidence to demonstrate that short, medium and long term trends and projections on asset health and resilience have been used to inform this process.					
Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						
What are your plans in AMP7 & AMP8 (if applicable)? (500 words)						

If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)

--

Quantitative indicator

None

Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

--

Optioneering

Question 3.4	How do you use optioneering to develop interventions to address asset health and resilience needs for each asset type?					
Guidance	Please describe your optioneering methodology and any differences in optioneering for critical vs non critical assets. Please include the types of interventions you consider (e.g. do-nothing solutions, operational interventions, making best use of existing assets, collaborating with customers and stakeholders, standardised solutions, nature-based solutions and solutions adapted for future conditions). Please demonstrate how the organisation considers interventions across the 4Rs (redundancy, resistance, reliability and response/recovery) and how the appropriate balance is achieved.					
Suggested evidence	Process diagram of optioneering methodology					
Maturity scale						
Unaware	The organisation is unable to demonstrate that it has a systematic and consistent approach to optioneering to develop interventions and/or there is no commitment to develop one.					
Aware	The organisation uses some form of optioneering to develop interventions, but is aware of the need for a systematic and consistent approach to optioneering and there are plans to develop one.					
Developing	The organisation has an optioneering approach, which systematically considers the benefits for customers and the company and the costs of solutions; however, this is not consistently used across the organisation's assets. There are credible and resourced plans to develop the optioneering approach further.					
Competent	The organisation has a consistent and systematic optioneering approach used across the business. The optioneering approach includes consideration of a wide range of solutions (such as The optioneering approach encourages consideration of do-nothing solutions, operational interventions, making best use of existing assets, collaboration with customers and stakeholders, standardised solutions, nature-based solutions as well as capital interventions). It considers the benefits for the company, customers, communities and the environment and the costs of solutions.					
Optimising	The organisation uses consistent and systematic optioneering methods to encourage interventions across the 4Rs (resistance, reliability, redundancy and response and recovery). The organisation has defined what balance across the 4Rs is appropriate to avoid over-reliance on one approach. The optioneering methodology encourages consideration of adaptive-planning of interventions to take account of uncertainty over the long-term. There is evidence to demonstrate that the continuous monitoring of interventions has been used to inform and update the effectiveness and suitability of solutions in the optioneering process.					
Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						

What are your plans in AMP7 & AMP8 (if applicable)? (500 words)
If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)
Quantitative indicator
None
Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

Question 3.5	How does the organisation determine the balance between preventive and corrective action for different asset systems?
Guidance	Please describe how the organisation balances preventive and corrective actions by asset systems and specifically for critical assets, providing examples for different asset systems. Please demonstrate how you consider the benefits of interventions across multiple drivers (for example, asset health and leakage) and the interactions between interventions in your optioneering.
Suggested evidence	None
Maturity scale	
Unaware	The organisation is unable to demonstrate that it considers the balance between preventive and corrective action in its optioneering and/or there is no evidence of commitment to explore this area.
Aware	The organisation has identified the need to achieve an appropriate balance between preventive and corrective action and there are plans to include this in the decision-making process.
Developing	The organisation considers preventive and reactive interventions; however, there is limited assessment of the cost-benefit trade-offs between interventions to inform this approach. There are credible plans in place to develop this further and fully integrate it in the decision-making process.
Competent	The organisation considers the whole-life costs and benefits of interventions over an appropriate time horizon to consistently and systematically inform the decision-making on the type of intervention and timescale for intervening. Consideration of the criticality of the asset is also included in the decision-making process. When a corrective intervention is selected, there are contingency plans in place to respond and recover from the asset failure.
Optimising	In the optioneering process, the organisation systematically considers addressing multiple threats where possible, the interactions between interventions, and the benefits to multiple drivers, including wider benefits for external systems and stakeholders. The organisation considers the balance of preventive and corrective actions in the short, medium and long terms, applying methodologies such as adaptive planning to identify trigger points when an intervention will be required in the future. The organisation learns lessons from interventions and uses these to continuously improve this process.

Asset management maturity assessment: Decision making

Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						
What are your plans in AMP7 & AMP8 (if applicable)? (500 words)						
If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)						
Quantitative indicator						
Preventive and corrective activity and expenditure over the last 5 years by asset type/system. Please complete table 3.5 in the attached spreadsheet.						
Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.						

Valuation

Question 3.6	How does the organisation understand the link and interdependencies between asset health and service over the short, medium and long term?					
Guidance	Please provide details of how the organisation understands the link between asset health and service over the short, medium, and long-term. Please provide examples for different asset types and systems to illustrate this understanding. Please demonstrate how this informs investment planning and how the investment plans are adjusted based on updated information.					
Suggested evidence	None					
Maturity scale						
Unaware	The organisation is unable to demonstrate that it understands the link between asset health and service.					
Aware	The organisation is aware of the need to understand the link between asset health and service and there is evidence of intent to progress this.					
Developing	The organisation demonstrates that there is ad-hoc consideration of the link between asset health and service for some asset types or systems, with credible and resourced plans to develop this further across the organisation.					
Competent	The organisation has consistent processes in place to understand the link between asset health and service across all asset types and systems. The organisation considers scenarios for how future asset health trends will impact asset performance, service and performance indicators for different asset types and systems. This understanding is used to inform investment planning.					
Optimising	The organisation continuously and systematically monitors, reports and uses asset health and service information to improve its understanding of the link between asset health and service. The organisation incorporates new information on asset health trends to assess their impact on performance, and adjusts its investment plans accordingly.					
Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						
What are your plans in AMP7 & AMP8 (if applicable)? (500 words)						
If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)						
Quantitative indicator						
None						

Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

--

Question 3.7	How does the organisation optimise risks, costs, and performance in its decision-making to prioritise investment within the short, medium and the long term?					
Guidance	Please describe how you prioritise investment where there are competing needs, explaining how asset health and operational resilience are included in the decision-making process. Please provide details of the decision-making approaches used to optimise cost, risk, and performance across an investment portfolio. Please explain how these approaches differ between the short, medium and long-term.					
Suggested evidence	Investment decision-making process					
Maturity scale						
Unaware	The organisation is unable to demonstrate that it has a systematic methodology for prioritising investment across competing drivers and/or intent to develop one.					
Aware	The organisation prioritises investment within investment streams but does not have a methodology for optimising investment across competing drivers. The organisation is aware of the need for a methodology and there are plans to develop it.					
Developing	The organisation has developed an approach for prioritising investment across competing needs and drivers. This is largely done through deliberative discussion with senior leadership across the organisation and there is no documented and systematic methodology to do this across asset types and systems. There are credible plans and resources committed to develop this further.					
Competent	The organisation uses systematic and consistent quantitative decision-support tools to inform its decision-making across competing priorities. The approach takes account of legal drivers, regulatory commitments, customer and stakeholder views and bottom-up operational needs, among others. The decision-making approaches used by the organisation optimise cost, risk and performance for different planning scenarios (covering short, medium and long term timeframes). The Board understands the competing priorities and trade-offs between scenarios and plays an active role in decision-making. They understand the residual risk the organisation holds.					
Optimising	The organisation regularly reviews the optimisation of investment taking account of the changing needs and drivers. The approach continuously and systematically reassesses new information and re-optimises the balance of risk, cost and performance to update its plans.					
Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						
Please evidence your current maturity (500 words)						

What are your plans in AMP7 & AMP8 (if applicable)? (500 words)
If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)
Quantitative indicator
None
Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

Question 3.8	How are asset health and resilience valued in investment decision making?					
Guidance	Please describe how the value of asset health and resilience is integrated into investment decision-making, explaining how the wider value to customers, employees, society, and the environment is included in the decision-making, for example, capitals accounting and ecosystems services. Please indicate whether these are considered quantitatively or qualitatively and whether they are given equal weighting to financial value.					
Suggested evidence	Value framework					
Maturity scale						
Unaware	The organisation is unable to demonstrate that it values asset health and resilience in the investment decision-making and/or there is no evidence that it intends to do so.					
Aware	The organisation is aware of the need to value asset health and resilience in investment decision-making and there are plans in place to progress this.					
Developing	The organisation qualitatively considers the value of asset health and resilience in investment decision-making; this is not done for all assets.					
Competent	The organisation systematically and consistently quantifies (e.g. monetisation) the value of asset health and resilience in investment decision-making. The organisation has implemented and uses a value framework that covers a wide range of social, environmental and economic aspects.					
Optimising	The organisation has consistently and systematically implemented its value framework across all areas of asset management, and has used it extensively to the point of monitoring realised benefits and improving the effectiveness of the value framework and decision-support tool. The organisation monetises the holistic value of asset health and resilience in investment decision-making for the organisation, customers, society and the environment including ecosystems services/natural capital, carbon accounting and social capital.					
Maturity Scores	Unaware	Aware	Developing	Competent	Optimising	Leading
Current Maturity						
Maturity at the end of AMP7						
Maturity at the end of AMP8						

Please evidence your current maturity (500 words)

--

What are your plans in AMP7 & AMP8 (if applicable)? (500 words)

--

If you are demonstrating leading practice please provide details of the leading practice and its benefits (300 words)

--

Quantitative indicator

None

Please signpost any documents you are appending to support your answers. Please provide the name, chapter/section number and page numbers relevant to this question.

--