

## WHAT GOOD LOOKS LIKE

# Applying asset management to a property portfolio

### What is asset management?

Owning and operating property helps to support service delivery and achieve organisational objectives. Asset management involves acquiring, operating, maintaining, and renewing those properties throughout their lifecycle.

### Why does property asset management matter?

Effective asset management of properties helps to achieve organisations' goals by ensuring that:

- the property portfolio is optimised (having the right properties in the right place for the right purposes);
- required levels of service are met;
- investment is prioritised, recognising the need to achieve value for money; and
- there are appropriate levels of resilience for critical buildings and facilities.

### About this guide

This guide is for governors and senior managers. It poses questions and provides some of the indicators that tell us whether your organisation meets our definition of what good looks like. We've designed this guide to help you work out whether you are managing your property assets effectively. It builds on our general guide to [What Good Looks Like – Asset Management](#).<sup>1</sup>

### Effective asset management

A good approach to property asset management is made up of four elements:

- having a **framework** in place to control your approach – policies, procedures, tools, and templates;
- having the right **infrastructure** to support the organisation – the right number of staff with the right skills, knowledge, and experience, with access to the right information;
- being able to **apply** your policies in practice consistently and well; and
- ensuring that senior managers and governors have the information they need to **monitor and review** asset management activity.

1. <https://auditnz.parliament.nz/resources/asset-management>

## Indicators of what good looks like

	Questions for asset managers	Indicators of what good looks like
Framework	<b>1. Do you have an up-to-date asset management strategy for your organisation's properties?</b>	<ul style="list-style-type: none"> <li>Asset management (AM) objectives are aligned to corporate strategy and objectives and are an integral part of the strategic/long-term planning process.</li> <li>The property AM strategy is incorporated into and aligned with other strategies.</li> <li>The property AM strategy covers all properties, regardless of ownership status.</li> </ul>
	<b>2. Does the Strategic Asset Management Plan (SAMP) consider the organisation's property portfolio?</b>	<ul style="list-style-type: none"> <li>The content of the SAMP is not constrained by legislative requirements (if any).</li> <li>The SAMP bridges the gap between asset strategy and operational planning (as set out in the AMP for each activity/group of activities).</li> <li>The SAMP is produced early in the planning process so that it sets the direction for more detailed asset management planning.</li> </ul>
	<b>3. Do you have an up-to-date policy for property asset management?</b>	<ul style="list-style-type: none"> <li>The AM policy for property forms an integral part of the overall AM policy.</li> <li>The AM policy is supported by guidance material to help staff apply the policy.</li> </ul>
Infrastructure	<b>4. Is the organisational structure for managing properties appropriate in regard to the size and extent of the property portfolio?</b>	<ul style="list-style-type: none"> <li>Property management is viewed as a corporate issue.</li> <li>Responsibility for governing the property portfolio is assigned to a committee or governor with clear terms of reference and accountability to the governing body.</li> <li>A Strategic Property Group (SPG) or equivalent is put in place to co-ordinate property management activity across the organisation and provide strategic leadership.</li> <li>The SPG or equivalent has clear terms of reference and is accountable to a nominated person/committee at the governance level.</li> <li>Responsibility for strategic asset management of properties is separated from day-to-day management.</li> </ul>
	<b>5. Are asset management roles and responsibilities clearly defined?</b>	<ul style="list-style-type: none"> <li>A corporate landlord approach is adopted for strategic management and/or day-to-day operational management of properties.</li> <li>Tasks are allocated to specific staff with enough time allocated for them to be carried out at the required frequencies.</li> <li>Training is provided to staff to ensure that they maintain an up-to-date knowledge of asset management practices and systems.</li> </ul>
	<b>6. Does the Asset Management Information System (AMIS) provide the tools needed for all aspects of asset management?</b>	<ul style="list-style-type: none"> <li>All property assets (both owned and leased) are recorded in a centralised AMIS.</li> <li>The AMIS interfaces with other core systems (for example GIS, property maintenance records, customer relationship modules, and finance system) to minimise data duplication and inconsistencies.</li> <li>The AMIS provides information for both day-to-day and longer-term planning.</li> </ul>

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	Questions for asset managers	Indicators of what good looks like
Application	<b>7. Are property asset management processes and procedures consistent with the requirements of the asset management strategy, policy, and any supporting guidelines?</b>	<ul style="list-style-type: none"> <li>Processes match the range and complexity of the property portfolio being managed.</li> <li>Arrangements are in place for maintenance and renewals and to ensure that capital expenditure delivers value for money (for example, the procurement policy requires open competitive quotes/tendering).</li> <li>Asset management processes and procedures are properly documented and periodically reviewed to ensure that they continue to reflect good practice.</li> <li>Interdependencies between properties used by more than one activity are recognised and considered when managing the asset.</li> </ul>
	<b>8. Are there good processes in place to ensure that asset data about properties is complete and accurate?</b>	<ul style="list-style-type: none"> <li>Asset hierarchy enables data capture to support different levels of information needs across the organisation.</li> <li>An asset numbering system is applied to all properties to link and integrate all data for an asset.</li> <li>Responsibility for collecting and maintaining asset data is assigned to an appropriate person(s).</li> <li>A programme of continual monitoring and auditing is put in place to ensure that data accuracy and relevance is maintained.</li> </ul>
	<b>9. Do you do regular condition assessments of all critical and high-risk properties?</b>	<ul style="list-style-type: none"> <li>Critical properties are identified using a structured framework to ensure consistency in the assessment process.</li> <li>Condition assessments are periodically performed, more frequently and with more comprehensive coverage for critical properties.</li> <li>Condition assessments are used to determine where maintenance and/or capital expenditure is required.</li> <li>Different treatment/management plans are developed for different criticality levels, reflecting the impact on service delivery.</li> </ul>
	<b>10. Have seismic assessments been carried out to assess compliance with current legislation?</b>	<ul style="list-style-type: none"> <li>Up-to-date assessments are carried out on all critical and high-usage buildings.</li> <li>Plans are established to deal with issues identified from seismic assessments.</li> </ul>
	<b>11. Has the resilience of properties been assessed for adverse weather conditions and vulnerability to climate change?</b>	<ul style="list-style-type: none"> <li>Priority is given to assessing the condition and resilience of critical and high-risk properties, particularly those associated with major infrastructure for community health and safety.</li> <li>The capital expenditure and maintenance programme reflects the work necessary to develop and maintain the resilience of critical properties.</li> <li>Contingency plans are developed where feasible, to ensure continuity of service when adverse events occur.</li> </ul>

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	Questions for asset managers	Indicators of what good looks like
Application (continued)	<b>12. Have expected levels of service and key performance indicators (KPIs) been established for each property?</b>	<ul style="list-style-type: none"> <li>• Demand for services provided/carried out using properties is accurately measured.</li> <li>• Required/expected levels of service are clearly defined for each property from a user perspective as well as at a technical level.</li> <li>• All KPIs are specific, measurable, achievable, relevant, and time-bound (SMART).</li> </ul>
	<b>13. Are the outcomes of asset management planning activities properly documented in Asset Management Plans (AMPs)?</b>	<ul style="list-style-type: none"> <li>• An AMP is prepared, covering major categories of property assets and aligned to AMPs for other assets.</li> <li>• Key audience(s) for AMP are identified and documents are prepared with their information requirements in mind.</li> </ul>
Monitor and review	<b>14. Are asset management practices consistent with required levels of maturity, as specified in the asset management policy or guidelines?</b>	<ul style="list-style-type: none"> <li>• Asset management maturity is periodically assessed against a recognised framework, such as the Asset Management Maturity Assessment developed by the Treasury and the Institute of Public Works Engineering Australasia (IPWEA).</li> <li>• Peer review is used to provide asset managers with a second opinion on the effectiveness of AMPs and to identify/confirm areas where the asset management system and processes need more work.</li> </ul>
	<b>15. Are improvement plans in place for areas where there are identified gaps between good asset management practice and current practices?</b>	<ul style="list-style-type: none"> <li>• Improvement plans are kept up to date and are regularly refreshed to reflect what needs to be done to improve property asset management.</li> <li>• Improvement plan tasks are prioritised and used as a basis for determining work programmes.</li> <li>• Sufficient time and resources are allocated to carry out necessary improvements.</li> </ul>
	<b>16. Does your organisation have a formal 'Asset Challenge' process in place to periodically review the logic behind retaining properties for use and assessing whether they are fit for purpose?</b>	<ul style="list-style-type: none"> <li>• A clearly defined scope and objectives are established at the start of the Asset Challenge process.</li> <li>• The Asset Challenge process considers all properties used but not owned as well as those that are owned (for example, leased properties and facilities shared with other organisations).</li> <li>• Opportunities for regional collaboration, shared services/facilities, and alternative ways of delivering services (which in turn will affect what assets are required) are considered.</li> <li>• The data used for review (for example, measures of performance, suitability, condition, and usage) are up to date and accurate.</li> </ul>