

Appendix B

The benefits of strategic property asset management

CIPFA Property

Where strategic property asset management has been effectively put in place it has brought real and tangible benefits for the organisations concerned, in the following areas.

Being corporate

- Establishing a strategic property group (or board) where corporate discussions can take place.
- Putting into place a corporate landlord governance model.
- Appreciating that long-term change was needed which relies on a corporate approach.
- Increasing the desire for a corporate solution.
- Enabling common priorities to be agreed and adopted.
- Enabling the establishment of corporate standards for assets, for example in asset condition or utilisation.

Awareness

- Raising profile of property assets and brought senior leadership buy-in.
- Showing that things had to change.
- Knowing more about their assets.
- Improving engagement with elected members.
- Increasing understanding of how assets enable an organisation and services to deliver.
- Putting property at the top table.

Service delivery

- Improving engagement between property team and services.
- Development of department asset strategies or incorporating asset strategies within departmental business planning approaches.
- Supporting services to challenge their service delivery operating models.

Finances

- Improving financial forecasting.
- Identifying procurement cost savings.
- Analysing and aligning budgets.
- Demonstrating savings, delivering efficiencies or spending money more wisely.
- Taking a more commercial attitude to services and to property assets, and driven value from the portfolio.
- Focussing staff and finance where biggest difference can be made.
- Initiated a capital and disposal strategy.
- Developing an investment strategy.

Efficiency

- Realising the need and value of data in improving efficiency and in making decisions.
- Understanding costs.
- Highlighting property performance:
 - energy
 - maintenance
 - compliance
 - fitness for purpose.

- Achieving better and fewer assets.
- Enabling the development of a repair and maintenance programme.
- Supporting asset review, rationalisation and asset challenge.

Delivering corporate objectives

- Delivering better return (social and financial) through formal decision making platforms.
- Driving regeneration.
- Driving organisational policy on Community Asset Transfer.

Partnerships

- Improving collaboration and brought organisations together, including neighbouring local authorities, blue light services, health, central government etc.
- Supporting area reviews and co-location strategies.
- Developing better links with other council strategies.
- Promoting and delivering Internal shared use of assets.

Why the benefits are sometimes not seen

For some organisations, attempts to adopt a strategic approach to property asset management do not get sufficient traction or at various points go 'off the rails'. Sometimes this is due to the organisation writing their asset management framework before they have put in place the necessary and important foundations. There can be a number of other reasons why strategic property asset management does not deliver what was intended. These can include:

- Lack of understanding as to what it is all about.
- High level policy change or shift in political priorities.
- Other plans and strategies change.
- Inconsistencies in approaches.
- Approaches to changing priorities or strategies is not fed through to property asset implications and need to adapt.
- The asset management framework becomes too bulky and cumbersome.
- The asset management framework results in being nothing more than a position statement instead of being forward-looking and strategic.
- The organisation lacks a culture of taking a corporate approach to decision making.
- Political overrule of adopted strategy in certain cases.
- Struggle to achieve engagement with all senior management and services.
- Heavy operational workload resulting in diversion of resources from strategic activities.
- Lack of adequate property-related data.
- No clarity around service delivery models.
- Timeframes, objectives or funding arrangements of partners out of alignment.
- Amount of time, money and people available to deliver.
- Ward councillors can sometimes concentrate on local issues rather than bigger picture.
- Dependence on internal drivers for change which is not always there.
- The property team lacks status within the organisation.