

Strategic property asset management

Asset management consultancy, ATRIUM Software, outlines the major issues and goals for strategic property asset managers

WITH UK CENTRAL GOVERNMENT alone spending £6bn a year to run property assets worth around £220bn¹, strategic property asset management is now firmly on the map. Pressure has never been greater not only to deliver services more efficiently and effectively, but also to demonstrate increased value for money year on year.

Drivers for change

Asset management planning is not a static event but a dynamic process with inputs, and consequently outputs, which are constantly changing. At the same time, asset managers are required to meet the challenge for continuous improvement across the whole diverse property asset portfolio, and address a number of external initiatives including:

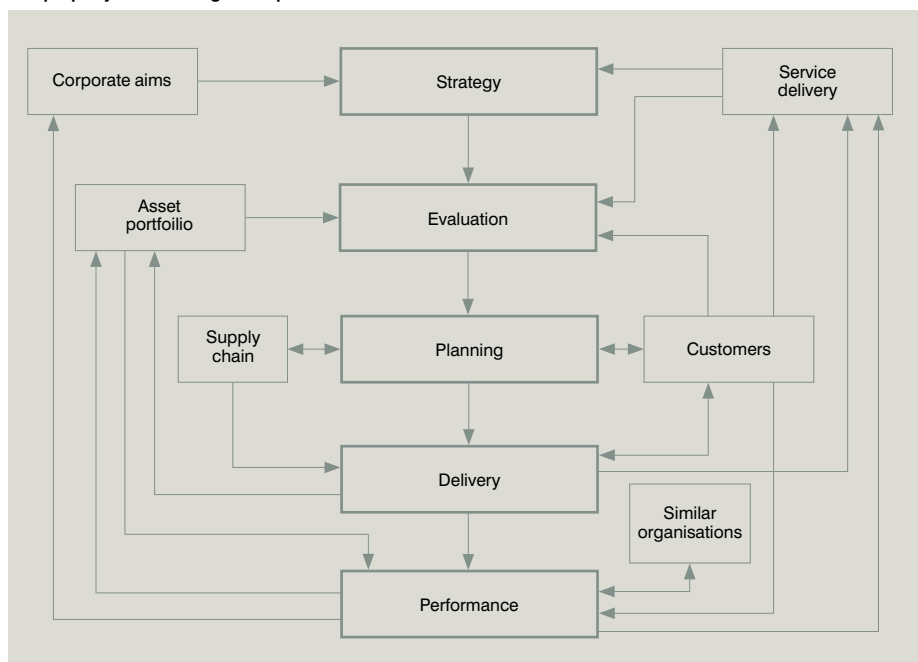
- Gershon and delivering efficiency in local services: This will comprise better use of, and rationalising of, the current portfolio; better procurement of work; home and flexible working, disposal of public assets (Lyons agenda); and provision of a cost based saving of 2.5 percent a year.
- Sustainability: The government is setting ambitious environmental targets for public sector buildings. To meet these targets records of energy consumption and energy ratings will become essential.
- Department for Education and Skills (DfES): The DfES requires LEAs to submit electronically condition, suitability and net capacity returns. Soon, water and energy consumption and curriculum analysis for secondary schools will also be required.

Property asset management process

The property asset management process delivers through the following key stages:

- Strategy – setting out the strategic framework by identifying the corporate and service aims, objectives, standards and constraints.
- Evaluation – understanding the supply and demand models for land and property and

The property asset management process



prioritising within the strategic framework.

- Planning – taking the priorities and carrying out option appraisals to identify and plan actions and the procurement of project resources.
- Delivery – carrying out the investment and disposal plans.
- Performance – measurement of both the product (assets) and processes for internal and external benchmarking.

Achieving strategic property asset management goals

To achieve these wide ranging goals within this framework, ATRIUM believes that asset managers need a single, fully integrated system which can not only hold and maintain accurate data on their property asset portfolio, but equally importantly, enable them to have easy access to both detailed and strategic management information.

With ever increasing pressure on organisations to perform in cost-effective ways, there is an urgent requirement to review the business systems which support asset managers within the organisation. A clear list of priorities is emerging for asset managers, including:

- Asset management as a corporate function.
- A single up-to-date asset register, based

on a nationally recognised structure, with a rolling programme of property surveys and up-to-date asset management plans.

- Asset management decisions should be based on an holistic view of the asset, including condition, access for the disabled, asbestos, suitability, sufficiency, sustainability, use and costs in use.
- Thorough option appraisal and whole life costing so that investment and disposal decisions can be made.
- The criteria for prioritisation of potential investment and disposal options to rationalise the portfolio should be based on the organisation's corporate and service delivery objectives and strategies.
- Evaluation of investment and disposal options, based on thorough option appraisal and whole life costing, and effective performance indicators. ■

1. OGC Government Asset Management Conference 2006 agenda preface.

This article is drawn from a white paper commissioned by Atrium Software Ltd from Terry Pitt MSc FRICS MSMI, Director of M Squared Consultants. Copies of the original white paper are available to download at www.atriumsoft.com. For more information on ATRIUM products and services, please contact Paul O'Connor on 01275 814333 or email info@atriumsoft.com.