



Northern Ireland Audit Office

Survey of Property Asset Management in Central Government



1 June 2011



Northern Ireland Audit Office

Survey of Property Asset Management in Central Government

This survey has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987 ahead of a wider and more detailed report that will be published later in 2011, for presentation to the Northern Ireland Assembly in accordance with Article 11 of that Order.

K J Donnelly
Comptroller and Auditor General

Northern Ireland Audit Office
1 June 2011

The Comptroller and Auditor General is the head of the Northern Ireland Audit Office employing some 145 staff. He and the Northern Ireland Audit Office are totally independent of Government. He certifies the accounts of all Government Departments and a wide range of other public sector bodies; and he has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

For further information about the Northern Ireland Audit Office please contact:

Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

Tel: 028 9025 1100
email: info@niauditoffice.gov.uk
website: www.niauditoffice.gov.uk

© Northern Ireland Audit Office 2011

Contents

Part 1	Introduction	2
	Background to the survey	2
	Scope of the survey	3
	Overview of the questionnaire	4
	Comparison with other United Kingdom regions	5
	Presentation and interpretation of data	5
	Key findings of the survey	6
Part 2	Property Asset Management Strategy	10
	Background and context	10
	Survey results	10
Part 3	Property Asset Management Responsibilities	16
	Background and context	16
	Survey results	16
Part 4	Property Asset Management Advice	24
	Background and context	24
	Survey results	24
Part 5	Management and Information Technology Systems	28
	Background and context	28
	Survey results	28
Part 6	Suitability of Property Assets	36
	Background and context	36
	Survey results	36

Part 7	Incentives and Hindrances to Delivering Efficiency	40
	Background and context	40
	Survey results	40
Part 8	Property Management Guidance	46
	Background and context	46
	Survey results	46
Part 9	Demonstrating Value for Money	50
	Background and context	50
	Survey results	50
Part 10	Underutilised and Surplus Assets	54
	Background and context	54
	Survey results	55
Part 11	Annual Costs	58
	Background and context	58
	Survey results	59
Part 12	Property Management Initiatives	64
	Background and context	64
	Survey results	64
	General comments	66
Appendix 1	Copy of Property Assets Questionnaire	70
Appendix 2	List of Public Bodies Surveyed	81

Abbreviations

CART	Central Assets Realisation Team
CPD	Central Procurement Directorate
CRT	Capital Realisation Taskforce
DFP	Department of Finance and Personnel
ePIMS	Electronic Property Information Mapping System
IT	Information Technology
LPS	Land and Property Services
MPMNI	Managing Public Money Northern Ireland
NICS	Northern Ireland Civil Service
NIAO	Northern Ireland Audit Office
OGC	Office of Government Commerce
PFI	Private Finance Initiative
PPP	Public Private Partnership
SIB	Strategic Investment Board

Part One: Introduction



Part One: Introduction

Background to the survey

- 1.1 The value, size, distribution and costs associated with Northern Ireland's central government property asset¹ estate is difficult to estimate accurately due to fluctuating market values, the timing of valuations and, more significantly, the absence of centralised baseline data.
- 1.2 Our review of central government accounts for the year ended 31 March 2010 identified an estate with a book value of £44 billion. Even allowing for the fact that 78 per cent of this estate comprises infrastructure assets (e.g. roads and bridges), the land and buildings that make up the remaining 22 per cent are still significant assets. In addition, there are a number of operational Public Private Partnership (PPP) assets, with an initial capital value of £480 million, and a further £366 million of non-operational PPP² assets, which have not been included in asset valuations. The public sector also leases a significant number of buildings. However, we were unable to determine from our review of financial statements the total value or costs of all types of leases.
- 1.3 It is likely that the costs associated with the management of this property asset estate are the second most expensive after staff costs³. It is therefore important that this is done efficiently for the taxpayer and the environment. The importance of good practice asset management to wider public sector efficiency was acknowledged in June 2010 by the Assembly's Committee for Finance and Personnel⁴. It recommended that "a comprehensive, mandatory central asset register for all public bodies – as recommended in the report of the Capital Realisation Taskforce in December 2007 – should be established without further delay". The Committee also recommended that surplus government properties, together with the annual costs involved, should be fully disclosed in a more user friendly and meaningful way.
- 1.4 The use of Estate Management indicators, as recommended in the 'Value for Money in Public Sector Corporate Services' report by the Public Audit Forum⁵, is one way in which central, baseline data can assist in promoting and driving efficiencies. From June 2009 all English public sector organisations employing more than 250 employees have been required to collect and publish data using these indicators⁶. Up-to-date benchmark data in relation to the costs of managing and maintaining administrative and operational buildings has been published covering public bodies in England and Scotland. The results of such good practice are

1 The definition of property assets for this survey includes land, buildings, infrastructure assets (e.g. roads and railways), property investments and cultivated assets. This includes any assets which are deemed to be underutilised or surplus to requirements. It also includes the public sector property assets whether owned, leased, managed and/or occupied.

2 Non-operational PPP assets are those which are still under construction and are not yet completed. The capital value of both operational and non-operational PPP assets is based on the total financing which was/is required to complete the project over a 25 to 30 year period.

3 The Office of Government Commerce 'State of the Estate in 2008: A Report on the efficiency and sustainability of the Government Estate' reported this to be the case in England. We are not aware of any similar baseline data having been centrally compiled for Northern Ireland. We do not therefore know the total cost of running these assets.

4 Committee for Finance and Personnel Report on the Preliminary Inquiry into Public Sector Efficiencies Report: NIA 60/09/10R: 2 June 2010.

5 The public audit agencies, the National Audit Office, the Northern Ireland Audit Office, the Audit Commission for Local Authorities and the National Health Service in England, the Wales Audit Office and Audit Scotland have established the Public Audit Forum to provide a focus for developmental thinking in relation to public audit.

6 Operational Efficiency Programme June 2009.

beginning to identify and realise major efficiency savings⁷. It is against this background and in particular the Executive's desire to realise efficiency savings that we carried out our survey.

- 1.5 This document contains the findings from our survey, based on responses to a questionnaire (Appendix 1) examining the management arrangements of Northern Ireland's central government property assets⁸. The survey gave Accounting Officers/Chief Executives of the public bodies invited to participate (Appendix 2) the option to submit either a paper or an electronic response. The survey took place between August and October 2010, with each public body being given four weeks to complete and submit the questionnaire. Following some extensions to the original deadline a 100 per cent return rate was achieved by 21 October 2010, some six weeks after the original deadline. The results of this survey were published on the NI Audit Office website in June 2011, ahead of a wider and more detailed report that will be published later in 2011.

Scope of the survey

- 1.6 Northern Ireland's central government property assets include all property assets, regardless of classification which are owned, leased, managed and/or occupied in the name of an individual public body. Our review of the financial statements of 117 central government public bodies audited by the Northern Ireland Audit Office, identified 79 to be included in the survey⁹. These were selected as their financial statements showed evidence of owning, maintaining or leasing assets. Whilst these make up 68 per cent of bodies audited by number, this encompasses most central government property assets.
- 1.7 Asset management arrangements for all land and buildings should be commensurate with the size and complexity of an organisation. The 79 public bodies which contributed to the survey vary greatly in terms of organisational structure, size and remit. While much of Northern Ireland's central government property assets rest with Arms-Length-Bodies, Departmental Accounting Officers are ultimately responsible for implementing property asset management arrangements and for ensuring that appropriate governance arrangements are in place.
- 1.8 The Department of Finance and Personnel (DFP) Properties Division owns or leases approximately 200 properties across Northern Ireland. It maintains these properties on behalf of a wide range of government departments, their agencies and non-departmental public bodies. Properties Division recovers most of its costs through applying a notional charge¹⁰ which is deducted from departments' budget allocations. This notional charge, based on flat rate cost per square metre (currently £230 m² per year), includes facilities management costs and where applicable utility costs, and the rate applied is the same across the entire Northern Ireland Civil Service (NICS) regardless of location or the condition of the accommodation.

⁷ OGC 'State of the Estate 2009: A Report on the efficiency and sustainability of the Government Estate'.

⁸ A separate survey of the property asset arrangements for local government councils has been conducted.

⁹ The survey does not include Local Government owned property assets. Certain other public bodies with more independent funding and governance arrangements, such as Northern Ireland Assembly; Ports; non-controlled schools; and Universities, which collectively hold a significant amount of land and buildings.

¹⁰ A notional charge is one where no cash flow occurs. The charge is deducted from each Department's budget at source by DFP.

Part One: Introduction

- 1.9 A small number of other departments (excluding DFP) own land or buildings which are leased to other departments or public sector organisations.

Overview of the questionnaire

- 1.10 The questionnaire used in our survey was based on a similar one issued by the Scottish Government in 2008. Following interviews and feedback with property specialists within DFP (Land and Property Service and Properties Division), the content of this questionnaire was updated, adjusted and refined.
- 1.11 The questionnaire examined 11 themes:
- Property Asset Management Strategy (Part Two)
 - Property Asset Management Responsibilities (Part Three)
 - Property Asset Management advice (Part Four)
 - Management and Information Technology Systems (Part Five)
 - Suitability of Property Assets (Part Six)
 - Incentives and Hindrances to Delivering Efficiency (Part Seven)
 - Property Management Guidance (Part Eight)
 - Demonstrating Value for Money (Part Nine)
 - Underutilised and Surplus Assets (Part Ten)
 - Annual Costs (Part Eleven)
 - Property Management Initiatives (Part Twelve)
- 1.12 For most sections, organisations were given the opportunity to add comments in addition to answering closed questions. In this report answers to open questions have been included as quotes at the end of each part.
-

Comparison with other United Kingdom regions

- 1.13 While surveys have been conducted in Scotland and Wales, differences in the strategic and operational arrangements for managing the government property assets in each region mean that we are unable to benchmark accurately against these surveys, although high level analysis of the results is possible. Overall our key findings tended to match those identified in Scotland and Wales. However, Scotland and Wales both appear to be more advanced in their property asset management arrangements, having a more centralised, top down regional property management approach. The Office of Government and Commerce (OGC) has developed a formal property asset database system (the 'ePIMS' system¹¹) and its use by departments in England has been mandatory since 2006. As a result, other UK regions are better placed to identify and realise efficiencies within a shorter timescale than in Northern Ireland.

Presentation and interpretation of data

- 1.14 It is important to note that the results from this survey are based on a sample of public bodies and not the entire Northern Ireland public sector. Consequently the results are subject to sampling tolerances. However, the coverage of the sample (paragraph 1.6), combined with a 100 per cent return rate, gives a high degree of confidence on conclusions drawn around the management of property assets in central government bodies.
- 1.15 The survey was directed at Accounting Officers/Chief Executives of each of the public bodies included in the survey. Whilst this has helped deliver a 100 per cent response to the survey, the quality and detail of the content varied and some returns were basic at best. Despite these shortcomings we have interpreted all data as having been reviewed by Accounting Officers/Chief Executives prior to submission to us.
- 1.16 The responses from all organisations have received equal weighting, regardless of the size or value of properties owned, leased, managed or occupied. The absence of any accurate and meaningful, central baseline data and the poor quality of some of the cost data supplied to us in survey returns prevented us from conducting deeper analysis.
- 1.17 In figures or tables where percentages do not add up to 100 per cent, this is due to multiple answers from organisations.
- 1.18 Some of the answers to the open ended questions submitted by four public bodies, each with responsibility for significant property assets and operating within the same sector were identical. It was clear that these organisations worked together to compile their responses. We can only assume that this was done so that no one organisation would look as if their asset management arrangements were better or worse than the others.

11 Electronic Property Information Mapping Service (ePIMS) is government's universal property mapping system.

Part One: Introduction

1.19 Finally, we do not connect any data received to the names of any public bodies. We decided that public bodies would be less likely to respond candidly if their management arrangements were individually identifiable.

Key findings of the survey

1.20 A number of high level findings from our survey are highlighted below:

- a. Overall, Northern Ireland lags behind the rest of the United Kingdom in relation to estate management arrangements.** As a result, these other regions may be better placed to identify and realise efficiencies within a shorter timescale (paragraph 1.13);
- b. Less than one in ten public bodies have a comprehensive and formal property asset strategy in place** to assist in delivering public services efficiently (paragraph 2.5);
- c. There is confusion within organisations in relation to where responsibilities lie** for strategic asset management arrangements (paragraph 3.4);
- d. Not all public bodies seek advice or approval from their sponsoring department** in relation to large property asset management decisions (paragraph 4.4);
- e. There is little evidence that Northern Ireland Civil Service organisations occupying DFP managed office accommodation challenge the nominal cost of this service** (paragraph 5.11);
- f. Property asset management arrangements in Northern Ireland are highly fragmented,** with many organisations working independently, for example, the use of different management and information technology systems (paragraph 5.12). Some work is being done to centralise arrangements, however progress is slow and has had limited impacts to date;
- g. With the exception of energy management, the use of property estate key performance indicators, benchmarking and the setting of performance targets by most public bodies, is limited or nonexistent** (paragraph 5.15);
- h. Most organisations are being forced to manage their property estate more efficiently due to increasing costs and a decreasing budget,** rather than a desire to be more efficient (paragraph 7.4);

- i. **A significant number of public bodies do not follow any financial or asset management guidance to plan and manage their land and buildings** (paragraph 8.5);
 - j. **Almost half of public bodies have identified either surplus or under-utilised assets** (paragraph 10.7);
 - k. **Some public bodies do not know the full costs associated with their property assets** (paragraph 11.4); and
 - l. **Awareness of property asset management is increasing for most organisations** however limited resources and the absence of centralised governing body driving better property asset management, is inhibiting this awareness and is preventing it from being translated into efficiencies (paragraph 12.5).
-

Part Two:
Property Asset Management Strategy



Part Two: Property Asset Management Strategy

Background and context

- 2.1 All central government public bodies must follow the mandatory guidance set out in *'Managing Public Money Northern Ireland'* (MPMNI). Public sector organisations own or use a range of assets and MPMNI requires each organisation to devise an appropriate asset management strategy to define how it acquires, maintains, tracks, deploys and disposes of the various kinds of assets it uses. MPMNI also requires public bodies to review the strategy annually as part of its corporate or business plan. Due to their value and associated resource costs, this is particularly relevant for property assets.
- 2.2 A fundamental reason for having a formal property asset management strategy in place is to match existing and potential future property asset resources to core functions and services, both at a strategic level and an operational level. As well as enhancing governance arrangements through the production of a coherent strategy, improving asset management will release resources, potentially generate revenue and deliver efficiencies.
- 2.3 For example, the procurement, development and improvements to property assets, incur significant one-off or recurring¹² costs. In addition, there are often significant opportunity costs associated with holding property assets which are not fully utilised and the sale of assets that are surplus to requirements could release funding for other capital projects. Added to this is the everyday running and maintenance of surplus or under-utilised assets, whether they are owned or leased, which may result in significant recurring revenue costs.

Property Asset Management Strategy – survey results

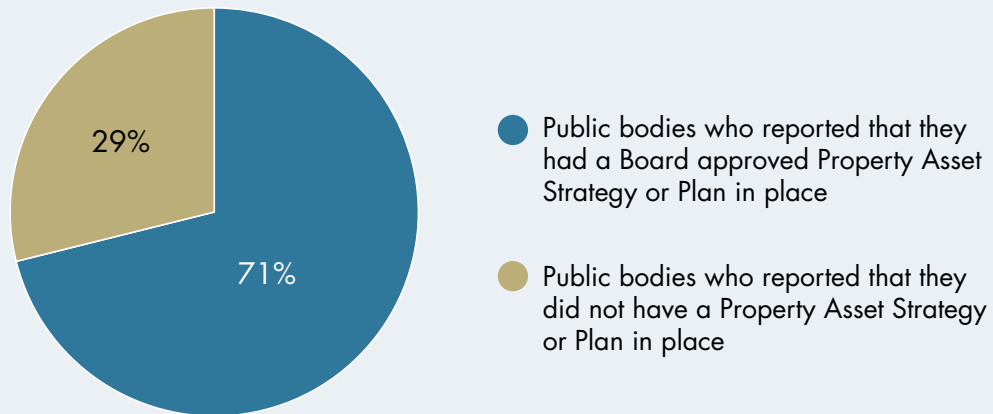
- 2.4 Overall, 29 per cent of Northern Ireland's public bodies reported to us that they had an up-to-date estate management/ property asset management strategy or plan¹³ which had been approved by their Board and was linked to their organisation's corporate plan. However, 71 per cent reported that they did not have such a document in place (see **Figure 1** overleaf).
- 2.5 The 29 per cent (23 public bodies) who reported that they had a strategy or plan in place were asked to provide evidence to support their response; this was provided by all but two bodies. Our review of submitted documentation (see **Figure 2** overleaf) indicates that only seven bodies (less than one in ten of all bodies surveyed) have an up-to-date, comprehensive asset strategy or plan covering all areas of the organisation, linked to the organisation's corporate plan and approved by the management board.
- 2.6 The coloured segments in Figure 2 provide an analysis of the 23 public bodies that reported to us that they had an up-to-date strategy or plan (paragraph 2.5). We found that of these, ten public bodies (12 per cent of all bodies surveyed) are, to some degree, formally addressing the strategic and/or operational management of their land and buildings, by way of a strategy

12 Recurring costs can include annual payments to operational PPP/PFI projects

13 The term property asset management is also referred to as estate management by some Public bodies. In addition we were conscious of the fact that some organisations may have 'property asset management plans' in place as well as, or instead of, a strategy. Therefore to remove any ambiguity or confusion regarding terminology, we included each of these terms in the questionnaire

Figure 1: Do you have an up-to-date Estate Management/Property Asset Management Strategy/Property Asset Management Plan, which has been approved by your organisation's Board?

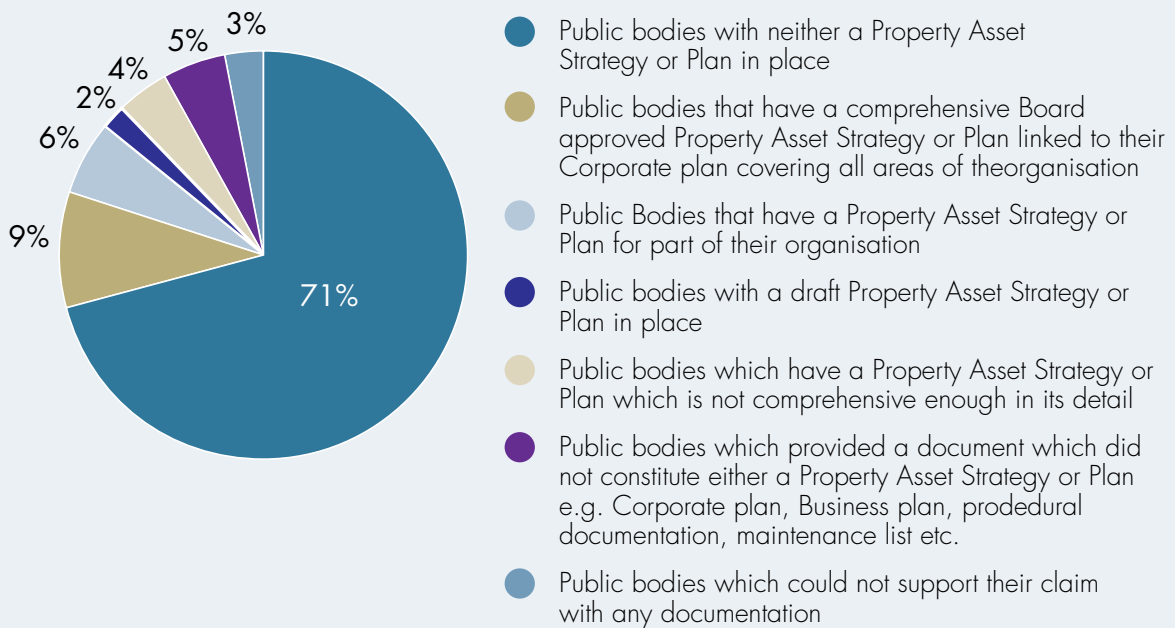
Property Asset Management Strategies or Plans



Base: 79 central government organisations 12 August 2010 – 21 October 2010
 Source: NIAO

Figure 2:

Property Asset Management Strategies or Plans



Base: 79 central government organisations 12 August 2010 – 21 October 2010
 Source: NIAO

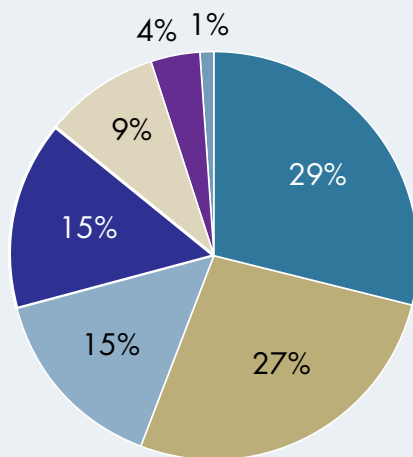
Part Two: Property Asset Management Strategy

or plan. However, six public bodies (eight per cent of all bodies surveyed) did not produce sufficient documentation to support their response.

- 2.7 This leaves the remaining 71 per cent (56 public bodies) (paragraph 2.4), which did not have any formal strategy or plan in place. These organisations have provided a range of explanations summarised in **Figure 3** by the colour segments.
- 2.8 The most common response from 21 public bodies (27 per cent of all bodies surveyed) was that work to complete a Property Asset Strategy or Plan is either underway or about to begin.
- 2.9 12 public bodies (15 per cent of all bodies surveyed) believed they were too small to have an asset management strategy or plan. Many of these organisations only occupy one or two buildings which are not owned by them, although a small number did own their own properties.
- 2.10 A further 12 public bodies (15 per cent of all bodies surveyed) reported that, although they do not have a property asset strategy or plan in place, they have other procedures in place to manage their land and buildings.

Figure 3:

Reasons for not having a Property Asset Strategy or Plan



- Public bodies who reported that they had a Board approved Property Asset Strategy or Plan in place
- Public bodies that have indicated that work to complete a Property Asset Strategy or Plan is currently underway or about to begin
- Public bodies that are of the opinion that they are too small to have a Property Asset Strategy or Plan and have not indicated any plans to develop one
- Public bodies that have some form of Asset Management procedures in place to manage their estate
- Public bodies that believe they do not need either a Property Asset Strategy or Plan because they utilise premises owned by another organisation
- Public bodies who did not provide any reason or provided an insufficient reason
- Public bodies that would like to develop a Property Asset Strategy or Plan, but currently do not have the resources to do so

Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

- 2.11 Seven public bodies (nine per cent of all bodies surveyed) were of the opinion that, because they do not legally own the land and/or buildings that they occupy and use, there is no need for a property asset strategy or plan. These public bodies ranged in size and complexity from small agencies to large departments. Some indicated that it is the legal owner's responsibility to manage these property assets. None of these organisations indicated that it was their responsibility to ensure that properties they occupy are economic and efficient and meet their strategic and operational business objectives. The majority of assets which they refer to relate to office accommodation which is owned by DFP, although a small number of private sector - owned buildings are also occupied.
- 2.12 One public body recognised the importance of a property asset strategy or plan, but lacked the resources to develop one.

Examples of reasons given for not having a Property Asset Strategy or Plan in place:

Organisation A

"The Agency does not own any property assets or land. Two properties are rented in NI. Given this level of activity, a formal asset management strategy is not considered necessary."

Organisation B

"The Department owns a small number of buildings/land and has traditionally adopted a less formal approach to property asset management. It will begin developing an asset management plan now and expects to have it completed by end of October."

Organisation C

"We take our lead on many aspects of Asset Management from our sponsoring Department ... Though not in possession of a single document we have in place systems and procedures to manage the estate efficiently."

Organisation D

"CPD (Central Procurement Directorate) provide a maintenance schedule to ensure that we meet statutory obligations and deal with routine maintenance as required. We regard this as sufficient."

Organisation E

"Please note, that although 1a is yes [our] Property Asset Management Strategy is simple and unwritten."

Organisation F

"[Our Department] has 2 buildings - both of which are managed by DFP Properties Division as they are part of the NICS estate."

Part Three:
Property Asset Management Responsibilities



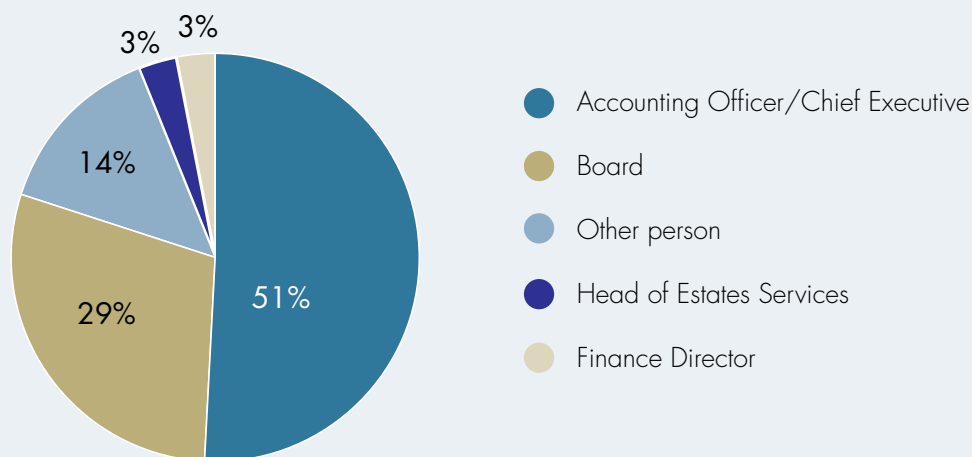
Part Three: Property Asset Management Responsibilities

Background and context

- 3.1 The responsibility for strategic decision making, leading and developing, together with the initiation of property asset management varies considerably across Northern Ireland's central government public bodies. In general, many public bodies are driven by a number of circumstances, such as their history, size, complexity and remit. The HM Treasury Code of Practice on Corporate Governance published in 2005, places the strategic management of property assets clearly under the umbrella of corporate governance at departmental management Board level. Investment in, and the management of, property assets are significant business risks which frequently raise governance and audit issues.
- 3.2 Only one public body has, as a primary remit, the management of an administrative property estate, namely Property Services within DFP, which manages the 'core' Northern Ireland Civil Service (NICS) estate (paragraph 1.8). However, certain bodies which are responsible for the management of property for a specialist purpose such as hospitals, prisons, police stations, museums, libraries etc, should have the strategic management of those assets as a primary business objective, driven at Board level. For other smaller public bodies the management of property would be considered to be secondary to their main business objectives, which may explain its relatively low status.
- 3.3 It is also important to consider the results of the survey within the context of the organisation to which it relates. Not all organisations have a need for the person responsible for asset management to have specialist qualifications, particularly those public bodies occupying DFP properties, as the function of facilities management is carried out on their behalf. In addition, small organisations owning, occupying or managing single properties would not require a professionally qualified property manager. Organisations with a property asset estate however would benefit from such expertise.

Property Asset Management Responsibilities – survey results

- 3.4 Each public body was asked who had overall responsibility for taking strategic property asset management decisions. **Figure 4** shows that 51 per cent of organisations reported that the Chief Executive/Accounting Officer had overall responsibility. Interestingly, two organisations reported that their Minister was ultimately responsible (included in 'Other person'). While Ministers are responsible for considering and approving the strategic objectives and the policy and performance framework within which a department operates and are able to do take the final decisions on all strategic matters, they rely on the collective advice and decision making of a Board, which includes the Chief Executive /Accounting Officer. Less than one third of organisations (29 per cent) reported that their Board had overall responsibility.
-

Figure 4: Who has overall responsibility for taking strategic property asset management decisions?**Responsibility for taking strategic property asset management decisions**

Base: 79 central government organisations 12 August 2010 – 21 October 2010

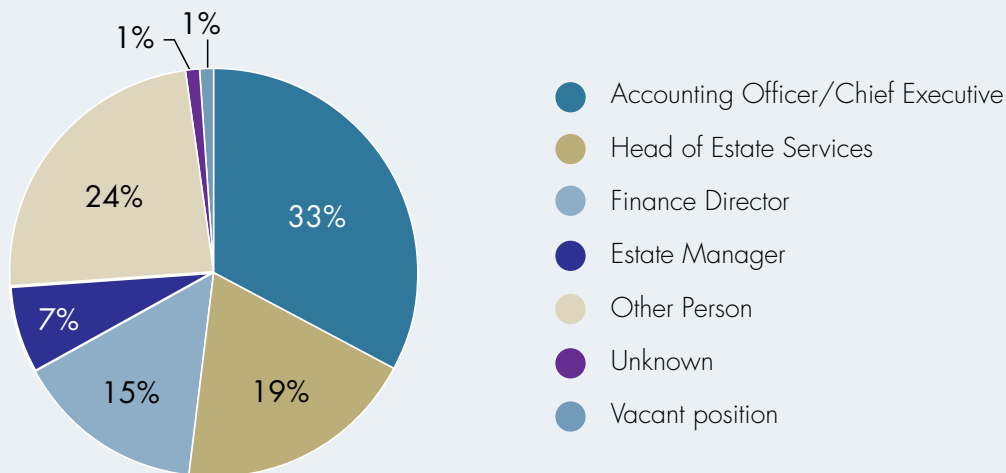
Source: NIAO

- 3.5 Almost half of the organisations which reported 'Other person' indicated that strategic responsibilities had been delegated to 'Director' level; whilst others indicated that a combination of Board and Chief Executive or a Chief Executive equivalent e.g. a Commissioner, had overall responsibility.
- 3.6 Those organisations that have overall responsibility delegated to a finance director or other director level, tended to be smaller organisations with little or no owned land or buildings. However, some were departments with a significant property asset estate. In addition, one department, which does not own any land or building assets, but has ultimate strategic responsibility for a significant property asset estate, reported that it had no-one with responsibility for taking strategic property asset management decisions. This is in contrast with another department, which has an established division responsible for the strategic management of its entire estate. The variety of reported responses is a concern, indicating a lack of consistency, clarity and understanding of the roles and responsibilities of senior management at a strategic level for property asset management.

Part Three: Property Asset Management Responsibilities

Figure 5: Who has responsibility for leading/developing property asset management initiatives?

Responsibility for leading/developing property asset management initiatives



Base: 79 central government organisations 12 August 2010 – 21 October 2010

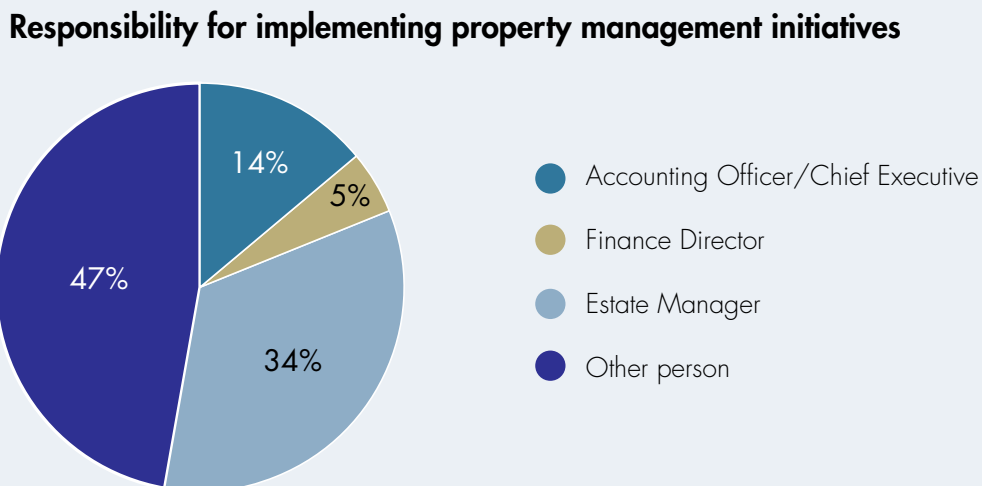
Source: NIAO

- 3.7 Each public body was also asked who had responsibility for leading/developing property asset management initiatives (see **Figure 5**). Public bodies with more significant asset holdings reported that they have a Head of Estates (19 per cent) or an Estates Manager (seven per cent). For others, property asset management initiatives rest with another individual within the senior management team, for example a Finance Director (15 per cent).
- 3.8 Those reporting that an 'Other person' (24 per cent) was responsible for leading/developing property asset management initiatives, referred to another member of the senior management team e.g. Human Resource Director or Corporate Services Director. There were some minor exceptions to this, with a small number of public bodies which had multiple people performing the role for individual buildings, or group of properties. One body reported that a Committee performed this function.
- 3.9 Smaller public bodies with little or no property ownership tend to rely more on the Accounting Officer or Chief Executive (33 per cent) to perform this role, with less separation from strategic property asset management responsibility.
- 3.10 One organisation did not fully complete the questionnaire and as a result we were unable to determine its property asset management arrangements. Another organisation reported that no one currently held the responsibility as the position was deemed no longer necessary by

its sponsoring department, following a review. This organisation owns a number of important operational buildings.

- 3.11 Each public body was asked who had responsibility for implementing property asset management initiatives. **Figure 6** shows 14 per cent of public bodies reported their Accounting Officer/Chief Executive was responsible for implementation. The Accounting Officer/Chief Executives of these organisations would appear to be managing the whole property management process, from strategic level, right down to the daily operational implementation of initiatives. With one exception, these were smaller organisations that either owned one or two properties or rented accommodation.
- 3.12 34 per cent reported that they had a dedicated estates manager to perform this role, whilst in 47 per cent of organisations the role had been delegated to a variety of people, including Human Resource Managers, Finance Managers, Corporate Services Managers and Administrative Managers. In some organisations the responsibility was shared.

Figure 6: Who has responsibility for implementing property management initiatives?



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Three: Property Asset Management Responsibilities



- 3.13 **Figure 7** outlines professional qualifications held by those responsible for property management. The range of responses to this question also varied widely. The majority of public bodies reported that this person had at least one professional qualification, though not necessarily a building or facilities management type qualification.
- 3.14 The survey found that 16 per cent of public bodies reported that they have a 'manager' professionally qualified in either building maintenance and management, or facilities management. A number of organisations (11 per cent) reported that the person responsible for property management did not have any professional qualifications. This included four departments which own land and buildings and are ultimately responsible for the capital and revenue expenditure related to their sponsored bodies' property asset estates.

Example of responses from some departments which own land and/or property regarding qualifications of their property manager:

Department A

"Not Qualified."

Department B

"No professional property related qualifications."

Department C

"No specific Qualifications."

None of the three departments above have, what we would consider to be, a Property Asset Management Strategy or Plan, although two of them were able to demonstrate that other asset management processes were in place.

Part Four:
Property Asset Management Advice



Part Four: Property Asset Management Advice

Background and context

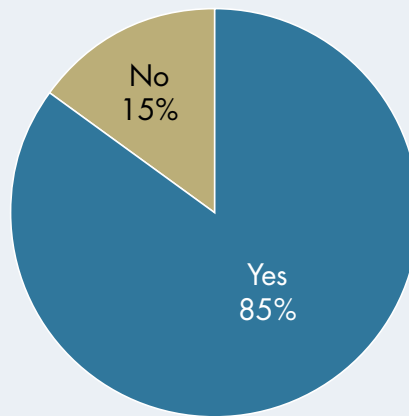
- 4.1 There are a number of sources of expert specialist advice available to public bodies on property asset management. This includes a range of related services such as assistance with asset strategy formulation; facilities management; property valuation; planning; energy performance; geographic information; mapping and lease negotiation. Each of these services is provided by DFP's Land and Property Services (LPS) and the Strategic Investment Board (SIB). Each department can also provide general advice, support and approval for the various public bodies that it funds in relation to their strategic property asset management decision making process. Using these services, where appropriate, can help identify efficiencies and in some instances, assets for disposal/sale.
- 4.2 The Northern Ireland Guide to Expenditure Appraisal and Evaluation¹⁴ states that all departments are responsible for *"...ensuring that appropriate procedures exist in relation to all the grants, expenditures and resources for which they are accountable, including those of their Agencies, Non Departmental Public Bodies and other relevant bodies."* Failure to follow these guidelines may lead to asset management decisions which are not value for money and result in assets that are not put to use in a way that delivers the maximum benefit to the people of Northern Ireland.
- 4.3 The degree of autonomy that public bodies have over their property is a potentially sensitive area. Some organisations may regard with suspicion any involvement by their department to influence operational management decisions. However, all asset costs, capital and revenue, are ultimately paid for from Northern Ireland's Assembly budget and are legitimately regarded as the assets of the whole of government.

Property Asset Management Advice – survey results

- 4.4 **Figure 8** shows that 15 per cent of public bodies reported that neither their sponsor department nor DFP plays any part in their asset management decision making process. The majority of these bodies are small organisations, however two own property assets of significant value.
- 4.5 Specialist property asset management advice has been sought by 85 per cent of public bodies in the past three years. Many of the remaining 15 per cent may not have needed such advice.
- 4.6 **Figure 9** shows the sources of specialist advice that have been sought. 'Other' organisations included, Central Procurement Directorate (CPD), the Departmental Solicitors Office, Local Councils Lottery Funders, Health Estates Investment Group, the Ministry of Defence and other departments. Each public body that sought advice reported that they followed the advice given to them.

Figure 8: Do DFP and/or your sponsor Department play any part in your property asset management decision making process?

DFP/Sponsor Department role in property asset management decision making

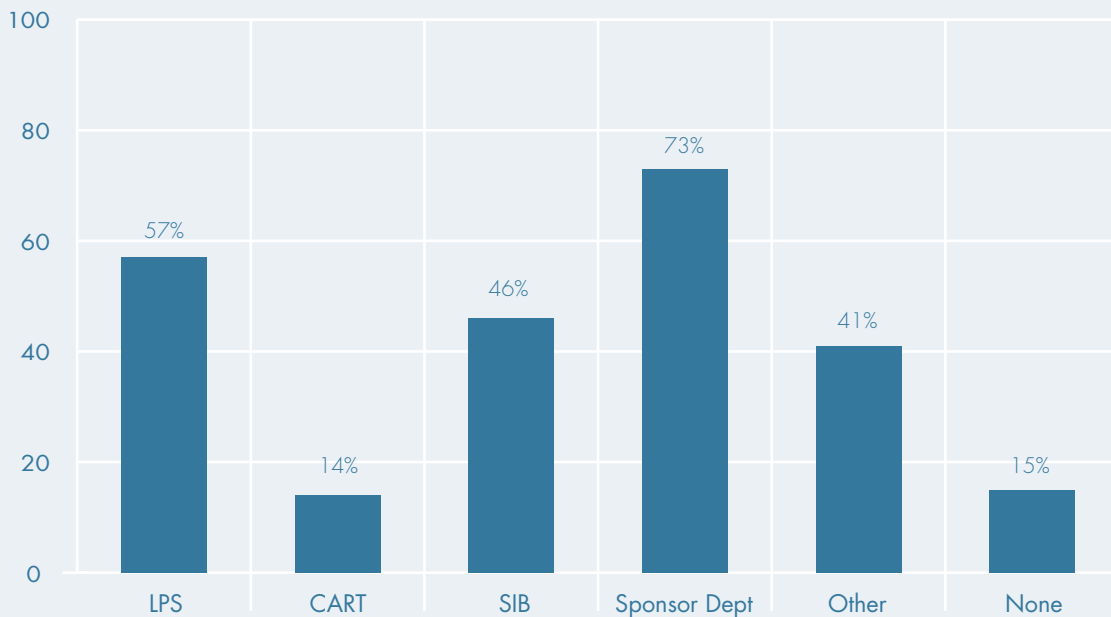


Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Figure 9: Have you consulted, or sought advice regarding estate/property asset management decisions within the past three years?

Property Asset Management Advice sought by public bodies



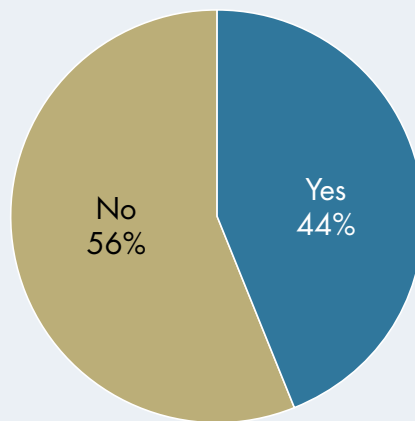
Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Four: Property Asset Management Advice

Figure 10: Have you engaged consultants for any strategic property functions?

Percentage of organisations who have engaged consultants to assist with strategic property functions



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

- 4.7 In addition to seeking assistance from within the public sector, **Figure 10** indicates that 44 per cent of public sector bodies engaged private sector consultants to assist them with strategic property functions within the past three years. However, many organisations who reported this may have misinterpreted the question to include consultants in respect of individual construction projects rather than strategic property functions. A small number of organisations reported that they had engaged private sector consultants to perform services which may be the same or similar to those services offered by LPS e.g. valuation and lease negotiation.
- 4.8 Overall a wide range of services have been procured however, very few returns provided the information requested on expenditure incurred on engaging consultants. We can only assume that costs were not included in many returns because they were either unavailable, would have taken too much time to produce, or that the public body did not want to share the information. Those that did disclose costs indicated that such service costs ranged widely, from a few thousand pounds to over one million pounds.

Part Five:
Management and Information Technology Systems



Part Five: Management and Information Technology Systems

Background and context

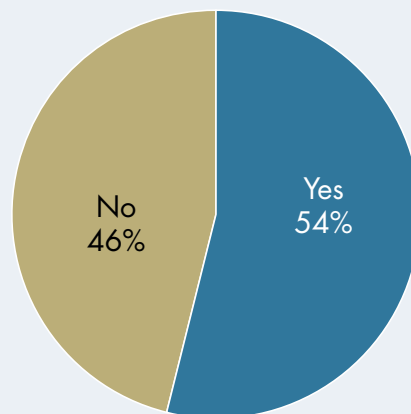
- 5.1 The benefits associated with management and information technology systems and their ability to assist with strategic and operational planning, together with the monitoring and reporting of public sector property assets in Great Britain, is well documented. A key function that it can perform is that of a regional asset register, allowing an entire portfolio of property assets to be strategically and, to a lesser extent, operationally managed. The OGC has developed the ePIMS system (paragraph 1.13) and its use by departments in England has been mandatory since 2006. Its use has also been voluntarily implemented in Scotland and Wales by some public bodies.
- 5.2 Compared to the rest of the United Kingdom, Northern Ireland has made limited progress in recognising the potential efficiency benefits of compiling a regional asset register. Currently information held is decentralised, fragmented and incomplete. The implementation of a comprehensive, mandatory central asset register for all public bodies was a recent recommendation of the Finance and Personnel Committee (paragraph 1.3). In December 2007 the Capital Realisation Taskforce (CRT)¹⁵ recommended the ePIMS system (which is currently being promoted by the Assets Management Unit)¹⁶, across Northern Ireland's central government public sector. Its function was to act as a central regional asset register across central government, providing a comprehensive database showing what property assets exist, where they are located, their condition and other key performance indicators.
- 5.3 Establishing baseline costs and performance standards for key land and building assets, including monitoring outcomes against these standards is a key function that management and information technology systems can perform, and form a critical starting point to improving efficiency and effectiveness. The implementation of financial management and asset management systems to facilitate the routine capture and reporting of performance information for management purposes makes this more achievable.
- 5.4 In England there have been measured efficiency and value for money benefits associated with the mandatory adoption of ePIMS. Despite this, some departments in Northern Ireland have yet to be convinced of these potential regional benefits, with one department having developed its own independent system and a second preferring not to take any direct strategic responsibility for its property assets, delegating this to its sponsored bodies instead.

Management and Information Technology systems – survey results

- 5.5 Whilst the majority of organisations (54 per cent) reported that they used IT systems/software to manage their land and buildings portfolio, these tended to be generic desktop office suite applications or accounting applications (see **Figure 11** overleaf). For example, the use of

15 The CRT was established in 2007 under SIB. Its primary remit was to identify property assets that were surplus to requirements and which could be sold to supplement the cost of the Investment Strategy (NI) 2 capital programme. The work of CRT identified other key recommendations one of which was that of an ePIMS regional asset register. The CRT recommendations gave rise to the formation of the Central Assets Realisation Team (CART) within SIB.

16 The Assets Management Unit was formally known as the CART.

Figure 11: Do you use any IT systems/software to manage your land and buildings portfolio?**Organisations reporting that they used IT systems or software to manage their property portfolio**

Base: 79 central government organisations 12 August 2010 – 21 October 2010

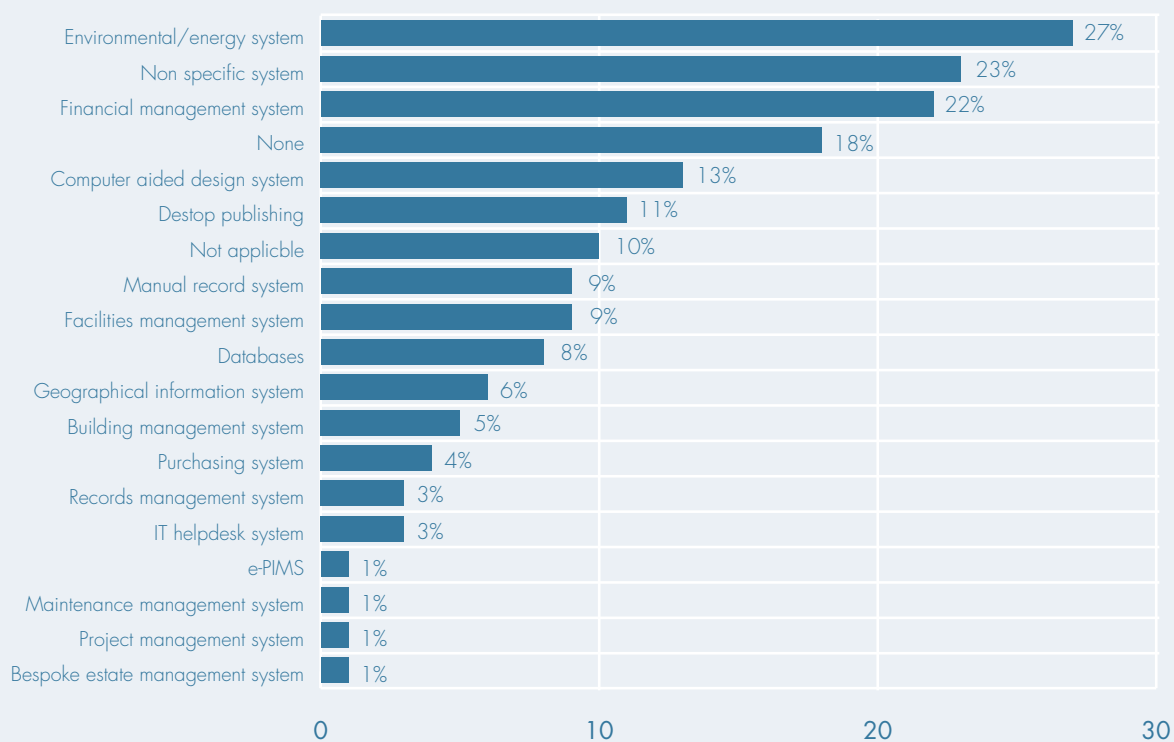
Source: NIAO

spreadsheets, or an accounting module as a financial asset register, which usually only records the cost, value and date of acquisition of land and buildings, for financial reporting purposes.

- 5.6 This information is significantly more basic than specialist systems or software that manage both the strategic and operational aspects of land and building management. Such systems and software include details such as geographical location, size, make-up, condition, maintenance schedules etc. It is important to recognise that smaller and less complex organisations which do not have a property portfolio would not have the need for such a resource, but could still benefit from access to a regional asset register, via their sponsor department.
- 5.7 In addition, a small number of organisations reporting that they used IT to manage their land and buildings portfolio, indicated that they are in the process of implementing a system but that it was not yet functional. This included a small number of proactive departments who are adopting ePIMS (paragraph 5.2). Another small number of public bodies did not provide us with any specific detail of their IT systems and/or software although they answered 'yes' to the question.
- 5.8 Whilst many organisations reported having a number of individual IT applications and management systems which help to manage certain specific aspects of their property assets, few have a single IT system or application which has the ability of managing their entire portfolio.
- 5.9 Public bodies surveyed were also asked what management systems (including record keeping, computer aided facilities management and environmental management) they have for monitoring

Part Five: Management and Information technology systems

Figure 12: Types of management systems used for monitoring and reporting on the efficiency and effectiveness of land and building assets



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

and reporting on the efficiency and effectiveness of their land and building assets. The examples cited were extensive and have been grouped and summarised in **Figure 12**. The most popular type of response related to environmental or energy type management systems (27 per cent). This was followed by responses which were very high level and non specific, most of which tended to indicate manual processes or controls.

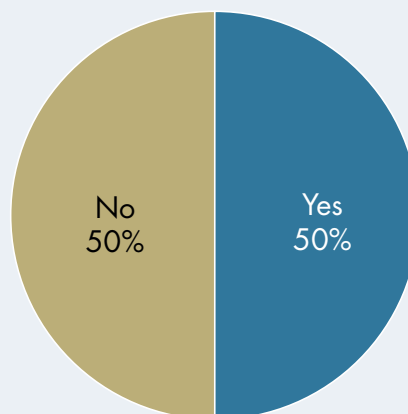
- 5.10 The survey found that 18 per cent of public bodies reported that they had no management systems in place to monitor or report on the efficiency and effectiveness of land and building assets (see Figure 12). One such organisation with a small number of property assets indicated that there was *'...no requirement to date to actually report on efficiency and effectiveness of land and buildings'*.
- 5.11 Ten per cent of public bodies reported 'not applicable' to the question. This group included NICS departments occupying DFP property, with some claiming they did not incur any costs associated with land and buildings. Whilst they may not incur direct costs, their budget is reduced in

advance by DFP's charge for the service, known as notional charging (paragraph 1.8). This type of response indicates a potential risk that DFP is not being sufficiently challenged by public bodies about the notional costs incurred for their services. It may also indicate that in some cases there may be a lack of awareness within those bodies of their responsibilities for securing value for money from the property assets they use. The notional charging to NICS and wider public sector bodies, at a flat rate, does not appear to encourage a more cost effective use of space and may be masking the true property cost to the occupying bodies and any potential inefficiency by DFP (also see paragraphs 7.3 and 7.8).

- 5.12 Until the recent promotion of ePIMS (paragraph 5.1), the absence of a central standardised IT - based asset management system has led to the adoption of a multitude of standalone and fragmented systems and databases across central government. To date this has made it impossible for any real regional benefits and efficiencies to be accurately identified and measured.
- 5.13 A key feature of having a suitable property management system is the ability to collect and review data over a period of time. This is used to compare performance with other organisations, set baselines and identify areas where efficiency savings can be made. The public bodies surveyed were asked if they had regular or occasional benchmarking in place for their property assets and to comment on whether this was internal, external or both. An equal number reported that some form of benchmarking took place as did not (see **Figure 13**).

Figure 13: Do you have regular or occasional benchmarking in place for your land and building assets?

Benchmarking land and building assets



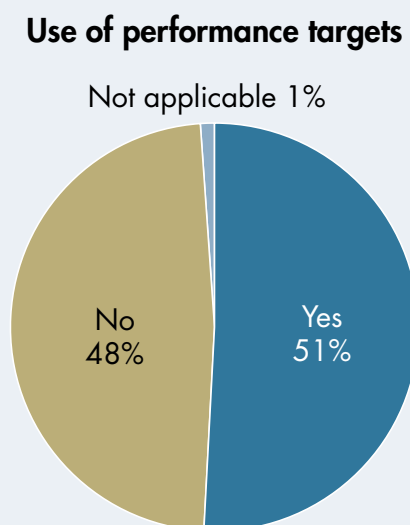
Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Five: Management and Information technology systems

- 5.14 Organisations that claimed to undertake benchmarking did outline the types of benchmarking performed. However, some were more akin to management reviews, rather than actual benchmarking, or referred to property valuation by LPS. A very small number¹⁷ of public bodies produce meaningful benchmarking exercises that can set baselines and identify potential areas for efficiency savings across their whole property asset estate. The most popular type of benchmarking related to energy costs. Only two organisations reported that they used the Public Audit Forum's, Estate Management indicators (paragraph 1.4 and 9.4).
- 5.15 Organisations were also asked whether or not they set performance targets, including environmental targets, for various parts of their property asset estate. The results were similar to the benchmarking results, with 51 per cent responding that performance targets were set (see **Figure 14**). Of these bodies all but one cited some form of environmental performance target

Figure 14: Do you set performance targets, including environmental targets for various parts of your estate?



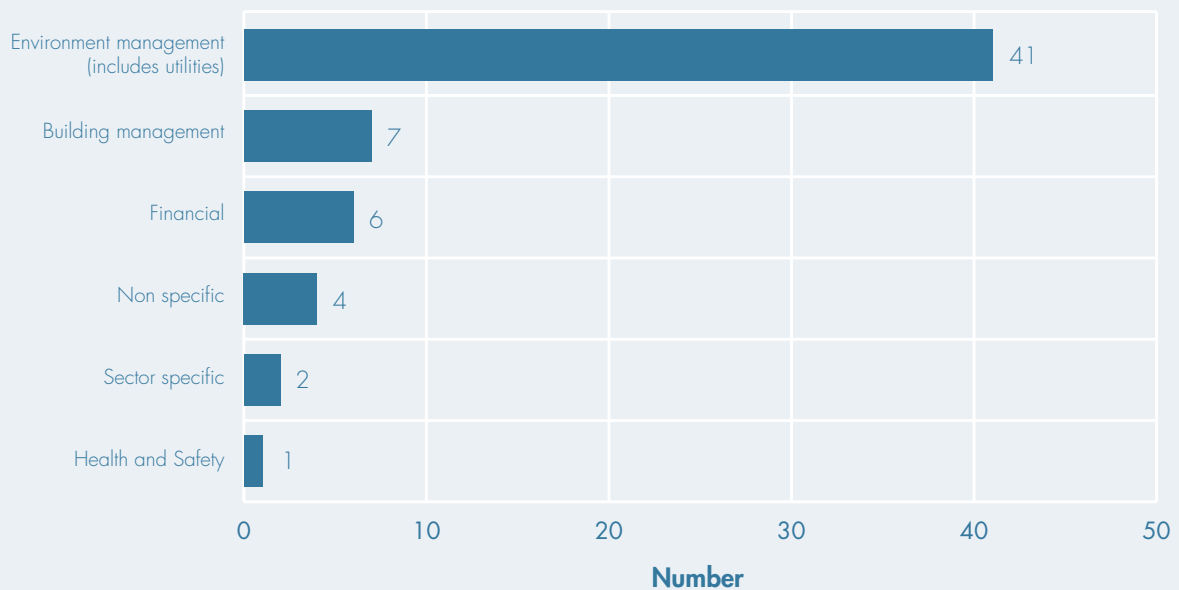
Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

¹⁷ Due to the absence of detail in some responses we are unable to state a definitive number.

(see **Figure 15**). Only 17 per cent responded that building management performance targets such as space utilisation, building condition and asset disposals were used. The detail provided by a small percentage of organisations were either not specific enough to categorise, or related to specialist targets specific to the public services they provide.

Figure 15: Types of performance targets set



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Six:
Suitability of Property Assets



Part Six: Suitability of Property Assets

Background and context

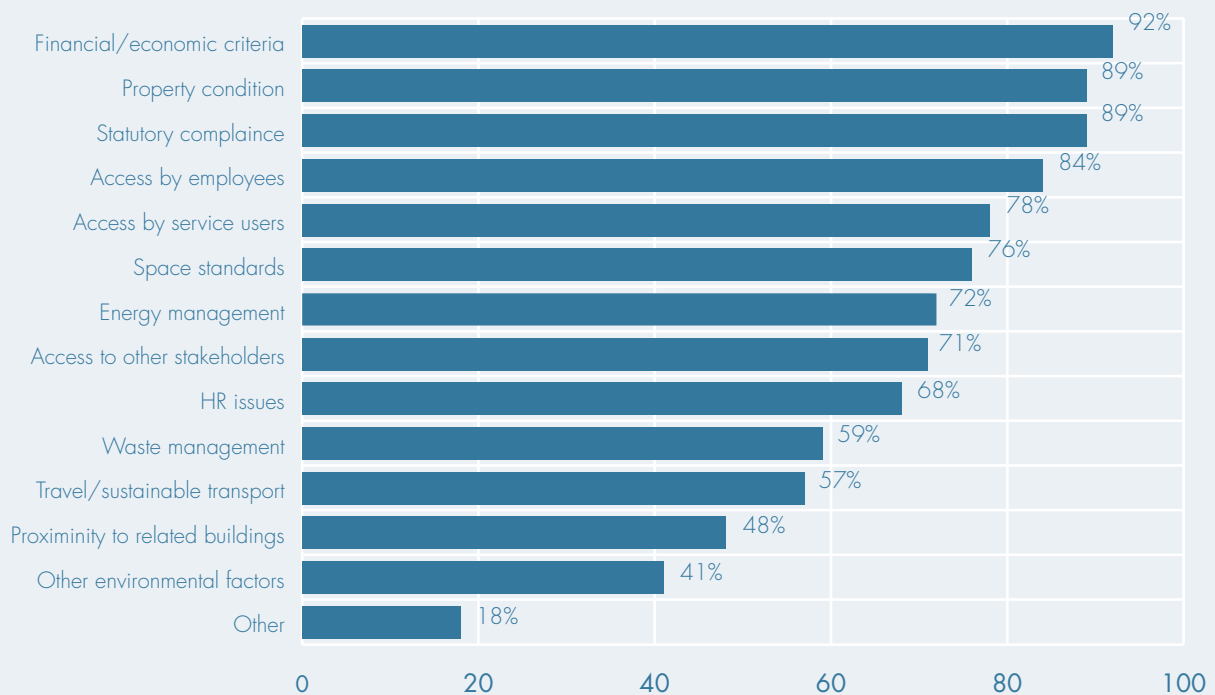
- 6.1 In determining which types of properties are required by a public body to deliver an efficient and effective service, certain specific strategic objectives and requirements need to be matched to business objectives, for example affordability, statutory compliance and access by service users. However, the reality is that many public bodies are heavily constrained by historical circumstances, whereby inherited properties and estates are still in everyday use, but were planned, designed and built many decades ago for services which are vastly different to those services delivered today. It is widely recognised that decades of underinvestment in maintenance and new project builds have exacerbated this issue.
- 6.2 However, each public body should consider a range of criteria or policies to determine the suitability of its property assets in meeting business objectives, particularly whenever new buildings are being planned or considered for purchase, and when existing properties are being considered for adaptation and or refurbishment.

Suitability of Property Assets – survey results

- 6.3 Public bodies surveyed were presented with a list of fourteen criteria/policy areas and asked to select one or more which they employed to determine the current and ongoing suitability of their land and buildings to their business objectives. **Figure 16** outlines the results (in ranked order).
 - 6.4 The most frequently reported criteria/policy relates to affordability with 92 per cent selecting financial/economic criteria. Property condition and statutory compliance were the joint second most important criteria/policy at 89 per cent.
 - 6.5 Interestingly, many of the public bodies citing criteria such as space standards and energy management did not appear to have the technology in place (based on answers to earlier questions) to assess or monitor such criteria accurately to determine current or ongoing suitability of their properties to their business objectives. This may be due to organisations, in some instances, reporting aspirational criteria rather than actual criteria used. Ten per cent of public bodies ticked every box which may also indicate a more aspirational view rather than a structured assessment against criteria presented in the survey.
-

Figure 16: In determining the current and ongoing suitability of your land and buildings to your business objectives, what criteria/policies are employed by your organisation?

Groups of criteria/policies used by organisations in determining the current and ongoing suitability of land and building to business objectives



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Seven:
Incentives and Hindrances to Delivering Efficiency



Part Seven: Incentives and Hindrances to Delivering Efficiency

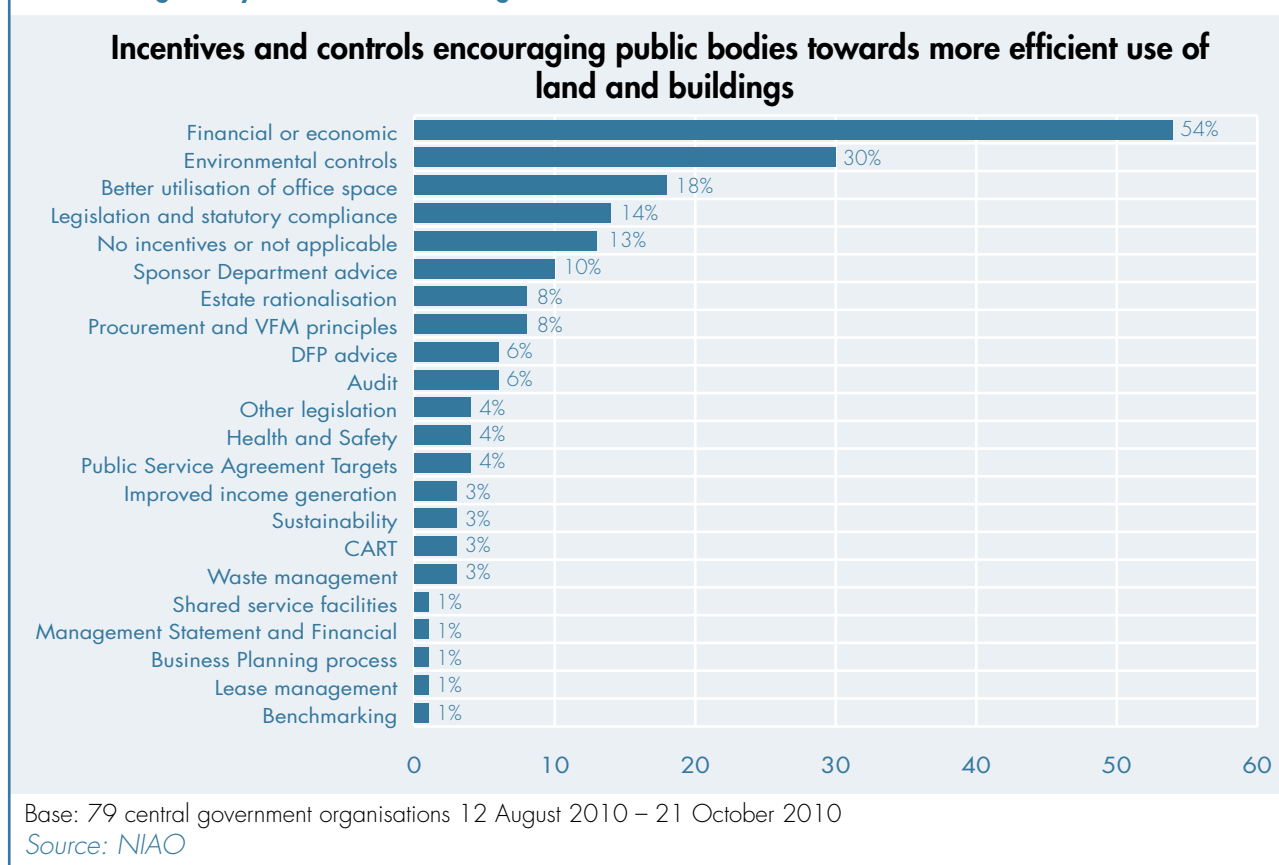
Background and context

7.1 The costs associated with land and building assets are, in many cases, the second largest revenue pressure, after staff costs, to a public body. In all organisations there will be circumstances, events or controls which may incentivise or hinder management to use their property assets more efficiently. We used two open questions, giving all public bodies the opportunity to present what they considered to be the main hindrances and/or incentives to delivering efficiencies. There was a wide variety of very short answers which we summarised under 22 headings (see **Figure 17**).

Incentives and hindrances – survey results

7.2 Public bodies were asked to provide details of controls and incentives which encourage their organisation towards more efficient use of the property that they managed. Most did not (or

Figure 17: What controls and incentives encourage your organisation towards more efficient use of the land and buildings that you control and manage?



could not) provide any detail of specific controls. Instead, the replies contained high level outlines, covering broad thematic incentives, with minimal or no detail provided. Thirteen per cent of answers were so high level and vague that we were unable to interpret them as either an incentive or a control. In addition 13 per cent of organisations chose to answer 'non applicable' or provided no response. This may indicate that those organisations do not control or manage the property they occupy. Our expectation was that some answers would contain examples of controls put in place by sponsor departments to incentivise the public bodies funded by them. However, from the responses (ten per cent) it was 'advice' rather than 'controls' that organisations found to be an incentive.

- 7.3 The overall lack of specific detail provided by most organisations was surprising. The fact that 26 per cent of organisations did not (or could not) identify specific incentives or controls either indicates a lack of specific knowledge; a lack of resources to implement more efficient asset management arrangements; or a wish not to disclose such information. This group included organisations occupying large amounts of office space managed by DFP Properties Division (paragraph 1.8). There was an assumption among some of these organisations that the onus for efficient use of this office space rests entirely with DFP rather than themselves, the occupying body. A number of small organisations believed that having incentives or controls was not applicable to their organisation as they only occupied one or two properties.
- 7.4 The survey found that 54 per cent of organisations reported an assortment of financial or economic reasons as incentives. For example, more efficient spending on properties released funding that could be spent elsewhere. However, almost half of this group (47 per cent) cited this as a budgetary or financial constraint even though this question asked for incentives. These organisations reported that limited finances force them to use their land and buildings more efficiently, although no specific detail was put forward. Only seven per cent of organisations reported that they were incentivised to operate their land and buildings more efficiently using other controls as this released finances to be spent on service delivery.
- 7.5 It is surprising that the most popular 'incentive' to encourage more efficient use of land and buildings actually relates to financial constraints. This may suggest that many public bodies in Northern Ireland take a reactive, rather than a proactive, approach to asset management. None of the public bodies reported the need to make efficiency savings as an incentive to encourage their organisation towards more efficient use of the property that they managed.
- 7.6 Almost a third of organisations (30 per cent) reported that their focus was on environmental incentives and controls, for example, reduction of carbon outputs and energy efficiencies. This compares to those who reported that better space utilisation (18 per cent) and property asset rationalisation (eight per cent) were incentives to more efficient use of properties. Only one organisation reported that benchmarking was an incentive to better asset management.
-

Part Seven: Incentives and Hindrances to Delivering Efficiency

Figure 18: What discourages or hinders the more efficient use of your land and buildings?

Hindrances discouraging public bodies towards more efficient use of land and buildings that they control and manage



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

- 7.7 We also asked public bodies what discourages or hinders the more efficient use of their properties. Interestingly, they reported a greater range of hindrances, with more detailed description, than they had for incentives. Their responses were grouped under 26 headings (**Figure 18**).
- 7.8 'Financial constraints' was the most commonly reported hindrance (34 per cent) as well as being the most commonly reported incentive. This was closely followed by 25 per cent of public bodies who reported that they were not hindered by anything, or felt that hindrances were not applicable to their organisation. These tended to be public bodies which, from their completed questionnaires, did not demonstrate much by way of good practice in their asset management arrangements. This is an indication that certain public bodies lack specific property asset management knowledge or resources to implement more efficient asset management arrangements within their organisation. A proportion of these organisations reported that, because they did not own the property/properties which they occupied, this was an area which was either not applicable or relevant. Interestingly,

two organisations expressed their concern that the flat rate notional costs imposed upon them by DFP for accommodation (paragraph 5.11) were not value for money and that hard charging¹⁸ would encourage them to manage these properties more efficiently. Other NICS organisations appear to be content with the costs imposed upon in them.

- 7.9 No public bodies identified a lack of asset management skills or expertise as a hindrance, despite this being a reported reason for some organisations not having an approved asset management strategy in place. In addition, the organisation which reported that a departmental review had removed the post of Asset Manager (see 3.10) earlier in their questionnaire did not indicate this as one of their hindrances.

18 Hard charging is the term used to describe a real charge which involves the transfer of funds.

Part Eight: Property Management Guidance



Part Eight: Property Management Guidance

Background and context

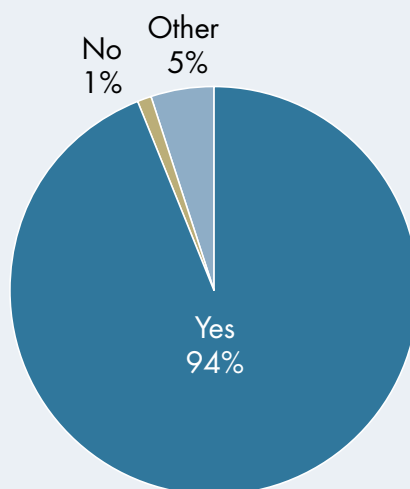
- 8.1 There is a significant amount of good practice, property management guidance available to public sector bodies to assist in managing their properties more efficiently and effectively. Although there are a number of different models used across the world, the current drive in Great Britain is the implementation of a fully integrated approach to property asset management, based on proven and measured successes in both Australia and the United States of America.
- 8.2 Guidance and direction that is specific to Northern Ireland is limited to a high level overview of asset management contained in 'Managing Public Money Northern Ireland' (MPMNI) (paragraph 2.1) and the disposal of surplus properties, contained in 'Disposal of Surplus Public Sector Property in Northern Ireland'. However, this guidance is limited as it specifically relates to the disposal of property. We are not aware of any other direction or guidance provided to public bodies that indicates which model of good practice should be adopted. In addition, we are not aware of any approved route map or action plan for excellence which could enable public bodies in Northern Ireland to follow the rest of the United Kingdom.

Property Management Guidance – survey results

- 8.3 Each of the public bodies was asked if the financial planning for their land and buildings conformed to MPMNI (see **Figure 19**). An encouraging 94 per cent reported that they did.

Figure 19: Does the financial planning for your land and buildings conform to Managing Public Money Northern Ireland?

Conforming to 'Managing Public Money Northern Ireland'



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

However, one smaller body reported that it did not; two did not appear to know (they did not select either 'yes' or 'no'), one government owned company felt it was unique and was unable to comment 'yes' or 'no' and one body could not commit to either but added a note that they 'believed that they followed the guidance'. Of the two bodies that did not appear to know, one is a Department which is ultimately responsible for a significant property asset estate.

- 8.4 Whilst 94 per cent reported yes to this question, only 9 per cent had complied with the MPMNI requirement to have an Asset Management Strategy in place (See paragraph 2.1). In this respect the vast majority of public bodies in Northern Ireland are not compliant with MPMNI.
- 8.5 Public bodies were asked what other financial or asset management guidance they used to plan and manage their land and buildings (see **Figure 20**). The most common response (38 per cent) was 'none', no response, or another response that indicated that guidance was not used. Another 11 per cent of organisations cited that the use of other financial or asset management guidance was not applicable to planning or managing the properties owned or occupied by them. The second most popular response (29 per cent) was the use of LPS guidance.

Figure 20: What other financial or asset management guidance do you use to plan and manage your land and buildings?



Part Eight: Property Management Guidance

- 8.6 Of the public bodies surveyed, 19 per cent identified the use of general internal guidance, such as to their financial memorandum, management statement or corporate strategy. Such documentation is unlikely to contain best practice guidance to assist with either the planning or management of land and buildings, although it may contain elements of strategic direction. The same percentage also cited specific guidance and/or reports on property asset management, for example, OGC and the Royal Institution of Chartered Surveyors. A small number of organisations quoted the *'Northern Ireland Practical Guide to the Green Book'* as guidance, despite the fact that this was replaced in 2009 by the *'Northern Ireland Guide to Expenditure Appraisal and Evaluation'*.
- 8.7 The use of accounting policies was identified by 19 per cent of public bodies as a driver for planning and managing their buildings. In some organisations it appears that a specific accounting policy¹⁹ may be indirectly influencing senior management to make property management decisions which sacrifice long term cost efficiencies and value for money, for short term savings and other financial reporting benefits. This appears to be driven by financial constraints. One body reported that, as a result of this policy, rather than replace a roof on one of its properties it was less costly, in the short term, to make temporary repairs. The financial impact of this type of decision is that it in the long term it will cost more, leading to poor value for money.

¹⁹ The policy having this impact on some public bodies is International Financial Reporting Standard (IRFS) 16 'Property, plant and equipment'.

Part Nine:
Demonstrating Value for Money



Part Nine: Demonstrating Value for Money

Background and context

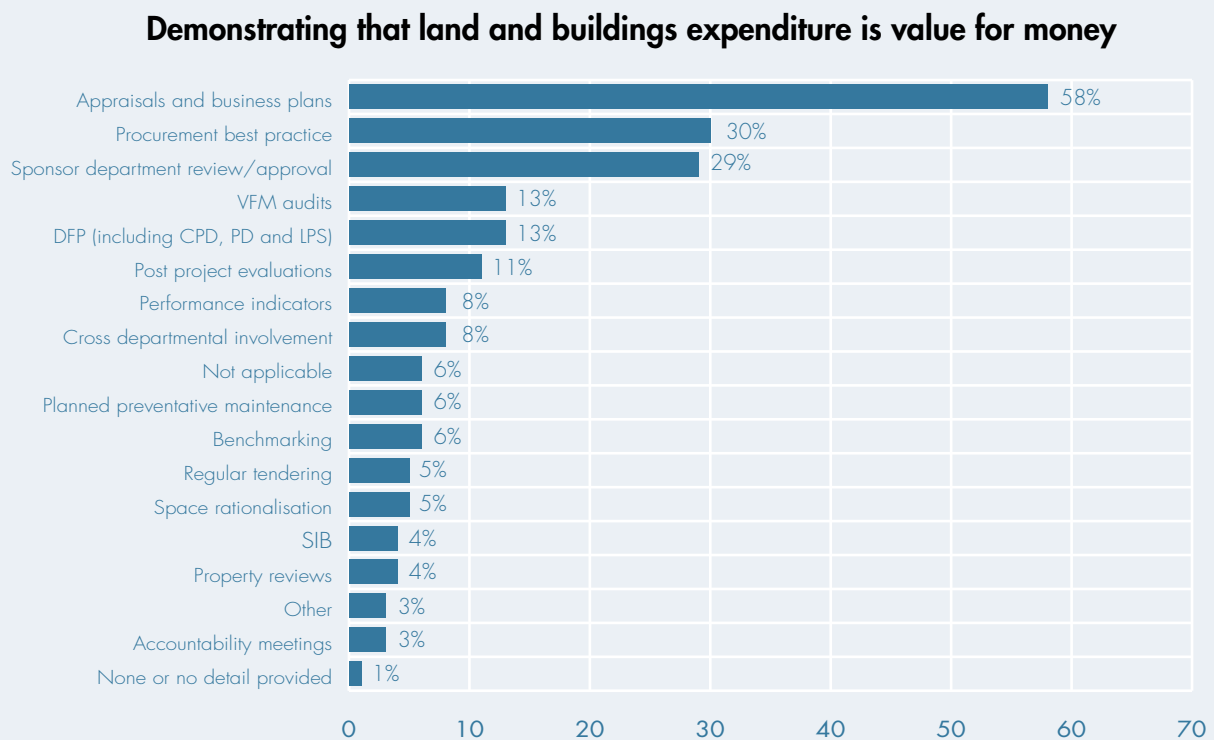
- 9.1 As well as the communities to which they provide a service, public service providers are expected to demonstrate to their sponsor department and to DFP that they are delivering value for money, addressing not only efficiency, but also effectiveness in delivery. One of the ways in which this can be done is demonstrating that expenditure on land and buildings represents value for money, has regard to the strategic aims of its business, and takes account of opportunities for cross-departmental coordination on property matters. Appraisals and business plans should also be carried out in advance of signing a new lease or contracting out facilities management.

Demonstrating Value for Money – survey results

- 9.2 We asked public bodies how they demonstrate to their sponsor department/DFP that expenditure on land and buildings represents value for money; has regard to the strategic aims of its business; and takes account of opportunities for cross-departmental coordination on property matters (see **Figure 21**). For the majority of organisations, answers to this question focussed primarily on value for money of capital expenditure, rather than both capital and revenue expenditure. Only a small percentage actually demonstrated any relationship between expenditure and strategic aims, and even fewer cited evidence of cross departmental co-ordination (some indicated it was done, but gave no specific detail).
- 9.3 Use of appraisals and/or business plans was the most popular type of example used (58 per cent), most of which were in the context of capital development projects or programmes. Following some form of best practice procurement guidance was selected by 30 per cent of the public bodies surveyed, although a small number did cite outdated guidance (such as the Northern Ireland Guide to the Green Book). Only 11 per cent identified Post Project Evaluations as a method of demonstrating value for money.
- 9.4 While benchmarking was presented as a method of demonstrating value for money by 6 per cent of organisations, few provided any examples of the specific benchmarking measures used. One organisation reported that it used the Estate Management indicators as recommended in the *'Value for Money in Public Sector Corporate Services'* report by the Public Audit Forum (see paragraph 1.4). Our understanding is that there has been a healthy, voluntary uptake and use of these performance indicators in Great Britain. However, based on our survey, this does not appear to be the case for public bodies in Northern Ireland.
-

- 9.5 Perhaps the most surprising responses came from three departments who indicated that, because they occupied DFP office space (and therefore presumably did not incur direct expenditure), they did not need to demonstrate to DFP that expenditure on land and buildings is value for money, has regard to the strategic aims of their business, and takes account of opportunities for cross-departmental coordination. Two smaller organisations indicated that due to their size they did not need to demonstrate these matters to their sponsor department.

Figure 21: How do you demonstrate that your land and buildings expenditure is value for money, has regard to the strategic aims of your business, and takes account of opportunities for cross-departmental coordination on property matters?



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Ten:
Underutilised and Surplus Assets



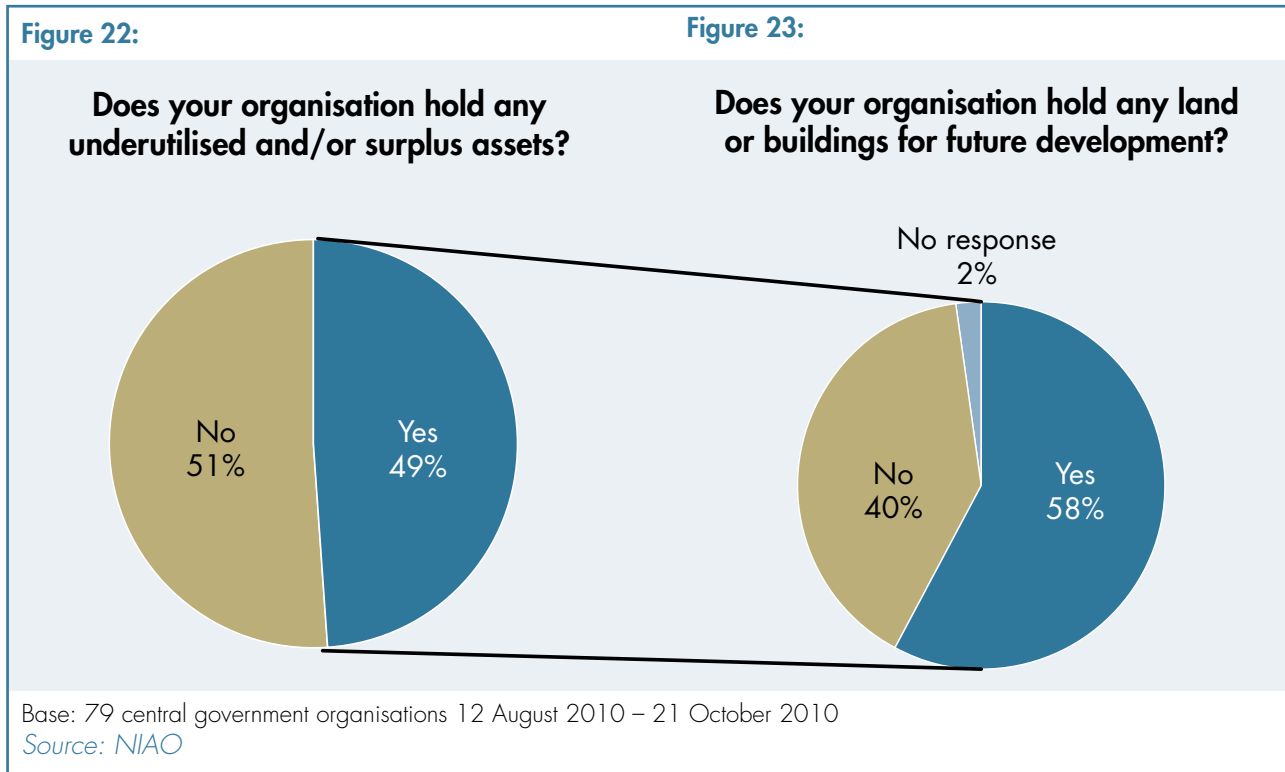
Part Ten: Underutilised and Surplus Assets

Background and context

- 10.1 All public bodies are required to manage their land and buildings efficiently and effectively and in so doing, demonstrate that they provide value for money. The public sector currently holds a substantial portfolio of surplus assets with an estimated value in the region of £95 million²⁰. Land and buildings which are not being fully utilised, or are surplus to requirement, do not provide value for money. Whilst there are clearly defined guidelines for the management and disposal of surplus assets, we found no regional strategy for the disposal of surplus assets either individually or in bundles.
- 10.2 One of the key aims of the Investment Strategy for Northern Ireland, first published in 2005, was to ensure that land and buildings, which are not needed or do not represent the best use of public resources, are not retained. The Strategy anticipated “a major programme of asset disposals, managed wisely with reference to all the effects of such action on the Northern Ireland economy”.
- 10.3 The importance of good practice asset management (including capital realisation) to wider public sector efficiency, has been recognised by the NI Assembly’s Finance and Personnel Committee in June 2010 (paragraph 1.3), which recommended that “surplus government properties, together with the annual costs involved, should be fully disclosed in a more user friendly and meaningful way”. The issue for many public bodies is that the infrastructure, resources and knowledge required to identify under-utilised property is not always available to them. Surplus property on the other hand is much easier to identify. However, issues such as market conditions, incentives and the time and cost burden of obtaining planning permission, means that the disposal of surplus properties by public bodies does not always happen as quickly as it should. The opportunity cost of holding, maintaining and running such properties, reduces the available resources to fund capital projects and deliver frontline services.
- 10.4 One issue is the risk that public bodies would lose the proceeds from the sale of its surplus assets to DFP for redistribution. This issue was identified by the Public Accounts Committee in its 2007 report on the transfer of Land in the PFI Education Pathfinder Projects²¹, which recognised that there can be a valuable incentive in allowing departments, within limitations, to retain receipts.
- 10.5 More recently, the capital budgets of some public bodies are part reliant on the disposal of surplus assets, thereby incentivising a public body to dispose of surplus assets in order to help fund future agreed capital projects. However, the impact of the economic downturn on Northern Ireland’s property market has stalled this initiative and resulted in many public bodies holding on to their surplus assets in the hope that values will begin to rise again. This has led to delays in taking capital projects forward due to a lack of funding. This would appear to conflict with LPS’s current policy, which sets out that surplus assets should be disposed of within three years of their declaration.

20 £95 million is an indicative figure extracted from the LPS Disposal of Government Property database (May 2011). Valuations are not available for all surplus properties and some valuations are historic and therefore cannot be relied upon to represent current market value.

21 Public Accounts Committee Report on the Transfer of Surplus Land in the PFI Education Pathfinder Projects Report: 11/07/08R, 22 November 2007



- 10.6 The Public Accounts Committee report (paragraph 10.4) also recommended that all surplus assets should be sold with planning permission, if it can be demonstrated that this can increase its market value. However, the cost involved in securing planning permission and/or the time taken to acquire it can prevent or delay the disposal process. In the current, challenging economic climate some public organisations do not have the capital funds to invest in planning permission thereby delaying the disposal process further.

Under-utilised and surplus assets – survey results

- 10.7 Public bodies were asked if they held any under-utilised and/or surplus assets (see **Figures 22** and **23**). Almost half (49 per cent) responded that they had either, or both. Of this group 58 per cent identified that they held land or buildings for future development. However, there is a risk that public organisations that claim that they retain surplus properties for future development may not have a strategic plan for these assets, instead using this description to hold on to them to avoid losing their value to another public body. This leaves the other 40 per cent who have identified that they were holding either under-utilised or surplus land or buildings (or both) at the time of the survey. In the absence of any space utilisation indicators or property asset estate benchmarking, we concluded that many of these assets may in fact be surplus rather than under-utilised.

Part Ten: Underutilised and Surplus Assets

- 10.8 What is clear from the results of this survey is that there appears to be a significant amount of capital invested in assets which are neither operating efficiently nor effectively. In addition, there is evidence of operational property assets which, in reality are not required to deliver core public services. More important however, is the existence of surplus assets which are non-operational and are therefore not providing any public service.
- 10.9 Organisations were asked to provide annual costs (e.g. maintenance costs, rental costs etc) of holding surplus assets for each of the past three financial years. However, only 17 per cent of those holding surplus assets were able to provide information. The information submitted varied considerably which meant that we were unable to identify a valid measure of annual cost. The others (83 per cent) either did not know what these costs were; supplied part costs; or claimed that they knew the costs but that the time/cost to collate the information was too great.
- 10.10 None of the organisations cited, or submitted, any opportunity costs associated with holding surplus land or buildings. These opportunity costs relate to the foregone, next best, capital project to deliver a public service, i.e. the current market value of surplus land or buildings that could be realised to help fund stalling capital projects. However, the fragmented nature of surplus assets, the current absence of central direction, co-ordination and management (with the exception of some limited guidance and direction from LPS and the Asset Management Unit), is currently preventing timelier realisation and reinvestment.
- 10.11 From the limited responses to this particular question we have concluded that the majority (83 per cent) of Accounting Officers/Chief Executives (and their senior management teams) of public bodies holding surplus assets, do not know how much this is costing their organisations. These are costs which could be better managed, minimised or indeed avoided.
-

Part Eleven:
Annual Costs



Part Eleven: Annual Costs

Background and context

- 11.1 The running costs associated with public land and buildings can be significant. These include recurring and unavoidable costs (e.g. rent, rates, utilities and fuel) as well as ongoing maintenance costs²². Whilst many of these costs are met from the revenue budget, occasional one-off costs, relating to substantial property maintenance or development, will require capital funding (e.g. refurbishment of a building). Other 'non cash costs' which need to be managed include depreciation and notional charges.
- 11.2 The Bootle report²³, commenting on the role of buildings-related property assets in the corporate private sector, noted that property is often the second largest cost facing businesses after salaries. A National Audit Office / Public Accounts Committee report²⁴ indicated that a similar picture existed for the public bodies surveyed in England. In recent years one of the many outcomes arising from property efficiency initiatives led by the OGC (e.g. mandatory use of ePIMS system and space management initiatives within its civil estate), is that accurate, annual costs can now be meaningfully assessed at a centralised, strategic level. This is enabling significant cost efficiencies to be realised and measured²⁵.
- 11.3 The current situation in Northern Ireland is less advanced. The central recording and sharing of data is not mandatory, and whilst a small number of departments have begun to use ePIMS, universal support from all departments has still to be achieved. The Workplace 2010 initiative has all but stalled due to a lack of capital funding, and whilst DFP continues to apply the principles of Workplace 2010 to the NICS estate, this is not fully achievable at DFP's current level of income and associated levels of expenditure.
- 11.4 The absence of a centralised asset management structure to provide a regional strategic approach and to drive efficiencies is also inhibiting the implementation of a centralised regional asset register, such as ePIMS, which would enable an accurate assessment of annual monetary costs associated with the ownership and leasing of land and buildings (including the costs associated with running surplus or under-utilised properties). Without this baseline data Accounting Officers as a single unit, cannot provide full assurance to the Assembly that the public sector property asset estate is being run efficiently or effectively.
- 11.5 In the absence of centralised baseline data we sought to ascertain recent levels of expenditure and how this expenditure was being monitored. This set of questions generated the majority of all queries received about the questionnaire from public bodies. These generally related to requests for a definition of running costs and /or maintenance costs. We did not provide a definitive list due to the fact that each organisation has a unique set of related costs. We also

22 Budget constraints have meant that expenditure on maintenance is, in some instances, secondary to other unavoidable costs. As a result maintenance is often reduced to unsatisfactory levels, which has led in some areas to a deterioration of the public estate.

23 RICS (2002): '*Property In Business – A Waste Of Space, The Bootle Report for the Royal Institution of Chartered Surveyors*' by Capital Economies.

24 National Audit Office: '*Managing Resources to Deliver Better Public Services.*' Report HC 61.

25 OGC (2010): '*State of the Estate 2009.*' The report shows that the civil service estate was reduced in size by 5.8 per cent in 2009. It forms part of the English government's ongoing drive to rationalise its civil estate through better space management, such as sharing offices. The report identifies several areas where work was still needed, however, such as energy efficiency.

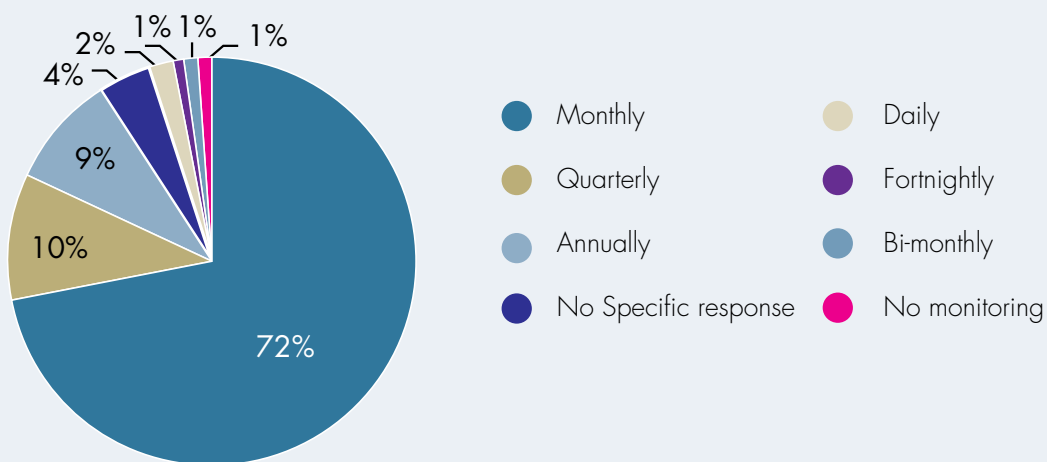
found it unusual that some public bodies required such clarification. It is likely, that for some organisations, this information was not easily accessible and required (according to some queries) additional work to collate.

Annual costs – survey results

- 11.6 Public bodies were asked if they monitored the running costs of their land and buildings. All but one reported to us that they did. The frequencies with which these costs are monitored varied and have been outlined in **Figure 24**. Those organisations occupying DFP managed property reported that they monitor their costs less frequently (usually quarterly or annually) than those that did not, with the exception of the one body which reported that it did not monitor these costs at all.
- 11.7 To understand how well these running costs were being monitored we asked whether, year on year, the annual running costs of public body property assets, in cash terms, were increasing, decreasing or static, in relation to the following three key indicators:
- in total;
 - per square metre; and
 - per full-time equivalent member of staff.

Figure 24:

How frequently are the running costs of your organisation's land and buildings monitored?



Base: 79 central government organisations 12 August 2010 – 21 October 2010

Source: NIAO

Part Eleven: Annual Costs

Figure 25: Year-on-year annual land and building running costs in cash terms

	Increasing	Decreasing	Static	Don't know
In total	54%	18%	18%	10%
Per square metre	36%	14%	18%	32%
Per full-time equivalent member of staff	34%	16%	18%	32%

- 11.8 All but three organisations submitted data for this question. We therefore reclassified these nil responses within the 'don't know' category, in **Figure 25**.
- 11.9 The majority of organisations (90 per cent) reported that they were able to determine if their total costs were increasing, decreasing or static (see Figure 25 for analysis). The remaining ten per cent who answered 'don't know' (or were categorised as 'don't know') include five public bodies of varying size and complexity, four of whom had reported in the previous question (Figure 24) that they monitored costs on a monthly basis and the fifth organisation which did not indicate how often monitoring was carried out. One of these organisations indicated that they did not have the resources to analyse this type of data.
- 11.10 Almost two thirds of public bodies indicated that they were able to determine running costs per square metre or per full-time equivalent member of staff. This is despite some of the same organisations, in their answers to earlier questions on performance targets (Figure 14, Part 5), indicating that they do not set property management performance targets and could not provide accurate costs relating to surplus assets. In addition, many of these organisations could not provide accurate cost data for subsequent parts of this question. This leads us to believe that their responses may not be wholly accurate and that some organisations who indicated that they were able to monitor the movement in their annual running costs may not have data to support this assertion.
- 11.11 A number of organisations which are part of the NICS and occupy DFP managed property, were amongst those reporting that they were able to calculate year on year movements. However, it is not clear to us whether they are calculating these indicators themselves or whether DFP is providing them with this information.
- 11.12 For the majority of public bodies, year-on-year annual running costs are increasing. Linked to this is empirical evidence that the number of people employed in the public sector in Northern Ireland is in decline²⁶. This would indicate to us that unless certain elements²⁷ of Northern Ireland's public sector property asset estate footprint are reduced accordingly, any existing inefficiencies may increase.

26 2009-10 Northern Ireland Public Sector Pay and Workforce Technical Annex, DFP

27 This would be particularly relevant to properties which are used for office accommodation

Examples replies in relation to annual costs, from a sample of those public bodies that hold surplus assets:**Organisation A**

"...some buildings are currently under utilised. It is not possible to accurately estimate the costs of the surplus accommodation as it is located in a range of buildings. Some residential dwellings on various sites are also surplus to requirements.

Organisation B

Building A "has become surplus in the current financial year of 2010/11 and therefore is outside the scope of this questionnaires (i.e. not in the past three financial years)."

Organisation C

"Our definition of 'surplus assets' excludes assets we are in the process of transferring to another Department. The amount varies from time to time however on average there is likely to be around 2,500sqm i.e. less than 1% of total."

Organisation D

"Costs associated with these assets are captured on a regular basis but this information is not held centrally. This information is therefore not included owing to the time required to compile a complete report."

- 11.13 Accounting Officers/Chief Executives were asked how much their organisation spent on running and maintaining land and building assets in the 2009/10 financial year. Unfortunately there was a lack of consistency in the make-up of the data submitted and only a few organisations provided accurate information. Most organisations focused on the running costs only and not maintenance costs, with few indicating evidence of any capital spend. Many provided rounded costs and others interpreted the question in different ways, for example, excluding utility costs or excluding costs of operational land and buildings. Some even included staff costs. A small number of organisations gave no explanation as to why they could not provide this information, with one citing that it would forward the information at a later date when their finance manager returned from annual leave²⁸, however no further information was received. As a result we are unable to calculate a reliable and meaningful high level figure.
- 11.14 Surprisingly, some departments who incurred notional charges from DFP tended to respond that this question was not applicable to them. These types of responses were very disappointing, with one department in particular ignoring the fact that it owned properties and answered only in relation to the DFP office space that its core administrative staff occupy. It is interesting that these organisations do not view notional charges as a real cost to their organisation and this indicates to us that they may not be sufficiently challenging the level of these flat-rate charges with DFP.

28 This suggests to us that not all questionnaires were delegated by Accounting Officers or Chief Executives to an appropriate level.

Part Eleven: Annual Costs

- 11.15 Public bodies were asked what percentage their 2009-10 running and maintenance costs was of capital/revenue budgets. As with the previous question, there was a wide variation in the interpretation of this question. Some organisations included capital expenditure and others did not, with 11 per cent of organisations not submitting any data or responding that they did not know the percentage. As a result the presentation of a range of accurate average percentages is not possible.
- 11.16 There are two key issues arising from the responses to this set of questions. Firstly, not all organisations have easy access to all relevant costs associated with their land and building assets and linked to this is an apparent lack of standardisation of costs. Without standardised, up-to-date and accurate data, it is difficult to identify and/or measure, efficiencies in relation to property assets in order to demonstrate value for money. Secondly, those organisations incurring notional charges in respect of DFP managed properties did not always indicate that these charges were being monitored with some responding that they did not believe that it was appropriate to monitor them. Two organisations recognised the inherent weaknesses associated with notional charging. Most significant, however, is the lack of any responses indicating that these notional charges were being challenged to help ensure that the properties being occupied (many of which are in Belfast city centre) provide value for money. Given the potential importance of this issue we may review this as a separate future study.

Examples of comments in relation to notional charging:

Organisation A

"We believe notional charging could potentially hinder efficient use of buildings. If DFP move to hard charging for departments for the use of Government Office Estate buildings, this could potentially force senior management to consider the utilisation of alternative accommodation at a lesser cost. We believe this will become more of an issue as we enter the budget 2011/12 - 2014/15.

Organisation B

"Hard charging, if introduced would encourage consideration of efficiency and VFM in the use of buildings."

Part Twelve:
Property Management Initiatives



Part Twelve: Property Management Initiatives

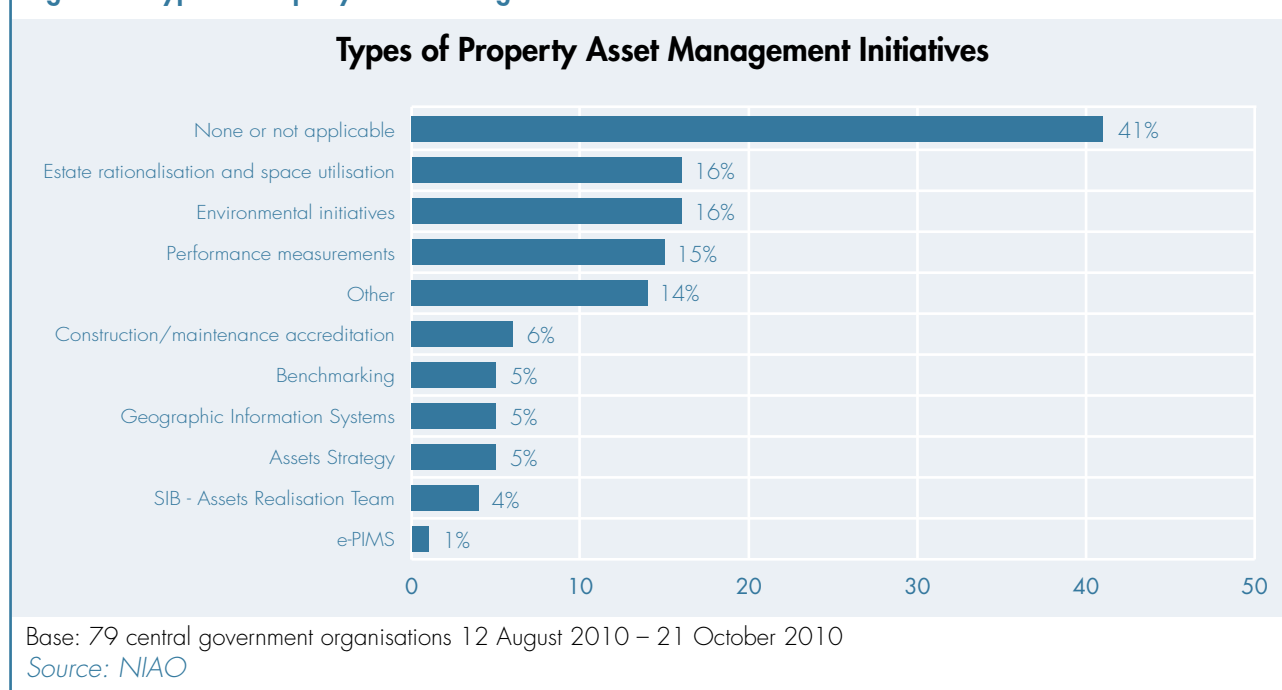
Background and context

- 12.1 Given the recent success of property asset management initiatives and associated efficiencies currently underway in other UK regions, we were interested in identifying, understanding and reporting any similar management initiatives that were underway in Northern Ireland. In Great Britain, central initiatives (including governance) have come from central and devolved governments as well as from individual public bodies. However, Northern Ireland does not yet have a fully operational, centralised governing body, driving property asset management. Although initial work and proposals identifying this were made in 2007²⁹, the Assembly has not yet formally approved its establishment. In order to understand what initiatives were being taken by individual bodies we asked them to submit details of any current property asset management initiatives being implemented.

Property Management Initiatives – survey results

- 12.2 Responses from organisations varied greatly and are set out in **Figure 26**. Overall, 59 per cent of organisations indicated that they had implemented some form of property asset management initiative or were about to implement one. The other 41 per cent reported either no response, a

Figure 26: Types of Property Asset Management Initiatives



²⁹ The CART team presented an initial report to the Assembly in January 2008 and a subsequent revised report was submitted for approval in November 2008. This report contained a number of revised recommendations one of which was the establishment of central government arrangements.

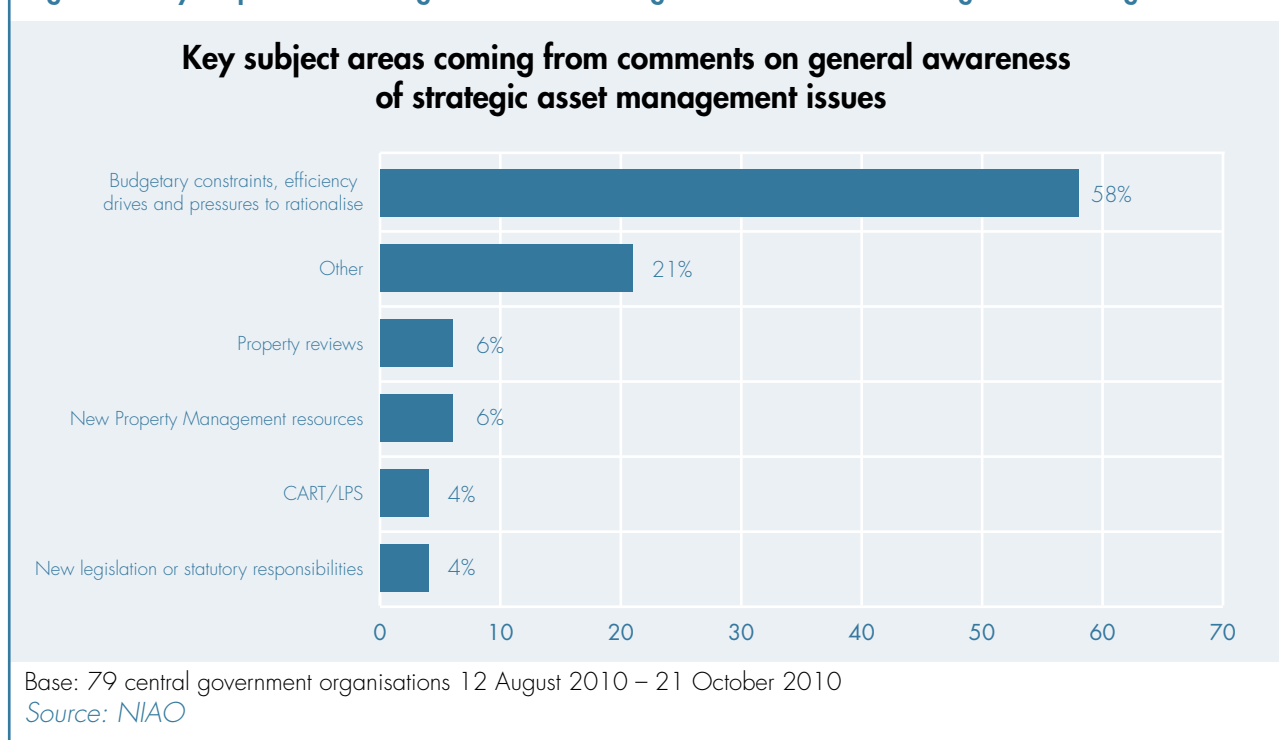
'none' response or indicated that property asset management initiatives were not applicable to their organisation.

- 12.3 Those organisations reporting that their initiatives were about to start or were in the very early stages of implementation, mainly related to property performance measures. Other organisations outlined property management processes which, whilst they may have been initiatives to those organisations, related to basic, mandatory property management processes which should have already been in place e.g. drafting an asset strategy, identification and sale of surplus assets, maintenance programmes, and the compilation of basic property data.
- 12.4 Surprisingly, only one department specifically mentioned the ongoing e-PIMS initiative and asset management plan assistance being provided by the Assets Management Unit within SIB³⁰. Only three departments out of twelve indicated any current initiatives being carried out with the Unit, despite the fact that their services have been offered to all departments.
- 12.5 Public bodies were asked whether, over the last three years, their general awareness of strategic estate/property asset management issues had increased, decreased or remained unchanged. They were also invited to comment on their response. 71 per cent responded that their general awareness had increased, with the remaining 29 per cent indicating their awareness was unchanged. The vast majority of those with an unchanged awareness, tended to be smaller bodies whose answers to other questions indicated that their asset management arrangements were less robust. However, it also include two departments, one of whom has responsibility for (but does not have legal title to) one of the largest public sector property asset estates in Northern Ireland.

30 Since November 2007 the CART team (now known as the Asset Management Unit) has taken a lead role in implementing two of its recommendations (despite the absence of ministerial approval). This includes assisting departments with the voluntary implementation of the ePIMS system and assistance with the development of Asset Management Plans. There is an expectation that these which will eventually feed into an overarching Asset Management Strategy for Northern Ireland.

Part Twelve: Property Management Initiatives

Figure 27: Key subject areas coming from comments on general awareness of strategic asset management issues

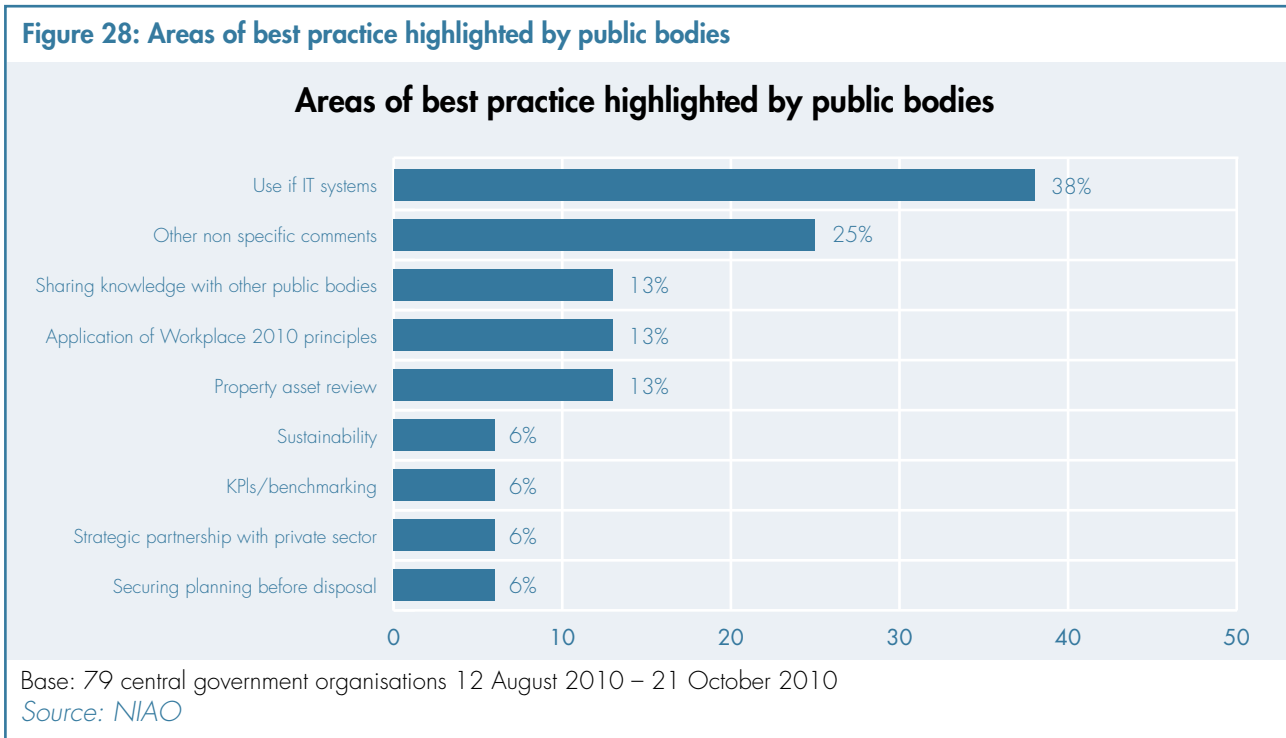


12.6 Most organisations (61 per cent) provided comments which have been grouped and summarised in **Figure 27**. The most popular single response indicates that budgetary constraints, efficiency drives and the need to rationalise property assets (58 per cent of all comments) are key drivers to an increasing awareness of asset management issues.

General comments

12.7 The final part of our questionnaire invited Accounting Officers/Chief Executives to include some general comments if they considered that their organisation's asset management strategy/plan demonstrates best practice that is worth highlighting to a wider audience. Whilst 20 per cent of public bodies submitted comments, the majority of these organisations did not have a formal asset management strategy/plan in place. Their comments are grouped and summarised in **Figure 28** overleaf.

Figure 28: Areas of best practice highlighted by public bodies



12.8 Finally, public bodies were invited to comment on asset management generally, or on any of the work being performed by the Central Assets Realisation Team (now known as the Assets Management Unit). Only a small number of basic comments were received, most of which cannot be used as they would identify individual organisations. Some comments included:

- *“Availability and access to accurate, reliable and timely data is essential.”*
- *“The Department has had limited contact with the CART team.”*
- *“The [body] has had no contact with the CART team.”*
- *(We) “...would wish to develop best practice in relation to Asset Management. Finance Manager / Head of Human Resources & Corporate Services will liaise with Capital Assets Realisation Team in relation to this before 31 December 2010”.*

Appendices



Appendix 1: Copy of Property Assets Questionnaire

Arrangements for ALL³¹ Buildings/Land within your organisation's Estate

Please give the following information to the best of your knowledge, about the whole of the organisation's estate whether it is owned, leased, managed and/or occupied.

1. Property Asset Management Strategy

- a) Do you have an up to-date Estate Management/Property Asset Management Strategy/
Property Asset Management Plan³², which has been approved by your organisation's Board?

Yes (Please provide an electronic copy with your response)

No

- b) If you answered yes to question 1a, is this document linked with your organisation's
Corporate Plan?

Yes

No

- c) If you answered no to question 1a, why has one not been completed and when does your
organisation anticipate one to be in place?

Provide detail below

2. Responsibility

- a) Who has overall responsibility for taking strategic property asset management decisions?

Accounting Officer/Chief Executive

Head of Estate Services

Finance Director

31 To include all operational and non-operational land and building assets regardless of classification. This will include land and buildings, infrastructure assets, land and property investment assets, surplus assets and cultivated assets.

32 If your organisation has a similar land and building strategy document or plan but uses a different terminology please include name and brief description.

- Estate Manager
- Board or equivalent
- Other Person

Please provide name, title and contact details for the above person

b) Who has responsibility for leading/developing property asset management initiatives?

- Accounting Officer/ Chief Executive
- Head of Estate Services
- Finance Director
- Estate Manager
- Other Person

Please provide name, title and contact details for the above person

c) Who has responsibility for implementing property asset management initiatives?

- Accounting Officer/Chief Executive
- Finance Director
- Estate Manager
- Other Person



Appendix 1: Copy of Property Assets Questionnaire

Please provide name, title and contact details for the above person

d) Is your Property Centre Manager professionally qualified in any of the following disciplines:

Accountancy

Architecture

Building Maintenance and Management

Engineering

Estate Management / surveying

Facilities Management

General / Business Management

Project Management

Other (Please specify below)

3. Advice

a) Do DFP and/or your sponsor Department play any part in your property asset management decision making process?

Yes

No

If yes, please provide details

b) Have you consulted with, or sought advice regarding estate/property asset management decisions from, any of the following within the past three years?

- | | |
|------------------------------------|--------------------------|
| Central Advisory Unit (LPS) | <input type="checkbox"/> |
| Central Assets Realisation Team | <input type="checkbox"/> |
| Strategic Investment Board | <input type="checkbox"/> |
| Sponsor Department (if applicable) | <input type="checkbox"/> |
| Other | <input type="checkbox"/> |
| None of the above | <input type="checkbox"/> |

(If your response was 'Other', please provide details below)

c) If you consulted with, or sought advice did you follow their advice?

- | | |
|-------------------|--------------------------|
| Yes (all or some) | <input type="checkbox"/> |
| No (none) | <input type="checkbox"/> |

If no, why not?

Appendix 1: Copy of Property Assets Questionnaire

d) Have you engaged consultants for any strategic property functions? (property management, benchmarking, environmental management, space planning, estate rationalisation etc.)

Yes

No

If yes, please describe what you use/used consultants for and approximately how much has been paid to consultants for asset related work in the last 3 financial years.

4. IT systems

Do you use any IT systems/software to manage your land and buildings portfolio?

Yes

No

If yes, please provide details of the system³⁴.

5. Suitability

In determining the current and ongoing suitability of your land and buildings to your business objectives, what criteria/policies are employed by your organisation?

Statutory compliance

Financial/economic criteria

Energy management

³⁴ Please include details of how long the systems have been used for.

- Waste management
- Property condition
- Space standards
- HR issues
- Access by service users
- Access by employees
- Access to other stakeholders
- Proximity to related buildings
- Travel/sustainable transport
- Other environmental factors

Other, please state:

6. Incentives and hindrances

a) What controls and incentives encourage your organisation towards more efficient use of the land and buildings that you control and manage?

b) What discourages or hinders the more efficient use of your land and buildings?



Appendix 1: Copy of Property Assets Questionnaire

7. Guidance

a) Does the financial planning for your land and buildings conform to *Managing Public Money* Northern Ireland?

Yes

No

b) What other financial or asset management guidance do you use to plan and manage your land and buildings?

8. Value

How do you demonstrate (to your Department/DFP) that your land and buildings expenditure (including new additions together with improvements and maintenance) is value for money, has regard to the strategic aims of your business, and takes account of opportunities for cross-departmental coordination on property matters?³⁵

9. Management systems

a) What management systems (including record keeping, computer aided facilities management, environmental management) do you have for monitoring and reporting on the efficiency and effectiveness of your land and building assets?

³⁵ For example, does your organisation use the Estate Management indicators as recommended in the *'Value for Money in Public Sector Corporate Services'* report by all of the UK audit bodies?

b) Do you have regular or occasional benchmarking in place for your land and building assets?

Yes

No

If yes, is this internal and/or external benchmarking?

c) Do you set performance targets, including environmental targets, for various parts of your estate?

Yes

No

If yes, please list the types of performance targets that are set

10. Underutilised and surplus assets

a) Does your organisation hold any underutilised and/or surplus land and building assets?

Yes

No

b) Does your organisation hold any land or buildings for future development?

Yes

No

Appendix 1: Copy of Property Assets Questionnaire

- c) If your organisation does have surplus assets, what are the annual costs to your organisation of holding these assets (e.g. maintenance costs, rental costs etc) for the past three individual financial years?

11. Annual costs

- a) Do you monitor the running costs for your organisation's land and buildings?

Yes

No

- b) If you answered yes to question 11a, how frequently are these costs monitored?

- c) Year-on-year are the annual running costs³⁶ of your organisation's estate, in cash terms, increasing, decreasing or static?

	Increasing	Decreasing	Static	Don't know
I. In total	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II. Per square metre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III. Per full-time equivalent member of staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

36 Answers should relate to facilities management costs rather than capital and/or development costs.

- d) How much did your organisation spend on running and maintaining its land and building assets in the 2009/10 financial year?

- e) What percentage of your total 2009/10 capital/revenue budget is your answer to 11c?

12. Initiatives

- a) Please give details of any current property asset management initiatives you are implementing e.g. implementation of Key Performance Indicators and benchmarking procedures.

- b) Over the last three years has general awareness of strategic estate/property asset management issues increased, decreased, remained unchanged? Please include any comments below.

Increased

Decreased

Unchanged

Appendix 1: Copy of Property Assets Questionnaire

13. General comments

If you consider that your organisation's asset management strategy /plan demonstrates best practice that you believe is worth highlighting to a wider audience, please specify here:

Thank you for taking part in this review. If you have any further general comments on Asset Management or on the work being performed by the Capital Assets Realisation Team, please add them here:

Appendix 2: List of Public Bodies Surveyed

1	Department of Justice
2	Department of Agriculture & Rural Development
3	Department of Culture, Arts & Leisure
4	Department of Employment and Learning
5	Department of Education
6	Department of Enterprise, Trade and Industry
7	Department of Finance & Personnel
8	Department of the Environment
9	Department for Social Development (Including Social Security Agency)
10	Office of First Minister & Deputy First Minister
11	Department of Health, Social Services and Public Safety
12	Department for Regional Development
13	Northern Ireland Authority for Utility Regulation
14	NI Prison Service
15	Forest Service
16	Driver and Vehicle Agency
17	Planning Service
18	Construction Industry Training Board
19	Belfast Metropolitan College
20	Police Service of Northern Ireland
21	Agri - Food & Biosciences Institute
22	Armagh Observatory & Planetarium
23	Council for Catholic Maintained Schools
24	General Consumer Council
25	Northern Ireland Water
26	Northern Ireland Libraries Authority
27	Loughs Agency
28	Ulster Scots Agency
29	Waterways Ireland
30	Intertrade Ireland
31	Special EU Programmes Body
32	Health and Social Services Board
33	Northern Ireland Transport Holding Company
34	Northern Ireland Courts and Tribunals Service
35	Compensation Agency
36	Forensic Science Agency
37	Youth Justice Agency

Appendix 2: List of Public Bodies Surveyed

38	Probation Board for Northern Ireland
39	The Police Ombudsman for Northern Ireland
40	Criminal Justice Inspection Northern Ireland
41	Rivers Agency
42	Livestock and Meat Commission
43	Northern Ireland Fishery Harbour Authority
44	Arts Council of Northern Ireland
45	National Museums Northern Ireland
46	Sports Council for Northern Ireland
47	Belfast Education & Library Board
48	North Eastern Education and Library Board
49	South Eastern Education and Library Board
50	Southern Education and Library Board
51	Western Education and Library Board
52	NI Museums Council
53	Labour Relations Agency
54	Ulster Supported Employment Ltd
55	Northern Regional College
56	North West Regional College
57	South Eastern Regional College
58	Southern Regional College
59	South West College
60	Invest Northern Ireland
61	Northern Ireland Tourist Board
62	NI Environment Agency
63	Ilex Urban Regeneration Company Ltd
64	Northern Ireland Housing Executive
65	Economic Research Institute of NI
66	Northern Ireland Commissioner for Children and Young People
67	Planning Appeals Commission (PAC) and Water Appeals Commission (WAC)
68	Belfast Health and Social Care Trust
69	Northern Health and Social Care Trust
70	Southern Health and Social Care Trust
71	Western Health and Social Care Trust
72	South-Eastern Health and Social Care Trust
73	NI Ambulance Service Health and Social Services Trust
74	Business Service Organisation

75	Public Health Agency
76	NI Blood Transfusion Agency (Special Agency)
77	NI Medical and Dental Training Agency
78	Northern Ireland Fire and Rescue Service
79	Roads Service



