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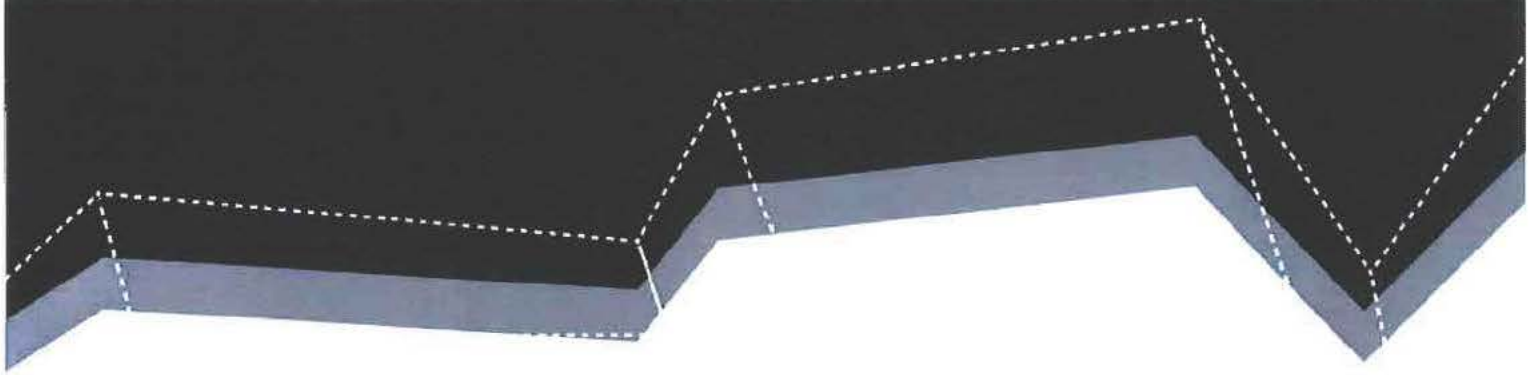
APPENDIX 6.4 PROPERTY ASSET MANAGEMENT CAPABILITY ASSESSMENT MODEL (PAMCAM)



Cabinet Office

Property Asset Management Capability Assessment Model (PAMCAM)

July 2014 *(Version 1.1)*

Introduction

The Property Asset Management Capability Assessment Model (PAMCAM) was jointly developed by the Office of Government Commerce (OGC) and the National Audit Office (NAO), with consultancy assistance from PricewaterhouseCoopers (PWC). It was first launched in January 2009.

PAMCAM is an on-line self-assessment tool that enables government organisations to measure their corporate property asset management capability and identify areas for improvement. It is aimed primarily at central civil government organisations but is broadly applicable to the wider public sector.

In 2013, it was decided to refresh and re-launch the tool. The result is a reduction in the number of questions (from 67 to 38) and a much simpler interface through e-PIMS, enabling continued access by nominated e-PIMS users. The new PAMCAM was launched in July 2014 and replaces the original 2009 model.

The dashboard feature of the original PAMCAM, which measured performance between Awareness through to Excellence, has been replaced with a simpler traffic light red/amber/green methodology which draws upon the No/Partial/Yes responses to the questions. This is primarily to highlight where additional activity or improvements may need to be made rather than suggesting any crisis.

About the Question set

The questions are spread across 9 chapters which represent the principal corporate management streams of a fully functioning organisation. There are 38 questions in the 2014 Survey. The number of questions may vary in subsequent years depending on a range of other factors, such as changes in policy or machinery of government. The tool examines the capability of organisations in terms of:

- Four Property Asset Management (PAM) lifecycle activities (strategy, planning, delivery, operation); and
- Five organisation and management arrangements that enable effective and efficient PAM activity and outcomes (governance, capacity & capability, policies & standards, data & MI, and performance management, audit & review).

Accompanying each question is some Help text  which provides a maturity statement for the question. The organisation can therefore judge whether this benchmark has been achieved when compiling the supporting **Evidence** and **Improvement Plan** and finally ticking either the No/Partial/Yes radio buttons.

Completing the Survey

The full question set is presented here in pdf format to help organisations start to address the issues raised by the PAMCAM before completing the survey on-line *(see pictorial guidance at Annex)*. Although there has to be a nominated **User** for each subscribing organisation on e-PIMS*, the User's role is primarily to access and enter the agreed responses. It is recommended that a senior manager takes lead responsibility for drawing together the necessary knowledge across the organisation to agree and finalise the survey responses before committing on-line. Ticking the appropriate radio buttons marked No/Partial/Yes should be the final action for each question after a process of engagement and discussion with the relevant stakeholders.

The questions are intended to prompt serious consideration of capability on the part of the organisation. Therefore, before completing the survey it is very important that time is spent liaising with key stakeholders to identify supporting evidence and possible improvement plans.

How to register as a User for PAMCAM

For further information on how to gain access to PAMCAM please contact *epimsservicedelivery@cabinet-office.gsi.gov.uk*

For information on the PAMCAM as a capability tool please contact *Andrew.Howarth@cabinet-office.gsi.gov.uk*

**e-PIMS is the central database of government civil estate properties and land. e-PIMS records the precise location of the property, along with associated information such as landlord, lease details and usage. Users are able to locate individual properties on the electronic map, access and amend their core property details online, view individual properties on interactive maps, and interrogate the system to identify vacant space. e-PIMS is mandatory for all departments (including non-ministerial departments) and their executive agencies, arm's length bodies and non-departmental public bodies. It is not applicable to local authorities, the NHS (except for Special Health Authorities), public corporations, privatised railway undertaking, the Crown Estate or the Defence Estate (subject to some exceptions).*

e-PIMS is available over the GSI and a secure Internet connection enabling all government organisations to enter and maintain their data.

Document Control

Version 1	July 2014
Version 1.1 *Amendment from Space .GOV to Government Property Finder*	Aug 2014

Chapter	Sub text	Maturity	Question	Score
Strategy: Cross Government Strategy Q1	Property Asset Management	Property Asset Management boards provide a mechanism for cross-government collaboration on asset management issues. Opportunities for higher utilisation and sharing of property and facilities management resources on a cross-departmental basis are reviewed periodically as part of the asset management planning process, and joined-up asset management strategies and implementation programmes have been developed.	Does the organisation have a good understanding of its own and other government departments' current and future property needs and collaborates to ensure efficient use of property assets?	A PARTIAL score requires the following evidence: • Knowledge of the plans and intentions of at least closely related departments e.g. evidence of consultation with the GPU and/or closely related parent departments. In addition, a YES score requires the following evidence: • Reference in strategic planning documents of consideration of other departments' plans; and • Organisations have interrogated data within e-PIMS to identify immediate and/or future vacant or surplus property across the government estate that could address a departmental or wider public sector need, either now or in the future; • All property and land assets are recorded on e-PIMS and all relevant fields are complete and regularly updated.
Strategy: Cross-Organisation/ Family Q2	Property Asset Management	Property Asset Management boards are used to facilitate the sharing of space and management expertise leading to more efficient and effective use of resources and the delivery of VFM across the departmental family. The organisation has developed an overarching asset management strategy which provides details of how plans for accommodation across the departmental family will be co-ordinated and delivered. This addresses opportunities across the departmental family to exercise lease breaks and expiries.	Have opportunities been identified for collaboration in the provision, occupation or management of property assets and services between any members of the organisational family as well as other departments and/or wider public sector?	A PARTIAL score requires the following evidence: • Performance information from across the organisational family has been compared and consideration given to the reasons for differential performance; and • Data on the geographical distribution of current and future office and other operational asset requirements across the organisational family has been analysed to identify duplicated resources and opportunities for collaboration; and • Opportunities for collaboration in the provision, occupation or management of property assets and services have been considered by the asset management board within the last year (e.g. meeting agendas, minutes, action plans). In addition, a YES score requires the following evidence: • Asset management documentation demonstrates how improvement opportunities have been, or are being taken forward e.g. co-location or shared service projects form part of the organisational family implementation programme; and • Cross-family plans are formulated into an overall strategy.

Chapter	Sub text	Maturity	Question	Score
Strategy: Business Strategy Q3	Property Asset Management	The enabling role of property assets in cultural change and business transformation is explicitly recognised in business strategies and plans alongside HR and ICT. The asset planning implications of business strategy, initiatives and workforce plans are periodically considered by the Main Board which ensures that linkages between the property asset planning cycle and the annual business planning cycle are effective.	Do the organisation's business strategy and planning processes support continuous improvement in property asset management by routinely considering asset implications of business initiatives, operational drivers and workforce plans?	A PARTIAL score requires the following evidence: • Evidence of an organisational commitment to regular review of office and operational property portfolios and land; • The board responsible for business strategy includes property asset management representation (a PAM Champion) from the department or sponsored bodies; and • Senior officers for Finance, ICT, HR and Property Asset Management (PAM) are on the same board (N.B. senior responsibility for corporate resources is sometimes vested in the same person). • Written policies require the property assets and services implications of business change proposals to be routinely considered; and • Guidance for the annual business planning process refers to the need to link office assets/workplace and other operational property into business planning. In addition, a YES score requires the following evidence: • Meeting minutes record regular attendance of the PAM representative/champion at the board responsible for business strategy; and • Meeting minutes demonstrate that property-related issues have been discussed by the senior management body at least twice during the year; and • Linkages between workplace/operational property assets and corporate cross-cutting initiatives (e.g. workforce change, IT modernisation, process improvement) are routinely made, as evidenced in agenda items/minuted discussions. • Regular forward planning of property assets and services rather than solely reacting to events; and • Business strategy documentation (including board papers and minutes) consider the impact on office property/ workplace and operational property e.g. in terms of how much, what type, where and when?; and • Business change proposals and change decisions demonstrate that the property assets and services implications of business change have been considered e.g. property costs are factored into the decision to expand an existing function or provide a new service; and • The business strategy plans and papers that impact on office/ workplace plans and operational property are connected e.g. the change drivers and rationale are consistent and linkages are referred to e.g. ICT and HR strategy documentation.

Chapter	Sub text	Maturity	Question	Score
Strategy: Cross-Organisation/ Family Q4	Property Asset Management	Demand challenge is a critical process in ensuring efficiency and delivering VFM. Demand for property services by sponsored bodies is effectively challenged by the parent department at property asset management board level to ensure that resources are efficiently utilised, that the provision of space meets the expected standards, and that service levels ensure that VFM is achieved. The parent department identifies potential linkages, duplication and synergies across the department family.	Does the organisation regularly challenge or review the accommodation and property and service requirements of its business units/sponsored bodies? *(Parent Depts only)*	A PARTIAL score requires the following evidence: • The organisation has sight of some, but not all of the draft strategies and plans of its sponsored bodies. A YES score requires the following evidence: • Efficiency and effectiveness performance measures (KPI's) for property assets and FM services are shared across the organisational family and are regularly used by the parent department to challenge and review property asset management plans of the business units/sponsored bodies.

Chapter	Sub text	Maturity	Question	Score
Strategy: Cross-Organisation Strategy Q5	Portfolio review	The organisation uses data to analyse the current office/workplace and operational property position to identify under-performing sites/accommodation and improvement opportunities. The organisation predicts projected property requirements based on an examination of the future size and shape of the organisation, strategic objectives, business initiatives, policies, environmental sustainability, legislation etc. This includes headcount projections. Internal business unit needs are challenged. The organisation identifies the 'gap' between existing and future needs and appraises a range of options from the status quo/do minimum to more radical approaches. The 'preferred option' is clearly defined in terms of broad activities and timeline and its selection.	Does the organisation have an up to date property asset strategy and regularly updated annual plan that reflects the accommodation needs in the organisation's business strategy?	A PARTIAL score requires the following evidence: • The organisation has reviewed its estate within the last three years; • Future property requirements have been compared against the existing baseline, and the mismatch or 'gap' (e.g. in terms of size, location, quality, specification, environmental sustainability, FM service, affordability) identified; • The workplace requirements have been defined with reference to many of the following attributes: accessibility, future occupancy ratios (flexible working), ICT connectivity, customer access, implications of national and departmental business strategy and Government policies; • Internal business unit needs have been challenged on their property-related demands. In addition, a YES score requires the following additional evidence: • The organisation has reviewed its estate within the last twelve months; • The constraints and opportunities for addressing the 'gap' have been identified through option appraisal; and • Where an option has been agreed, it has been based on non-financial considerations (such as workplace considerations above) as well as value for money.
Strategy: Workplace Strategy Q5	Smart Working	The organisation promotes and enforces office space standards that are clearly communicated to, and understood by, users. The basis of space occupation and management is non-territorial and non-hierarchical and desk-sharing ratios have been developed and implemented across the organisation. Smart Working is encouraged by the use of any or all of the following locations: HQ; Hub; Host; Home.	Does the organisation promote an efficient and flexible office workspace environment using modern ICT to support its people and practices; and is this referred to in its business strategy and planning documentation (Q2)?	A PARTIAL score requires the following evidence: • Strategies and plans that recognise workplace flexibility is linked to operational/ productivity improvements and cultural change; and • Space audits are planned or are currently underway as part of an office/workspace portfolio planning exercise; OR • Space audits/reviews have been completed within the last 3 years and have been used to inform space standards and workspace policies; In addition, a YES score requires the following evidence: • Space standards have been implemented i.e. there is a presumption that staff desk-share unless there are compelling business reasons for individual desk allocation; and • HR and ICT policies support Smart Working (*The Way We Work*) from a range of locations, such as HQ, Hub, Host and Home; and • Stakeholders have been consulted and space standards and workplace policies are clearly communicated across the organisation; and • There has been investment in e-enabled workplaces to support people and business processes over the last 5 years and there is an ongoing commitment to invest.

Chapter	Sub text	Maturity	Question	Score
Planning to Deliver: Q7(1)	Programmes and projects	Project and programme management methodologies have been established and are embedded across the organisation. Proper governance structures are in place to ensure responsibilities and accountabilities are defined. The Government Soft Landings (GSL) policy is applied to all central government construction projects and the GSL Champion embodies the ethos of collaboration with the aim of ensuring effective communication throughout all work stages. Projects are subjected to proper assurance procedures, such the Gateway process. Major projects have been approved through the required Integrated Assurance and Approval Plans (IAAPs) for each major project or programme and that the Major Projects Authority is provided with assurance at important stages in the course of a project to ensure successful delivery.	Are there clear policies, procedures and governance structures for new projects and programmes?	A PARTIAL score requires the following evidence: • Policy documentation sets out project and programme management methodologies; and • PPM standards and methodologies are routinely applied. In addition, a YES score requires the following evidence: • The governance controls for all projects and programmes are in accordance with the Major Projects Authority Integrated Assurance Guidance; • A GSL Champion has been appointed for all construction projects; • There are clear procedures for escalating issues to the Main Board.

Chapter	Sub text	Maturity	Question	Score
Planning to Deliver: Q8(2)	Business cases	Business cases deepen and extend the higher level business analysis and investment appraisal undertaken in 'strategy' and contain information covering five key aspects - strategic fit, options appraisal, commercial aspects, affordability and achievability. The business case demonstrates that the project meets the strategic objectives in terms of delivering the required outputs at an affordable cost. It shows that the project is sound in economic terms and that the preferred project represents value for money. The business case should justify the choice of service delivery route by establishing the feasibility of a suitable procurement route for the project. This involves testing options and the analysis of a range of data, judgements and assumptions all of which must be adequately evidenced. All projects are subject to uncertainty and risk and it is expected that this will have been recognised. The level of detail will vary according to the type and complexity of the project.	Is sufficient rigour and challenge given to business cases for property asset management projects?	A PARTIAL score requires the following evidence: • Value for money arguments and evidence are promulgated in the documentation; and • Alternative asset ownership options are considered; and • Delivery and funding options are evaluated, if appropriate (e.g. leasing, public private partnerships such as joint ventures and service partnerships, PFI, developer agreements). In addition, a YES score requires the following evidence: • Business Cases provide a clear project vision to support the required business need in terms of scope and list of requirements and prepare the way for successful outcomes; • Where options have been selected, the range of commercial, economic, people and regulatory considerations have been taken into account in the research stage (e.g. affordability, deliverability, market appetite, workforce issues, environmental sustainability, legal and statutory issues, outline programme, contractual arrangements and type, time to delivery, risk exposure).

Chapter	Sub text	Maturity	Question	Score
Planning to Deliver: Q9(3)	Prioritised Implementation Plans	Proposed projects set out in the property asset management plan are prioritised using an established capital prioritisation process that has been developed by the organisation in collaboration with members of the organisational family. Weighted financial and non-financial evaluation criteria are used to prioritise projects that meet organisational objectives within the agreed financial envelope. The prioritised plans are likely to cover areas such as leasehold and freehold acquisitions and disposals, sustainability, efficiency initiatives, capital works and maintenance, moving people and equipment, changes to property and facilities management services. The prioritised plans are consolidated into an implementation programme for property asset and service improvement that is deliverable and financially viable and integrated into the organisation's overall financial processes. The programme schedules the actions required to change the organisation's assets and services from its current to its target state. The organisation has prioritised capital projects across the organisational family.	Is there a prioritised property asset programme process for moving the organisation's assets and services to a target position?	A PARTIAL score requires the following evidence: • A prioritised property asset programme process is in place; and • The proposals are subject to whole-life option appraisal prior to corporate prioritisation; • The property asset programme is endorsed by a relevant board. In addition, a YES score requires the following evidence: • The prioritised property asset programme is consistent with the corporate business strategy; • The programme has been updated in the last 12 months.

Chapter	Sub text	Maturity	Question	Score
Planning to Deliver: Q10(4)	Risk planning	Property asset management related risks are identified through a process of assessment which considers the probability of an event and its likely consequences. The organisation's methodology for risk identification: - is defined with respect to its scope, and is proactive rather than reactive; - includes, where appropriate, an assessment of how risks change over time; - provides for the classification of risks and identification of those that are to be avoided, eliminated or controlled by asset management objectives, targets and plans; - is consistent with the organisation's operating experience and capability to employ risk control measures; and - provides for the monitoring of required actions to ensure both the effectiveness and the timeliness of their implementation. The outcomes from risk assessment exercises are formally captured in a risk register and control measures are implemented as appropriate. The risk register is updated and reviewed on an annual basis. Risk identification, assessment and control methods should be proportionate to the level of risk under consideration.	Are risk plans put in place which address the areas critical to delivering a project successfully?	A PARTIAL score requires the following evidence: • A document endorsed by the relevant board identifies the critical success factors for the project and describes the actions that will be undertaken to address each area; and • Risks are identified and evaluated in accordance with Management of Risk (M.O.R) best practice; and • Property asset management related risks are identified through a programme of routine risk assessments which consider the probability of an event and its consequences, eg physical failure risks, operational risks, natural environmental events, stakeholder risks, contractual risk (design, specification, procurement, construction, installation, commissioning, inspection, monitoring, maintenance, refurbishment, replacement, decommissioning and disposal); and • The organisation maintains a programme/project risk register that classifies and evaluates risks and captures control measures/mitigating actions. In addition, a YES score requires the following evidence: • The scope and business benefits are comprehensively defined, endorsed and plans made to monitor through to realisation; and • A suitably skilled team can be assembled, agreements obtained to secure internal and external resources to ensure timely decision-making supported by clear and short lines of reporting, and a plan for managing the team's performance.

Chapter	Sub text	Maturity	Question	Score
Planning to Deliver: Q11(5)	Risk management	Programmes and projects are initiated with a formal risk register (comprehensively identifying and evaluating potential risks), issues log, and control procedures. Formal risk management activities take place throughout the duration of each programme/project to keep each risk and issue under control.	Is there a regular assessment of risks, issues and controls?	A PARTIAL score requires the following evidence: • Risks are identified and evaluated in accordance with Management of Risk (M.O.R) best practice; and •The organisation maintains a programme/project risk register that classifies and evaluates risks and captures control measures/mitigating actions. In addition, a YES score requires the following evidence: • Stakeholders are routinely involved at an early stage and communications managed; and • The organisation can demonstrate a track record of reviewing and updating its risk registers on an annual basis; and • The results of operational risk assessments, business continuity plans, and the effects of controls, are considered by the property asset management board at least annually as part of the strategy and planning processes. • Additional risks and issues are identified through regular appraisal; and • Risk mitigation actions are assigned to those who have the capability to implement successfully.

Chapter	Sub text	Maturity	Question	Score
Planning to Deliver: Q12(6)	Procurement strategy	Procurement strategies are developed for property and workplace change programmes, capital projects, strategic and tactical property and facilities management services and related commodity categories. The procurement strategies are the outcome of value for money analysis (based on options appraisal) and consider where appropriate: - the number and nature of suppliers required (including prime contracting options); - the length and type of contract and contract and supplier management issues; - whether an existing contract may be used; and - funding and risk transfer options (including PFI/PPP). The strategy also considers change control processes required, supplier performance. Incentivisation mechanisms, HR issues (e.g. TUPE) and appropriate procurement routes (open, restricted, competitive dialogue or negotiated).	Is the procurement strategy formally endorsed by a relevant board which tests the feasibility and value for money of procurement business cases?	A PARTIAL score requires the following evidence: • Appropriate board endorsement process exists but has not been tested on property assets. A YES score requires the following evidence: • A formal property asset procurement approvals process exists and links required outcomes to analysis/decisions about optimum supply route; and • the procurement strategy documentation covers: - new contract type and length; - standard terms and conditions; - number of suppliers required; - tender process to be used; - opportunities for bundling services; - funding and risk transfer options, eg the ability/appetite of the Intelligent Client to hold and sustain certain risks versus the cost of transferring risk; - external factors that may affect tender process (e.g. material price fluctuations, waste management and energy costs); - performance/incentivisation and payment mechanism; - human resource considerations, eg capability transfer; - supplier management considerations; - change control requirements; - alignment to business case objectives; - appropriate to market conditions; and • The strategy documentation identifies how the procurement phase will transition into the delivery phase, e.g. period of shadow running of a Partnership or other delivery vehicle, a description and understanding of what the governance arrangements will be during delivery decision making / feedback/ lines of reporting; and • Consideration of performance management KPIs to optimise economy, efficiency and effectiveness.
Planning to Deliver: Procurement Q13(7)	Specifications	Organisations provide sufficient procurement detail to allow the market to respond whilst leaving room for innovation. Output or outcome specifications are used and are developed in an iterative manner by considering high-level statements of requirement to arrive at the necessary detail needed for a final specification. The key constraints within which suppliers will need to work are clearly set out.	Are specifications developed to meet service delivery needs and overall vision, and are they in line with stakeholder expectations through consultation?	A PARTIAL score requires the following evidence: • Stakeholder requirements are clearly translated into specifications which have a focus on measurable outputs/outcomes; and • The contract documentation meets the business need as defined in the business case. In addition, a YES score requires the following evidence: • The service meets the needs of the stakeholders and desired quality levels; and • There is a clear record of how changes in scope or the external regulatory/legislative landscape are reflected in the delivery of the service.

Chapter	Sub text	Maturity	Question	Score
Deliver Change: Programme/Project delivery Q14(1)	Governance	To ensure the success of projects and programmes there needs to be clarity of understanding on the brief and the proposed objectives and outcomes. High level leadership and governance arrangements need to be in place to ensure full stakeholder engagement, quality decision-making and successful outcomes.	Are there sufficient high level leadership support and governance arrangements in place to ensure successful property and workplace change projects/programmes?	For those organisations which are currently undertaking a relevant change programme or have completed a change programme within the previous 3 years, a PARTIAL score requires the following evidence: • A programme board or other mechanism is in place to monitor the programme and establish linkages between property asset management and key corporate/cross-cutting initiatives e.g. changes affecting workforce size, ICT modernisation, re-definition of business objectives. In addition, a YES score requires the following evidence: • The programme board comprises an experienced/qualified SRO, project owner/sponsor, a project manager and project delivery team with defined roles and responsibilities; and • There are clear approvals, monitoring, governance and reporting arrangements; and • The benefits of the property change programme have been identified and are being measured and tracked.
Deliver Change: Programme/Project delivery Q15(2)	Project change control	Programmes and projects can be subject to change especially if they are medium to long term in nature. Formal change management procedures and controls are therefore present for all projects, ensuring that the effects of change are examined and consequences understood and planned for within an adjusted programme.	Is there an effective project change control process?	A PARTIAL score requires the following evidence: • There is a formal agreed process of change control and approval. In addition, a YES score requires the following evidence: • Change controls are routinely applied and adhered to; and • The impact of changes to the programme boundaries are regularly evaluated and recorded.
Deliver Change: Programme/Project delivery Q16(3)	Benefits analysis	Programmes and projects have fulfilled the business needs and objectives identified in the 'Strategy' and 'Planning to Deliver' stages of the asset management lifecycle. Data gathered through PIR/POE inform the ongoing performance improvement plan.	Have completed projects delivered successfully against objectives or against the best practice outcomes expected from an asset management change project?	A PARTIAL score requires the following evidence: • Project outcomes/benefits have been measured, tracked and reviewed; and • Lessons learned have been captured. In addition, a YES score requires the following evidence: • Post Implementation Reviews/Audits have provided assurance that the investment in the business case was justified i.e. benefits have been realised; and • An action plan for implementing lessons learned exists.

Chapter	Sub text	Maturity	Question	Score
Operate: Stakeholder relationship management Q17(1)	Communications	Stakeholder or Customer Relationship Management is characterised by activities which help the strategic service management function assess/check customer demand and behaviour in order to create stronger relationships.	Has the central unit responsible for commissioning/performance monitoring property-related services defined its customers and/or stakeholders and provides effective, regular communications?	A PARTIAL score requires the following evidence: • Appropriate stakeholder engagement structures exist or are in development e.g. Building User Groups defined with terms of reference and annual meetings (at least); and • Service performance data from the helpdesk or similar system is used on an ad-hoc basis to inform efficiency improvement initiatives. In addition, a YES score requires the following evidence: • A stakeholder engagement plan; • Service performance data from the helpdesk or similar system is routinely used together with user satisfaction data to drive efficiency in operational services in direct response to customer/stakeholder requirements; and • In transition phases, activities will include customer/stakeholder expectation management (i.e. allowing time for new service processes and systems to bed in until a steady-state point).

Chapter	Sub text	Maturity	Question	Score
Operate: Q18(2)	Contract management	Consideration is given to the contract monitoring function: roles and responsibilities, and skills required, such as understanding of financial, legal, commercial management provisions, performance management, change control mechanisms, and management of stakeholder expectations. Formal contract administration role(s) exist and are supported by processes (e.g. regular contract monitoring meetings) and systems (e.g. performance measurement system, payment mechanism). Contract managers: • have a sound technical/ commercial/ financial and legal understanding of contracts (e.g. overarching objectives, how it will deliver VFM); • ensure that services delivered are commensurate with level of payment; a payment mechanism may exist to facilitate this process; and • have processes in place to cover day-to-day duties such as dealing with complaints, asset management (e.g. equipment assets etc), reports, risk management, statutory compliance monitoring, invoice checking, authorising payments	Is the role of contract management effectively resourced and embedded within property asset management?	A PARTIAL score requires the following evidence: • Processes and resources exist for carrying out contract management duties but these are carried out on an infrequent basis (less than quarterly) and activities are limited (e.g. concentrating on invoice checking and processing). A YES score requires the following evidence: • Appropriate processes and resources exist for carrying out contract management duties on a regular basis (e.g. at least quarterly meetings with contractors/suppliers); and • Procedures are in place for checking that service costs are commensurate with performance being delivered; invoices are cleared promptly; evidence of redressing of any issues arising; and • Procedures are in place for ensuring original contractual obligations are fulfilled (e.g. ensuring that procurement strategy objectives are upheld e.g. risk, requirements, cost, change control); and • Evidence of audit checks.

Chapter	Sub text	Maturity	Question	Score
Operate: Cross Organisation/Family Q19(3)	Service Delivery Management	Service delivery management ensures that relationships between client (commissioner) and supplier parties (includes internal service providers as well as externally contracted service providers) are open and constructive, identifying problems early so that they can be resolved.	Are formal processes in place for the proactive management and administration of all service contracts across the whole organisational family? *(Parent Depts only)*	A PARTIAL score requires the following evidence: • Meetings with business units/suppliers are infrequent or happen on an ad-hoc basis e.g. reacting to problems as they arise. A YES score requires the following evidence: • Meetings with business units/suppliers are planned and occur regularly; and • A supplier database exists which contains supporting data relating to key relationship risks and mitigating factors/activities, past performance (e.g. time, cost, quality); and • Where problems have been identified, they are recorded and remedial action taken.
Operate: Service delivery management Q20(4)	Change control management	Contract managers have access to a formally agreed change control mechanism which is part of the original contract. The pricing of variations to a contract are open and transparent and ensure that VFM is still maintained (e.g. unit prices are competitive prices). The change management process has established and embedded linkages with the Service Delivery Review process.	Are there formal change management processes for controlling contracts and optimising value for money?	A PARTIAL score requires the following evidence: • Change mechanisms exist but there is restricted flexibility to implement changes easily. A YES score requires the following evidence: • Contracts have formal change mechanisms in place which allow changes to be made in a flexible manner with transparency and control over price changes; and • Changes are checked to test if there are reasonable grounds for making a formal change e.g. performance or VFM will be improved, changes are commensurate with customer requirements; and • Alternative options are considered which may not lead to cost increases (e.g. existing labour redeployed or reprioritised to accommodate change in requirements).

Chapter	Sub text	Maturity	Question	Score
Corporate Governance: Cross Organisation/ Family Q21(1)	Advisory and decision-making structure	There is a Property Asset Management Board with clear executive and advisory responsibilities. The Board's membership is drawn from across the departmental family and their responsibilities are reflected in personal objectives. The Board's focus is on setting strategic direction, resolving strategic choices, challenging the status quo or departmental family plans. It is not distracted by operational management matters which are the responsibility of operational forums. Property Asset Management is sponsored by a 'champion' who: • is an executive board member; • is accountable for property asset management; • promotes a corporate view of capital expenditure; • chairs the cross departmental family (where Parent Department) property asset management board ; • encourages the departmental family (where Parent Department) to take a strategic view of estate management and property-related programmes; • oversees the implementation of property asset management plans and implementation programmes within the parent department and the family of sponsored bodies; • sets property asset management standards; • monitors key performance indicators in relation to strategic objectives; • grants approvals within delegated authority.	Is there a Property Asset Management Board, chaired by a property champion, which focuses on reviewing, challenging, setting strategic direction and resolving strategic issues across the organisational family? *(Parent Depts only)*	A PARTIAL score requires the following evidence: • Terms of reference set out roles and responsibilities, membership, meeting frequency, accountabilities and reporting arrangements for strategic and operational property asset management forums; and • The property asset management board includes members from across the departmental family; • The property champion has chaired the property asset management board in the last 6 months. In addition, a YES score requires the following evidence: • The recommendations arising from the PAM Board form an essential part of the business review process, undertaken normally within a three year time period; • Property asset management board meeting minutes show evidence of review and challenge across the departmental family; • The PAM champion can point to evidence that he/she has taken steps to promote a corporate approach to asset management and occupation e.g. through corporate asset plans, increased sharing of space by members of the departmental family, sharing of property services and evidence of overseeing the implementation of property asset plans and implementation programmes; • The property asset management board meets at least twice during the year; and • The board members' property responsibilities are reflected in personal objectives.

Chapter	Sub text	Maturity	Question	Score
Corporate Governance Q22(2)	Roles and responsibilities	Property-related roles and responsibilities are clearly documented, understood and communicated across the organisation. Internal functional units/sponsored bodies have nominated representatives who are responsible for challenging and articulating the unit's demand for accommodation/assets and property and FM related services.	Are the roles and responsibilities of key property services representatives (including at executive level, property service providers and representatives of property users) clearly documented, understood and communicated across the organisation?	A PARTIAL score requires the following evidence: • Job descriptions and person specifications have been created for key property-related representatives and outline their responsibilities. In addition, a YES score requires the following evidence: • Roles and responsibilities of key property services representatives (including property service providers and user representatives) have been communicated across the organisation; and • Customer satisfaction surveys (or other communications) indicate a good level understanding of the property/property services' role and that advice and support is provided in a timely manner.
Corporate Governance: Cross Organisation/ Family Q23(3)	Roles and responsibilities (customer liaison)	Property-related roles and responsibilities are clearly documented, understood and communicated across the organisation. Internal functional units/sponsored bodies have nominated representatives who are responsible for challenging and articulating the unit's demand for accommodation/assets and property and FM related services.	Do the organisation's internal business units/sponsored bodies have nominated property representatives* who engage in the unit's business planning process and are the point of communication with the central commissioning/ performance monitoring team? *(Parent Depts only)* ** For the avoidance of doubt this is not a technical property role.*	A PARTIAL score requires the following evidence: • Internal functional units have a nominated property representative; and • The responsibilities of this property representative are clearly documented e.g. as part of a job description. In addition, a YES score requires the following evidence: • Nominated representatives are engaged periodically in linking asset planning into business planning and attend a cross-organisation asset planning forum; and • Nominated representatives regularly challenge their unit's demand for, and performance of, space and services i.e. ensure that the standards of the goods or services requested are not over-specified.

Chapter	Sub text	Maturity	Question	Score
Capacity and Capability: Intelligent Client Function Q24(1)	Governance	The Intelligent Client Function* exhibits the following characteristics: • comprises individuals who have the requisite knowledge, skill and experience to translate (after appropriate challenge) strategic business needs into strategic property and service requirements; • promotes centrally sourced services to secure supply chain efficiencies, eliminate duplication and facilitate standardised, best practice processes; • ensures strategic corporate asset planning is co-ordinated to ensure that policies, standards and strategic choices are made in the interests of the organisation as a whole; • ensures strategic planning is distinct from the day to day delivery of service activities; • High level service agreements are in place between suppliers of property-related services and internal customers, e.g. business units/sponsored bodies. • Where a private sector sourcing/ partnership model exists, there is a discrete 'intelligent client function', which has deep knowledge of the business objectives, property assets, service contracts and suppliers, and is responsible for commissioning and supplier management. *A discrete in-house unit which has optimal capacity/resources to carry out property asset management responsibilities on behalf of the client organisation/departmental family	Is there a central Intelligent Client Function with deep knowledge of the organisation's business objectives and its property portfolio, which is responsible for setting and monitoring corporate policies, standards, commissioning, and high level contract management?	A PARTIAL score requires the following evidence: • A central source of expertise (multi-disciplinary) on Property Asset Management (PAM) is established within the organisation and comprises experienced/qualified PAM practitioners. In addition, a YES score requires the following evidence: • The central intelligent client function undertakes the following activities: - provides advice and guidance on PAM strategy, policies and standards; - commissions contracts on behalf of the organisation; - ensures legal responsibilities; - resolves disputes that cannot be resolved by internal customers - ensures financial control; - compliance with government regulations; and • Suppliers are evaluated on an ongoing basis i.e. key supplier metrics including customer satisfaction are tracked; and • Senior officers in the central intelligent client function are recognised by the Main Board as understanding the relationship between business strategy and property.

Chapter	Sub text	Maturity	Question	Score
Capacity and Capability: Intelligent Client Function Q25(2)	Resources	The Intelligent Client Function* exhibits the following characteristics: • comprises individuals who have the requisite knowledge, skill and experience to translate (after appropriate challenge) strategic business needs into strategic property and service requirements; • promotes centrally sourced services to secure supply chain efficiencies, eliminate duplication and facilitate standardised, best practice processes; • ensures strategic corporate asset planning is co-ordinated to ensure that policies, standards and strategic choices are made in the interests of the organisation as a whole; • ensures strategic planning is distinct from the day to day delivery of service activities; • High level service agreements are in place between suppliers of property-related services and internal customers, e.g. business units/sponsored bodies. • Where a private sector sourcing/ partnership model exists, there is a discrete 'intelligent client function', which has deep knowledge of the business objectives, property assets, service contracts and suppliers, and is responsible for commissioning and supplier management. *A discrete in-house unit which has optimal capacity/resources to carry out property asset management responsibilities on behalf of the client organisation/departmental family	Are sufficient Intelligent Client Function resources in place to carry out regular property asset, business and financial planning reviews on behalf of the organisation?	A PARTIAL score requires the following evidence: • Resources are allocated to strategic asset planning activities on an ad-hoc basis, though formal strategic property asset management roles do not exist; and • External specialists are commissioned/consulted on a regular basis to provide advice because of a lack of internal expertise; and • Senior decision-makers have been informed that property asset management requires a client-side professional resource commitment. A YES score requires the following evidence: • The Main Board formally recognises the expertise of the Intelligent Client Function and has received a briefing in the last 12 months on the strategic role of property; and • Suitably qualified staff carry out property asset management activities (e.g. evidence of job descriptions, accountabilities, membership of relevant boards, management of externally sourced advisors/suppliers); and • Evidence of an organisation chart showing roles, grades and qualifications (as necessary); and • A review has been undertaken within the last 12 months to consider current in-house PAM capacity and capability (and possible succession planning) in strategic asset management, contract and supplier management, and capital project management; and • There is appropriate knowledge and experience of HMT Green Book appraisals and discounted cash flow analysis.

Chapter	Sub text	Maturity	Question	Score
Capacity and Capability: Cross Organisation/Family Q26(3)	Developing Capacity and Skills	Skills and training requirements for strategic and operational property-related roles are clearly identified across the organisation and are based on capacity and capability reviews that draw upon the Civil Service Competence Framework and the Government Property Profession Competence Framework. Senior managers receive briefings (at least annually) on the significance of strategic property asset management, eg highlighting the impact of property on service delivery, finances, workforce productivity, technology and sustainability. Outcomes from capacity and competency reviews indicate that the organisation has access to sufficient resources to develop property asset and workplace initiatives that deliver efficiencies and other benefits. The organisation allocates appropriate resources to address in-house capacity or capability gaps, including sharing internal and external expertise (loans and secondments). Advice and information upon which strategic decisions are taken is high quality and there are plans to ensure continuity of access to skills and knowledge. Equally, operational competencies are advanced, for example understanding of the property supply markets, relevant legislation (including health & safety) and the environmental sustainability agenda.	Is there a regular review of PAM capacity and capability (competency) across the organisational family, based on an assessment of available resource against the future requirements for strategic and operational volumes? *(Parent Depts only)*	A PARTIAL score requires the following evidence: • A formal review has been undertaken within the last three years of current in-house PAM capacity and capability in strategic asset management, contract and supplier management, capital project management In addition, a YES score requires the following evidence: • Consideration has been given to alternative ways of addressing any capability gap including learning & development, in-house capacity building through sharing of expertise with other organisations and external sources; and • The GPP Competency Framework is reflected in job descriptions and person specifications for property asset management staff involved in commissioning, managing or providing property and facilities management services; and • The targets in the organisation's capability improvement programme are reflected in individual personal development/CPD plans.

Chapter	Sub text	Maturity	Question	Score
Policies and standards: Cross Organisation/Family Q27(1)	Occupation	Comprehensive property asset management standards and policies that govern the sustainable management, occupation and use of buildings are in place and support asset strategy and corporate objectives. Policies and standards are effectively communicated to operational stakeholders and are clearly owned and enforced through challenge. Policies and standards are proactively used to control demand and supply. Framework documents between departments and business units/ sponsored bodies establish the terms governing property asset management and accountabilities for VFM across the departmental family. They set out the policies and standards to be implemented and include a requirement for business units/sponsored bodies to demonstrate efficient and effective asset management and collaborate in the planning, delivery and operation of accommodation.	Is there an understanding across the organisation that business units/sponsored bodies are accountable for ensuring that property assets under their control are occupied and managed in line with corporate policy? *(Parent Depts only)*	A PARTIAL score requires the following evidence: • A policy statement or framework document exists to the effect that property occupied by individual businesses is subject to corporate policy and that they are accountable for ensuring that property assets are occupied and managed efficiently and effectively; • Workplace policy documentation exists (this could be set out in estate strategy or asset management planning documents, as well as stand-alone policy documents), eg - space standards - working environment standards (non-territorial workspace/ open plan, Smart Working, desk sharing) - environmental sustainability • Work is being planned/in progress to implement workplace policies. In addition, a YES score requires the following evidence: • Internal business units/sponsored bodies regularly consult with the central property asset management unit and do not make asset management decisions in their own interests or act autonomously, ignoring the corporate good; • All new, refurbished and reconfigured workspace complies with National Property Controls' space standards and desk sharing/Smart Working practices (in line with *The Way We Work*) have been implemented.

Chapter	Sub text	Maturity	Question	Score
Policies and standards: Cross government Q28(2)	Occupation	Comprehensive property asset management standards and policies that govern the sustainable management, occupation and use of buildings are in place and support asset strategy and corporate objectives. Policies and standards are effectively communicated to operational stakeholders and are clearly owned and enforced through challenge. Policies and standards are proactively used to control demand and supply. Framework documents between departments and business units/ sponsored bodies establish the terms governing property asset management and accountabilities for VFM across the departmental family. They set out the policies and standards to be implemented and include a requirement for business units/sponsored bodies to demonstrate efficient and effective asset management and collaborate in the planning, delivery and operation of accommodation.	Do property asset management representatives actively liaise with other government departments and their sponsored bodies on workplace strategies and portfolio planning?	A PARTIAL score requires the following evidence: ▪ Engagement in a minimum of two knowledge sharing events with other government departments/sponsored bodies in the last 12 months e.g. formal meetings, networking events; and ▪ Regular engagement with the Government Property Unit. In addition, a YES score requires the following evidence: ▪ Evidence of successful co-operation or co-location with other departmental organisations as part of the government's overall property strategy.

Chapter	Sub text	Maturity	Question	Score
Data / MIS Q29(1)	Management of data	Leading practice can be defined as: • Property asset management data requirements are clearly documented and understood across the organisation. • The e-PIMS database is used for all mandated data which is comprehensively populated, accurate, secure and readily accessible to key decision-makers and managers. • In-house property and facilities management databases interface effectively, are able to be interrogated, the data analysed, and produce reports to aid decision-making. • The management of the information system, extraction of data, analysis and reporting of information is the responsibility of the central property asset management unit (Intelligent Client Function). • Roles and responsibilities for data collation, management and reporting are clear. • Property asset management information supports the performance management activities relating to each individual service provider (internal and/or external).	Is the organisation proactive in its use of e-PIMS to inform property asset management decision-making?	A PARTIAL score requires the following evidence: • e-PIMS is fully updated with the necessary mandatory information on the organisation's land and property assets e.g. to support Government Property Finder, Government Space for Growth, and the Strategic Land and Property Review (SLPR). A YES score requires the following evidence: • e-PIMS provides data in the requisite format and standards of validity/accuracy to inform strategic decision-making.

Chapter	Sub text	Maturity	Question	Score
Data / MIS Q30(2)	Management of data	Leading practice can be defined as: • Property asset management data requirements are clearly documented and understood across the organisation. • The e-PIMS database is used for all mandated data which is comprehensively populated, accurate, secure and readily accessible to key decision-makers and managers. • In-house property and facilities management databases interface effectively, are able to be interrogated, the data analysed, and produce reports to aid decision-making. • The management of the information system, extraction of data, analysis and reporting of information is the responsibility of the central property asset management unit (Intelligent Client Function). • Roles and responsibilities for data collation, management and reporting are clear. • Property asset management information supports the performance management activities relating to each individual service provider (internal and/or external).	Does the in-house property and FM information management system support the performance management of suppliers (e.g. by collecting data from the customer/ supplier via the helpdesk)?	A PARTIAL score requires the following evidence: • An in-house database exists which provides additional management information, e.g. facilities management data. In addition, a YES score requires the following evidence: • A property and facilities management helpdesk exists which covers a range of business and customer support service activities; and • The helpdesk is used to actively capture demand (e.g. requests) and performance management data (data/information for use in service reviews and benchmarking); and • All business units are provided with easy access to service performance reports and contract analysis; and • Evidence indicates that users (users include the property champion and internal business units/property users) have timely access to property and facilities management data to support strategic asset planning, as well as performance monitoring; and • In-house management information systems are easy to use and interrogate.

Chapter	Sub text	Maturity	Question	Score
Data / MIS Q31(3)	Content	Leading practice can be defined as: • Property asset management data requirements are clearly documented and understood across the organisation. • The e-PIMS database is used for all mandated data which is comprehensively populated, accurate, secure and readily accessible to key decision-makers and managers. • In-house property and facilities management databases interface effectively, are able to be interrogated, the data analysed, and produce reports to aid decision-making. • The management of the information system, extraction of data, analysis and reporting of information is the responsibility of the central property asset management unit (Intelligent Client Function). • Roles and responsibilities for data collation, management and reporting are clear. • Property asset management information supports the performance management activities relating to each individual service provider (internal and/or external).	Does the in-house property and facilities information management system provide a range of performance data which is routinely used for strategic planning and performance review?	A PARTIAL score requires the following evidence: • Accessible databases hold information for at least two thirds of the buildings for at least a half of the data headings set out below: • Floor plans/areas (occupied/vacant/surplus) • Tenure and lease details • Photographs • Valuations • Condition data including standards and targets • Legal, regulatory and statutory data, e.g. lift maintenance • Number of workstations v. FTE • Total occupancy costs (including rents, rates, utilities, facilities management services) • Workplace productivity data (e.g. facilities downtime) • Environmental sustainability data (e.g. utility usage, CO^2 emissions, waste recycling etc); and • Costs can be broken down by building/holding; OR • A PFI contract manages the estate and allows provision of detailed information on request. In addition, a YES score requires the following evidence: • Comparative benchmarking has been used to identify inefficient premises/services; and • Environmental sustainability data such as energy performance, water costs and recycling has been benchmarked and included in appraisals; and • Action has been taken to improve performance based on the management information.

Chapter	Sub text	Maturity	Question	Score
Performance Review and Audit Q32(1)	Performance reporting	Performance indicators (KPIs) monitor and measure the performance of assets in-use including value for money, business effectiveness and sustainability across the organisation. Performance status is regularly communicated to the Intelligent Client Function, the property asset management board, and to the main board at least annually. There is a clear link ('golden thread') from the organisation's strategic objectives through to the asset performance indicators. The indicators (KPIs) relate to both financial and non-financial measurements (including customer satisfaction). Indicators map on to individual hard and soft property services and also individual service providers (both internal and externally sourced). The corporate balanced scorecard (or other performance measurement tool) includes property, or there is a property/FM balanced scorecard (e.g. measures may include: customer / user, building, VFM, utilisation, environmental sustainability). Progress is tracked against targets and performance data triggers improvement activity.	Has the organisation developed a performance management framework for its property assets and associated services in order to meet the needs of the business strategy?	A PARTIAL score requires the following evidence: • A performance management framework is in development; OR • Assets are defined by class and appropriate KPIs applied; and • A corporate balanced scorecard (or other performance measurement tool) includes property, or there is a property/FM balanced scorecard (e.g. measures may include: customer/ user, building, VFM, utilisation, sustainability); and • Progress is tracked against targets. A YES score requires the following evidence: • The performance management framework reflects the corporate property aims and objectives of the organisation/sponsored bodies; and • The performance management framework incorporate a comprehensive collection of property and property services indicators*; and • Measures of the efficiency and effectiveness of workplace and operational property assets are routinely reported to strategic planners; and • The organisation is able to demonstrate that data is used, monitored and triggers actions e.g. KPIs are regularly monitored in operational asset management forums and performance issues acted upon by key stakeholders; and • The performance management system (e.g. balanced scorecard) is reported to the main board on an annual basis and performance management activities are cascaded across the organisation /departmental family; and • Measures can be reported as data which is readily accessible (e.g. it can be retrieved within 48 hours of a request) at building/holding level. * e.g. efficiency measures include cost per FTE, cost per m2, m2 per FTE, workstation per FTE environmental sustainability (e.g. Kwh, CO^2), and operational service outputs; effectiveness measures include workplace satisfaction and functional suitability.

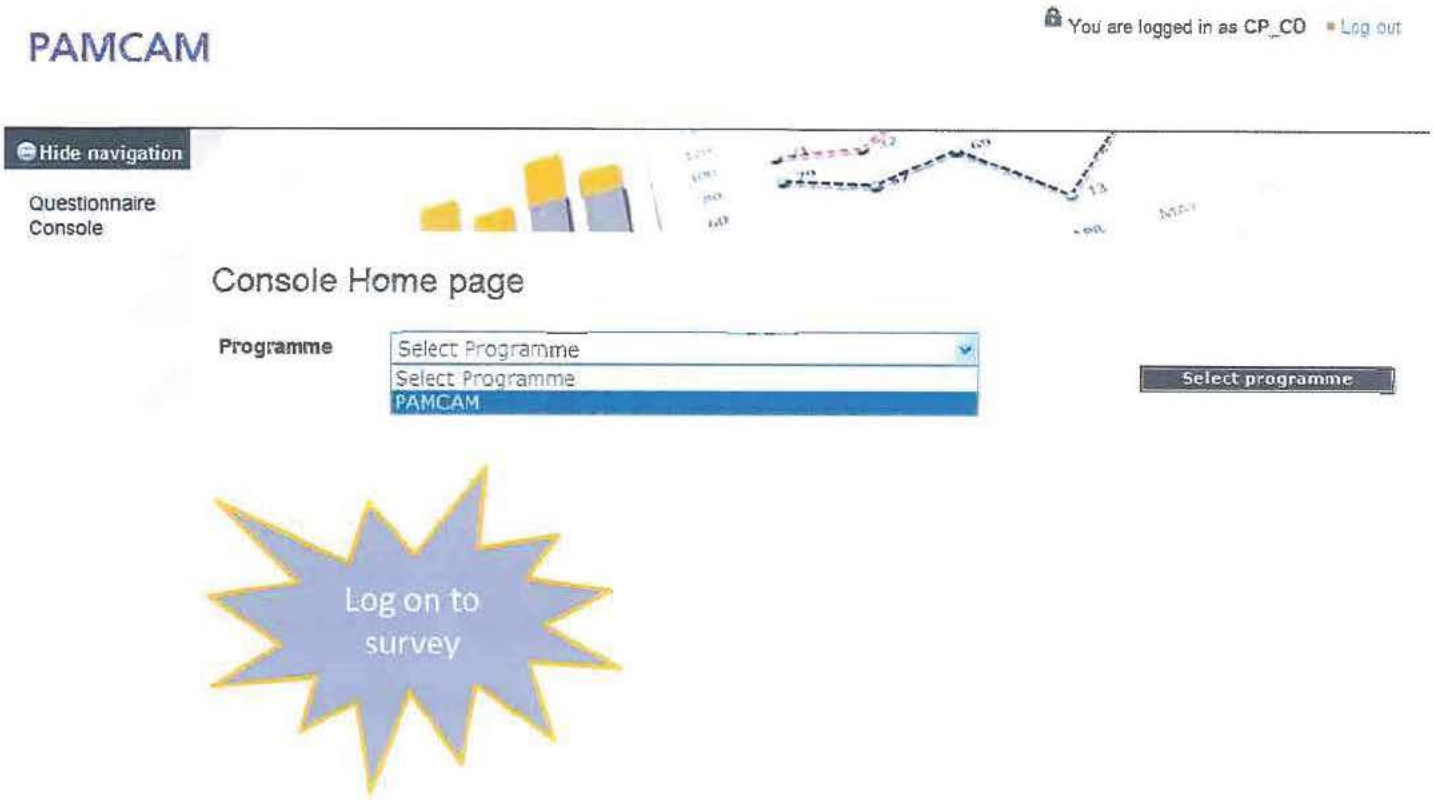
Chapter	Sub text	Maturity	Question	Score
Performance Review and Audit Q33(2)	Post-Implementation Review	Post Implementation Reviews (PIRs) and Post Occupancy Evaluations (POEs) are embedded and are proactively used to study the performance of property asset programmes/projects and mechanisms exist to feed learning from post implementation reviews into property asset strategy and planning processes.	Have lessons from pilot/previous property asset projects been captured and fed into strategy development and planning processes?	A PARTIAL score requires the following evidence: • Post implementation reviews are completed for some, but not all, projects. A YES score requires the following evidence: • Post implementation reviews are undertaken for all completed projects; and • Documentation identifies the targeted benefits and achievements against these e.g. whole life value has been assessed against the investment and benefits realised; and • Positive experiences and areas for improvement are widely communicated.
Performance Review and Audit Q34(3)	Audit/Peer Review	The organisation has undertaken a strategic review of the performance of its property assets and services within the last three years and updates and reviews its office and operational asset strategies on a regular basis. The strategic review of property assets and services considers improvement options and sets out a series of recommendations that become translated into an approved action/improvement plan. The improvement plan identifies the officers responsible for the delivery of the actions highlighted and/or quantified benefits and assigns a target completion date for each activity. Progress against the improvement plan is tracked by the property asset management board on a regular basis. The organisation proactively engages independent audit teams and/or engages in a peer review process. The organisation disseminates knowledge on good practice asset management across the organisation.	Has a property asset management peer review/external audit been undertaken in the last three years?	A PARTIAL score requires the following evidence: • A proposal for a property asset performance review/audit has been discussed by the property asset management board within the last 12 months; OR • A property asset performance review/audit is currently underway; • Exemplar property asset management organisations have been identified and researched to determine improvement activities. In addition, a YES score requires the following evidence: • Independent audit teams have been engaged by the organisation to facilitate the improvement process; and • A property asset performance improvement plan and/or a property asset management review/audit has been developed drawing upon risk registers and corporate governance requirements. • An improvement plan identifies the officer(s) responsible for the delivery of the action(s) and a target completion date assigned for each accepted recommendation. • Approved audit and/or improvement plans have been communicated to key stakeholders; and good practice information has been shared across the organisation. • The organisation is committed to a fundamental review (approximately every 3-4 years) of its asset plans and strategies.

Chapter	Sub text	Maturity	Question	Score
Performance Review and Audit Q35(4)	Service level agreements (SLAs)	Service agreements for the provision of property-related services to business units/sponsored bodies are collaboratively developed to ensure the needs and requirements of each service area are clearly understood. Service agreements are regularly monitored and managed through the property asset management board or equivalent. Action plans are developed to address performance issues.	Are service agreements and clear performance management processes in place between suppliers of property-related services and internal customer business units?	A PARTIAL score requires the following evidence • Review mechanisms are in development; and • Business units/internal customers commission some property-related services direct from the market but without any form of challenge from the centre. In addition, a YES score requires the following evidence: • Service agreements between customers (business units/occupiers) and the internal organisation responsible for commissioning/performance monitoring property-related services have been developed for all or the majority of services; and • The scope (what is required) and specification (volumes, frequency, timing) of each service is clearly documented using standardised formats easily accessible to stakeholders/customers e.g. intranet service menu or service catalogue; and • The scope of service is clearly linked to budgets and actual operating costs using the same category/scope headings; and • Annual review of high level service agreements between suppliers (internal and/or external) and users (i.e. scope of services and specification); and • Customer satisfaction surveys (or similar tool) indicate that user needs and requirements are appropriately captured in service agreements and that performance issues are effectively addressed through focus groups/meetings; and • Documentation that captures the management actions taken to address performance issues highlighted from the annual review of the high level service agreements.

Chapter	Sub text	Maturity	Question	Score
Performance Review and Audit: Cross Organisation/Family Q36(5)	Service review	Property-related services are regularly reviewed to ensure that what is being supplied is optimally matched with stakeholder/user demand and meets best practice guidelines. Key aspects for review will be cost of service, reliability, customer satisfaction, outputs and other quality measurements. Service reviews are cognisant of short, medium and long term planning decisions of the wider stakeholder group (e.g. business units). Service reviews also link with an ongoing process of procurement category management.	Is there a service review process in place across the whole departmental family? *(Parent Depts only)*	A PARTIAL score requires the following evidence: • Meeting minutes show evidence of widespread consultation (e.g. all business units / others occupying space) in relation to property-related services; and • Service level agreements / high level service agreements or Service Catalogues define service scope and provision and are actively maintained to reflect ongoing change; and • Budgets are planned/adjusted by using intelligence from knowledge of future service needs (short, medium and long term); and • Service performance data is considered by the central unit responsible for commissioning/performance monitoring along with customers/stakeholders; and • Category/commodity expenditure is comprehensively reviewed across the departmental family as part of this process. In addition, a YES score requires the following evidence: • Alternative operating models and supply chain strategies have been actively considered in the last 3 years e.g. shared services, frameworks, partnerships, outsourcing with the benefit of service-performance intelligence; and • Ideas / suggestions for innovation and efficiency are actively sought from suppliers and discussed as appropriate with users; and • Asset performance is actively considered relative to user requirements, eg the property-related services deliver the appropriate level of performance for users and economic benefit for the organisation (i.e. preventing a backlog of maintenance from materialising; ensuring Life Cycle Costs are actively monitored against plan).
Performance Review and Audit Q37(6)	Benchmarking	Benchmarking methodologies are embedded and are used to drive innovation. Information in e-PIMS and the in-house database(s) is regularly analysed and used to: - inform strategy and decision-making; - challenge the property asset management plans and programmes of sponsored bodies; and - identify linkages and synergies in terms of future needs and plans	Does the organisation regularly use benchmarking to identify and apply best practices from industry and government to improve the performance of its property assets and services?	A PARTIAL score requires the following evidence: • Benchmark measurements are collected and compared either internally (within departmental family) or externally with other organisations e.g. cross-government, private sector; and • Benchmark measurements are not comprehensive, ie do not encompass a balance of measurements relating to economy (e.g. total costs), efficiency (e.g. resource inputs, process times) and effectiveness (output performance). A YES score requires the following evidence: • Benchmarking measurements are comprehensive and are used to drive performance and VFM of services; and • Benchmark targets have been appropriately set by linkage to actual service level requirements; they should be considered best in class (i.e. they should present a real challenge on cost and performance by targeting any lower quartile position given all of the operating circumstances; they should not be average market levels which may not be a challenge); and • The property asset management board reviews differential performance and improvement opportunities on a regular (annual) basis.

Chapter	Sub text	Maturity	Question	Score
Performance Review and Audit Q38(7)	Sustainability	Comprehensive property asset management standards and policies that govern the sustainable management, occupation and use of buildings are in place and support asset strategy and corporate objectives. Policies and standards are effectively communicated to operational stakeholders and are clearly owned and enforced through challenge. Policies and standards are proactively used to control demand and supply. Framework documents between departments and business units/ sponsored bodies establish the terms governing property asset management and accountabilities for VFM across the departmental family. They set out the policies and standards to be implemented and include a requirement for business units/sponsored bodies to demonstrate efficient and effective asset management and collaborate in the planning, delivery and operation of accommodation.	Are there sustainability objectives for the property portfolio that are measured over the medium-to-long term?	A PARTIAL score requires the following evidence: • Asset planning documentation or stand-alone policies make reference to government initiatives on environmental sustainability targets for offices and other buildings, such as energy efficiency, CO^2 emissions, waste recycling and water consumption. In addition, a YES score requires the following evidence: • Environmental sustainability data is collected and measured as part of the organisation's performance management regime (for example Kg CO^2/m^2); and • Performance reviews demonstrate compliance with government sustainability commitments for public sector property (e.g. Display Energy Certificates (DECs), refurbishment/construction specifications and climate adaptation planning).

ANNEX – Pictorial Guidance for Users



PAMCAM

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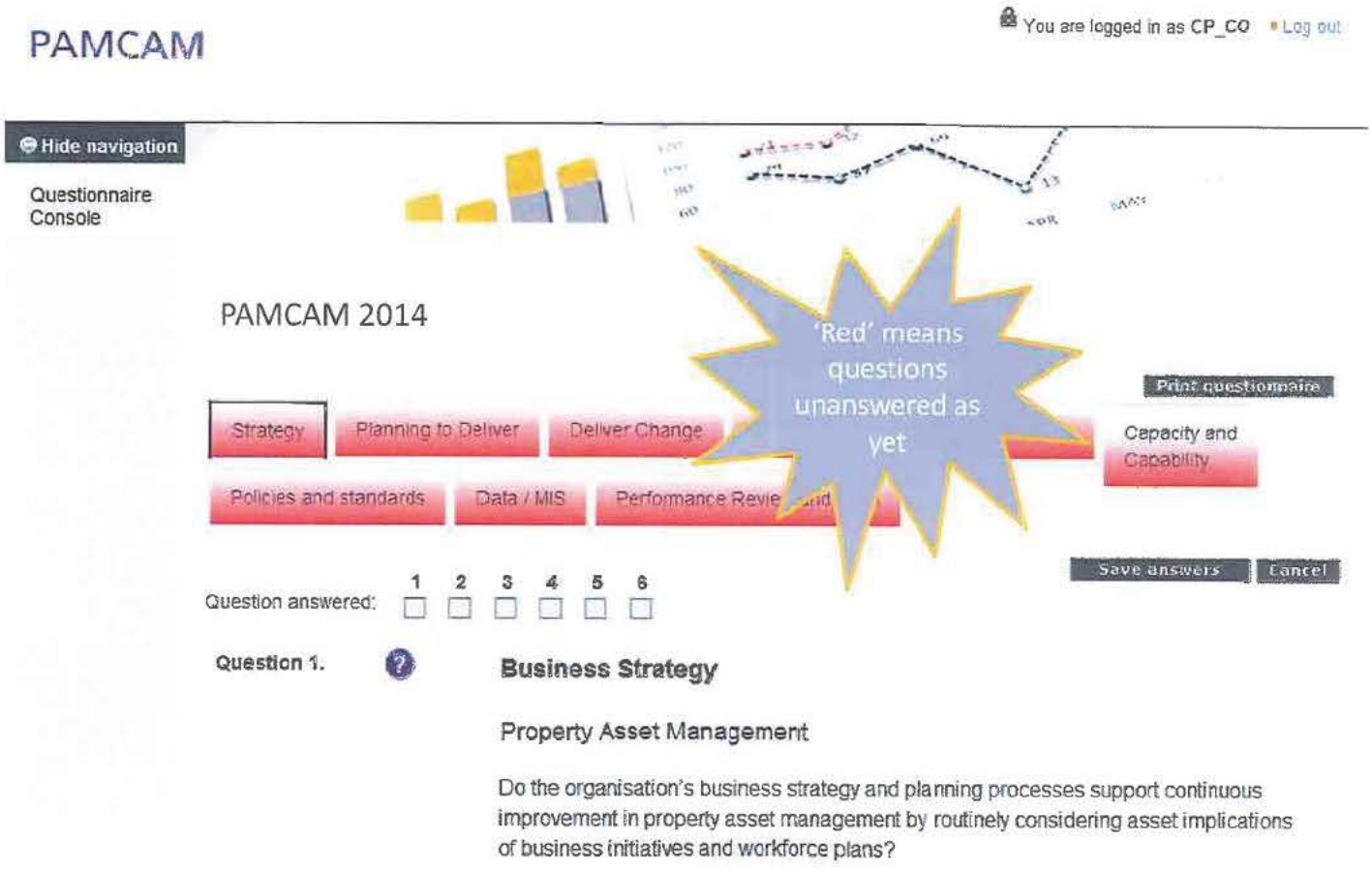
Hide navigation

Questionnaire Console

Console Home page

Questionnaire Name	Questionnaire Status	Submission Deadline	Submission Date	View/Amend	Submit
PAMCAM 2014	Not Started	30/04/2015		Amend	

Open new survey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Capacity and Capability
Policies and standards
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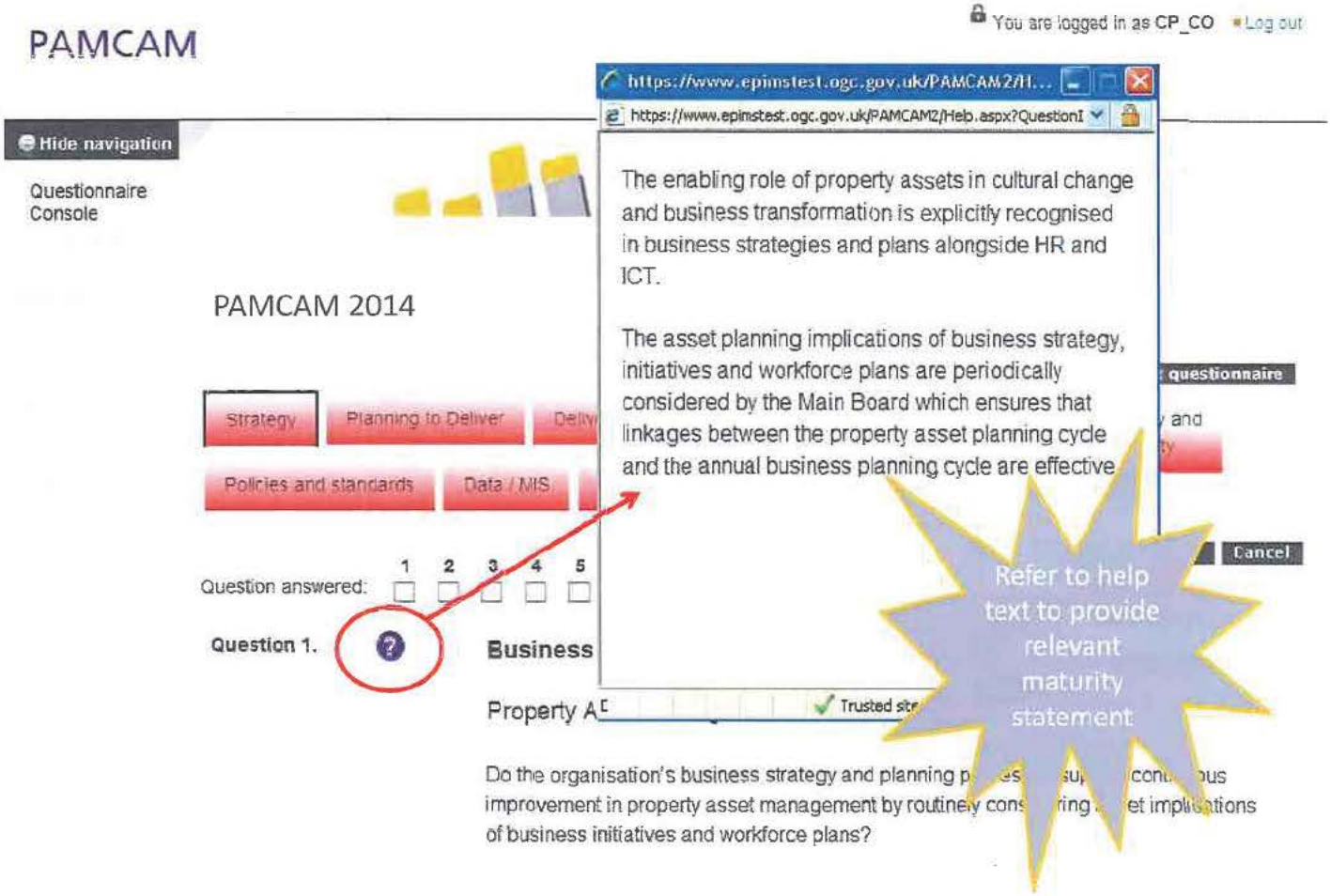
1 2 3 4 5 6
Question 1.
Business Strategy
Property Asset Management
Do the organisation's business strategy and planning processes support continuous improvement in property asset management by routinely considering asset implications of business initiatives and workforce plans?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The enabling role of property assets in cultural change and business transformation is explicitly recognised in business strategies and plans alongside HR and ICT.
The asset planning implications of business strategy, initiatives and workforce plans are periodically considered by the Main Board which ensures that linkages between the property asset planning cycle and the annual business planning cycle are effective.
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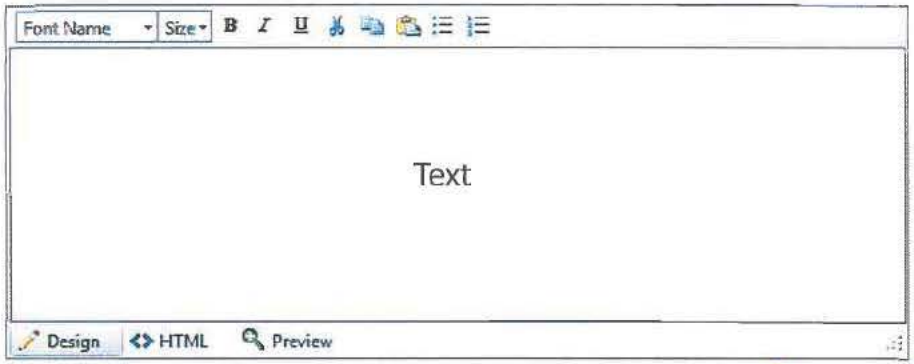
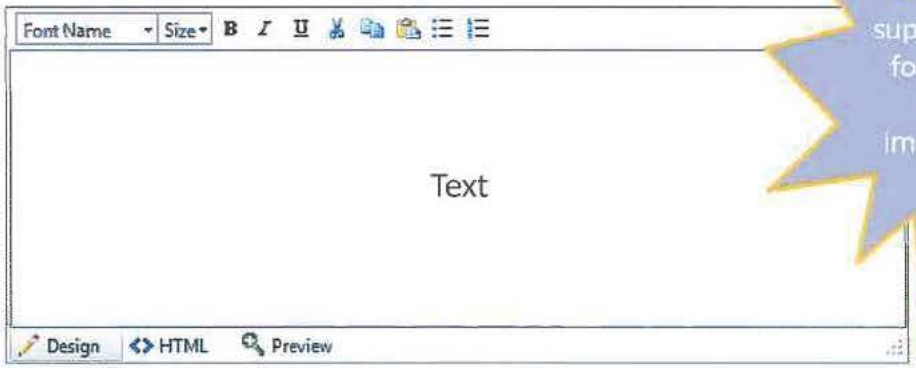
Do the organisation's business strategy and planning p es su con ous improvement in property asset management by routinely cons ring et implications of business initiatives and workforce plans?

Evidence:



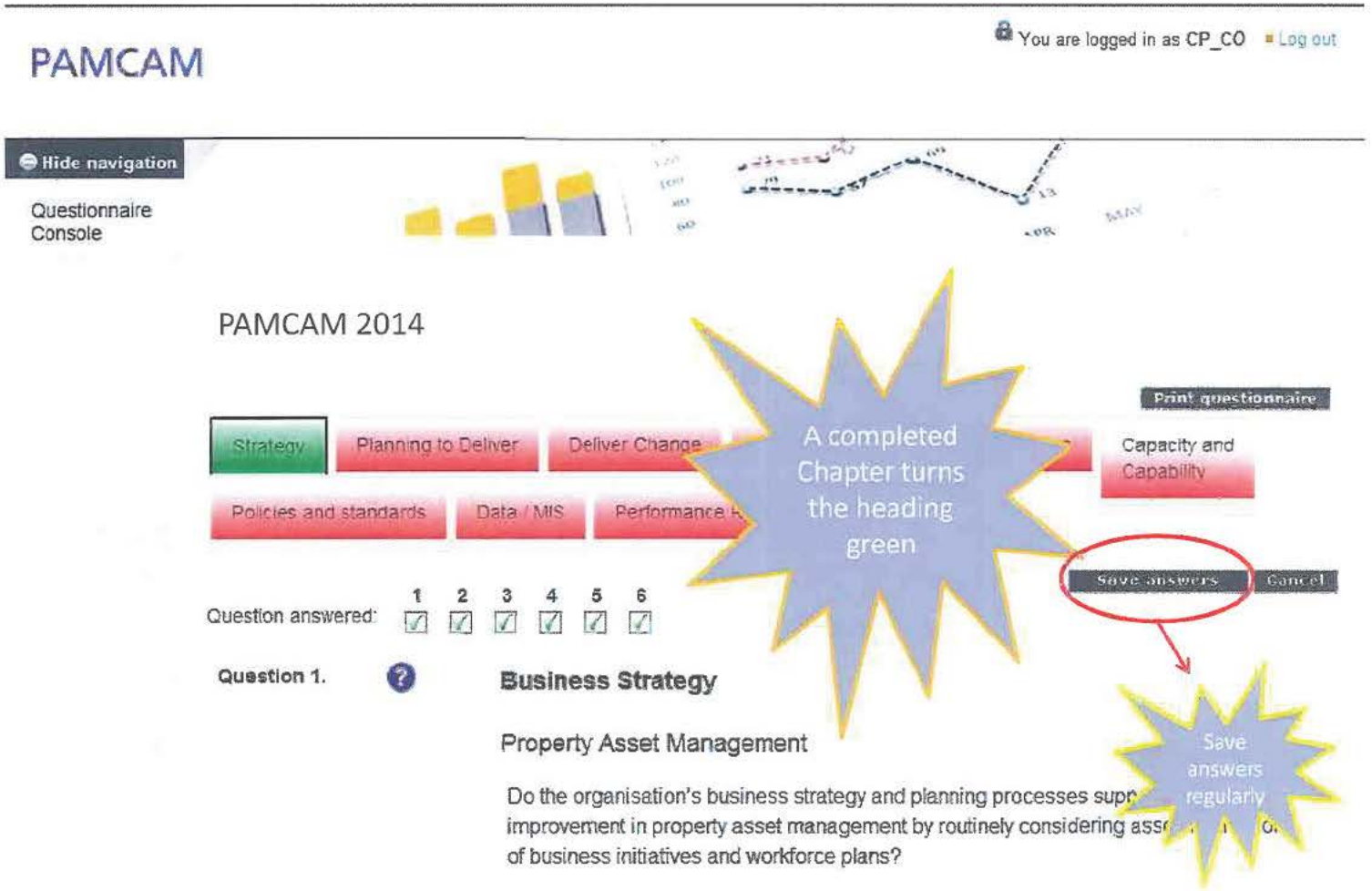
Improvement Plan:



Enter supporting text for evidence and any improvement plans

Do the organisation's business strategy and planning processes support continuous improvement in property asset management by routinely considering asset implications of business initiatives and workforce plans?

- ○ **A NO score does not require evidence.**
- ○ **A PARTIAL score requires the following evidence:**
  - **An organisational commitment to regular review of office and operational property portfolios; and**
  - **Written policies require the property assets and services implications of business change proposals to be routinely considered; and**
  - **Guidance for the annual business planning process refers to the need to link office assets/workplace and other operational property into planning.**
- ○ **In addition, a YES score requires the following evidence:**
  - **Regular forward planning of property assets and services rather than solely reacting to events; and**
  - **Business strategy documentation (including board papers and minutes) consider the impact on office property/ workplace and operational property e.g. in terms of how much, what type, where and when?; and**
  - **Business change proposals and change decisions demonstrate that the property assets and services implications of business change have been considered e.g. property costs are factored into the decision to expand an existing function or provide a new service; and**
  - **The business strategy plans and papers that impact on office/ workplace plans and operational property are linked and connected e.g. the change drivers and rationale are consistent and linkages are referred to e.g. ICT and HR strategy documentation.**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Print questionnaire
Strategy
Planning to Deliver
Deliver Change
Capacity and Capability
Policies and standards
Data / MIS
Performance
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Question answered:
1 2 3 4 5 6
Question 1.
Business Strategy
Property Asset Management
Do the organisation's business strategy and planning processes supp
improvement in property asset management by routinely considering ass
of business initiatives and workforce plans?
Save answers regularly

Question 3.

Cross-Organisation/family

Property Asset Management

Does the organisation regularly challenge or review the accommodation and property and service requirements of its business units/sponsored bodies?

A NO score does not require evidence.

A PARTIAL score requires the following evidence:

- The organisation has sight of some, but not all of the draft strategies and plans of its sponsored bodies.

A YES score requires the following evidence:

- Efficiency and effectiveness performance measures (KPI's) for property assets and FM services are shared across the organisational family and are regularly used by the parent department to challenge and review property asset management plans of the business units/sponsored bodies.

Evidence:

Improvement Plan:

Questions which are for Parent Depts only are 'greyed' out

PAMCAM

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Questionnaire Console

Console Home page

Questionnaire Name	Questionnaire Status	Submission Deadline	Submission Date	View/Amend	Submit
PAMCAM 2014	In Progress	30/04/2015		Amend	

'In progress' indicates survey is yet incomplete

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APPENDIX 8.4
HEALTH JURISDICTION COLLABORSTION WORKSHOP REPORT

ACT HEALTH

HEALTH JURISDICTION COLLABORTION WORKSHOP REPORT

May 2016

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

A Strategic Asset Management Framework (SAMF) provides an integrated approach for the effective management of assets and infrastructure through the alignment of asset portfolios and asset management capability. Only in this way can an organisation be confident that it is maximising the use of their asset portfolio in support of institutional outcomes and service delivery objectives.

Effective consultation regarding existing SAMFs enables the efficient and effective delivery of a comprehensive and effective SAMF that is better aligned with the needs of the ACT Health organisation. The consultation process assists in the discovery of relevant best practice SAMF models and facilitates knowledge transfer both to and from ACT Health regarding the development and delivery of a best practice SAMF within ACT Health.

The consultation process follows on from the literature review and the development of the Capability Assessment and Asset Portfolio Realignment reports presented to ACT Health and builds further on the body of available information to inform the development of the ACT Health SAMF.

The consultation process was undertaken in workshop form and involved representatives from both NSW Health and Queensland Health. NSW Health has implemented a state-wide approach to asset management under the auspices of the NSW Government's Total Asset Management (TAM) process.

Queensland Health employ a state-wide Framework under the Total Asset Management Plan (TAMP) process facilitated by the Department of Infrastructure, Local Government and Planning (DILGP). The Total Asset Management Plan (TAMP) Framework is the whole-of-government policy for managing Queensland Government assets and facilitates a coordinated approach to asset management. The TAMP Framework also ensures that asset planning is transparent and consistent across the Queensland Government.

The most effective SAMFs link the strategic objectives of the organisation to asset cycle activities by providing a consistent lens through which both asset portfolio and asset management capability are managed. The consultation process assists in determining whether there are any elements of the NSW or QLD systems that can be utilised or can serve to guide the development of a cogent SAMF framework for ACT Health. The following report provides a synopsis of key issues that resulted from the workshop.

1 BACKGROUND

Public health services all around Australia, including ACT Health, are facing significant challenges arising from a need to meet ever increasing demand for services with constrained budgets, limited resources and ageing infrastructure. The typical response to the situation that is confronting most public health services is to deliver new capital projects in an attempt to meet ever growing demand for services. This inevitably leads to an ever expanding asset portfolio that is expensive to maintain and operate over time and that puts ever more pressure on operating budgets.

This is not a unique challenge to ACT Health and the pathways to overcome this, as well as other pressing asset management challenges, have already been forged by other Health services globally and nationally. This does not take account of other organisations with similar asset portfolios to that ACT Health that can also provide insight into best practices to adopt in developing and implementing a comprehensive and effective SAMF. It would be amiss not to learn from the experiences of these organisations that are further advanced in adopting better practice asset management frameworks and capabilities.

This report captures key elements of the knowledge transfer process between ACT Health and its peers across other Australian jurisdictions with a focus on the common objective of effective management of their respective asset portfolios. The report incorporates the experiences and lessons learnt from New South Wales (NSW) Health and Queensland (QLD) Health that were presented at a collaborative Consultation Workshop, facilitated by Donald Cant Watts Corke SAFM on 5 May 2016, to provide ACT Health with insight into how best to manage the SAMF development and implementation phases as an element in establishing best practice asset management within ACT Health.

To facilitate the Consultation Workshop, Subject Matter Experts (SMEs) in asset management were invited from NSW Health, QLD Health and South Australian Health services. All of these Health services are at different stages of their asset management evolution and have unique and incisive lessons to share from varied points on a continuum of asset management maturity.

Two out of the three Health services were available to participate in the Collaborative Workshop with representatives from NSW and QLD Health presenting their experiences of managing built assets, medical equipment, non-medical plant and equipment and ICT related systems and infrastructure. The participating representatives from each jurisdiction include:

- Deborah Flood, Director, Capital Asset & Contract Services, Sydney Local Health District, NSW Health (Presentation included in Appendix 4)
- Kate Copeland, Senior Director Infrastructure Policy and Strategy, Queensland Health

Their presentations focused on Operational Perspectives of Asset Management at NSW Health and Strategic Asset Management: Planning and Investment at Queensland Health. Further themes were discussed around the asset management lessons learnt at both jurisdictions at the request of ACT Health. These themes are included in the Collaborative Workshop Agenda in Appendix 2.

This information was underpinned by draft reports and a presentation (See Appendix 3) by Donald Cant Watts Corke SAFM on current international and national SAMFs, their advantages and disadvantages, best practice tools for assessing asset management capability and the importance of aligning organisational objectives with a functional asset portfolio. These reports and presentation framed the Workshop and led the way for robust discussion and subsequent knowledge transfer between peer Health services which forms the basis of this report and will assist ACT Health in developing and delivering an outstanding SAMF.

2 NSW EXPERIENCE

2.1 TOTAL ASSET MANAGEMENT (TAM), NSW

The New South Wales Government's Total Asset Management (TAM) Capability Assessment Tool is designed for Government agencies to assess their level of capability or readiness to implement Total Asset Management. The assessment process is called a Capability Review. The TAM Capability Assessment Tool uses a questionnaire to help agencies review their Asset Management capability, including strengths and areas for improvement.

The TAM Capability Assessment Tool is designed to evaluate TAM capability in its widest sense. That includes examining how an agency plans to achieve its corporate results, planning the role assets play in supporting this and how asset management is implemented, including how assets are acquired, managed and disposed of in line with the asset management lifecycle.

The EFQM Excellence Model has established weights for each of the nine sections in the Tool, as shown in the diagram below. The weights are based on research from a range of organisations into the factors that most affect good overall performance.

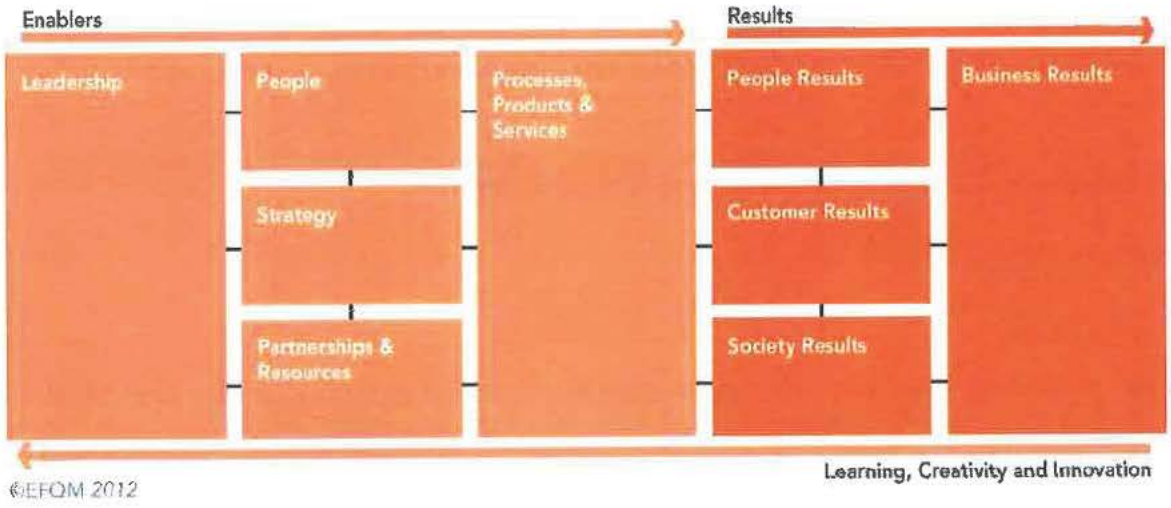

Figure 1: European Foundation for Quality Management (EFQM) Diagram

The TAM NSW capability assessment questions are to be rated based on level of maturity shown below in Table 1 and Table 2.

Table 1: Maturity Level Guidelines for Sections 1-5, TAM NSW

Description	Score
Don't know	0
No	1
Yes, but inconsistently	2
Yes, but could be improved	3
Yes. and achieve real benefits.	4
Yes, regarded as best practice.	5

Table 2 Maturity Level Guidelines for Sections 6-9, TAM NSW

Description	Score
Don't know	0
No	1
Yes, but don't use the information	2
Yes, and can show improving trends	3
Yes, steady improvement over 3 years	4
Yes, excellent improvement over 5 years	5

Further information on the TAM Framework is provided in Appendix 1.

2.2 SAMF DEVELOPMENT

In NSW Health's experience a Clinical Services Plan (CSP) is the necessary starting point for the development of a robust SAMF and associated Strategic Asset Management Plans as it identifies the strategic objectives and core service delivery outcomes required in a Health System context.

NSW Health adopts an innovative approach to aligning the asset portfolio and AM capability with the clinical service needs through the use of planning sessions, or Think Tanks. These sessions are directed at establishing forward thinking approaches to clinical service initiatives and identifying the strategic direction this service provision should take. Furthermore capital requirements are discussed and planned during Think Tanks sessions.

These Think Tank session assisted NSW Health in map the process flow for demand management which identifies the following four important factors in state-wide implementation:

- Government demography
- Clinical services
- State Strategic Asset Management (SAM)
- District SAM

Additionally, NSW Health has adopted an Asset Strategic Plan which is a keystone pillar of a robust SAFM. In NSW Health's case, it identifies expenditure over $250,000 and mandates approval by NSW Health before approval is granted from other levels of Government. The funding requests are loaded to AFM, one of NSW Health's ICT systems, and assessed on a state-wide basis which is very useful as other jurisdictions can benchmark based on the results uploaded and current asset management and capital projects are communicated across the jurisdiction.

NSW Health stated the importance of adopting clear, unambiguous definitions for each asset type and class in the development of a robust SAMF. This is one area that NSW health found challenging and it recognises this process as being difficult and beneficial as there is a need to differentiate between medical assets, infrastructure and non-medical assets in a consistent way. ACT Health should recognise that each asset class has varying degrees of lifespan and other variables that need to be identified in the appropriate definitions when undertaking this process.

ACT Health is aiming to establish a SAMF that encompasses each of the differentiated asset classes – built assets, medical equipment, non-medical plant and equipment and Enterprise Solutions - which should then lay the blueprint for a focused effort on SAMF implementation and development of targeted SAMPs.

2.3 BUILT ASSETS

NSW Health asset portfolio is significant and presents significant management challenges due to the scale of its estate, the ever increasing demand placed on its facilities and the ageing infrastructure in its portfolio. In

response to the challenge of managing an ageing infrastructure base, NSW Health has developed a clear policy around the disposal or renewal of old assets in the built environment. It has mapped out a targeted Asset Replacement Program which is to be funded 60% by Government and 40% through savings acquired through disposal and divestment of assets.

NSW Health also described the challenge of managing infrastructure with a inconsistent information, particularly relating to some of its older infrastructure. For example, asset management decisions sometimes need to be made in the absence of space information, building plans, user manuals and owner warranties. To manage this issue NSW Health are undertaking a concerted effort to produce PDF drawings where AutoCAD drawings do not exist. Block drawings by floors are also used by the Drafts Team within the Capital Asset and Contract Services works portfolio. This process assists NSW Health in retrospectively understanding the asset portfolio in its entirety and new drawings and data can be stored directly into its Enterprise Solution Asset and Facilities Management Tool, AFM.

2.4 MEDICAL AND NON-MEDICAL EQUIPMENT

NSW Health described the challenge of keeping up to date with a robust Asset Register as part of its Asset Management Capability. To collate the data required to understand the extent of medical and non-medical plant and equipment, NSW Health completed a one year survey for a comprehensive analysis of its assets in every building. This process has been difficult to maintain and in the two years since this survey was completed, the Asset Register is back to being out-dated. Typically, equipment is procured or disposed of at local levels with no centralised feedback into the Asset Register.

Projecting its Asset Replacement Program is executed through employing a spreadsheet for asset replacements up to 5-10 years in advance. Major equipment is more easily tracked and planned as it is included in Corporate Governance structures although smaller equipment can be procured rapidly and at local levels making it challenging to track and update in the Asset Register.

2.5 ENTERPRISE SOLUTIONS

NSW Health utilises three core ICT products to manage its estate and ancillary assets.

1. **AFM Online**

AFM an extensive asset management ICT tool that looks at all major aspects of asset management including property leasing, account management and bill reminders, owned assets, condition of buildings and contract management.

AFM Online is designed to give asset and facilities management and biomedical engineering staff the tools to manage maintenance, inspection scheduling, and testing of medical equipment and other assets and facilities in an economical and timely manner.

By standardising the systems and processes for asset and facilities management state-wide, the implementation of AFM Online should provide more certainty for patients and clinicians that high performing assets and facilities will be available when and where they are needed.

The summary of AFM Online, provided by NSW Health representative, is included below:

- It is difficult to use as it attempts to incorporate too many aspects of AM ICT in one tool
- There have been cases of AFM Online automatically connecting data to the wrong contract which requires manual rectification
- It is human resource intensive especially at the front end of implementation. NSW Health has four resources to input data

- Licensing is very expensive and is charged on a per person basis. NSW Health recommends implementing an ICT solution that can provide cheaper access across the organisation

2. **PROcure**

- Delivers the advantage that asset managers are able to oversee the equipment and assets that individuals within the organisation are planning and attempting to purchase. This provides a useful Governance aspect to the software capability
- It has the ability to produce detailed budgets against individual cost centres which is very useful and budgets can easily be adopted over one year, two year and five year horizons.
- Contract renewals reminder which can be set in advance and prepare for items with long lag times.
- The system has a good alerts function that incorporates a very good work flow syste

3. **Oracle**

- Established, commercial off the shelf (COTS) enterprise system that is state-wide and enables the review and consideration of other hospitals and Health jurisdictions' financial transactions.
- Oracle is focused on finance and provides the final source of truth for payment information. Its sub-system, iProcurement, is used for anything that requires tender or RFQ.
- Victorian Government employs this software product as does Westmead Hospital.

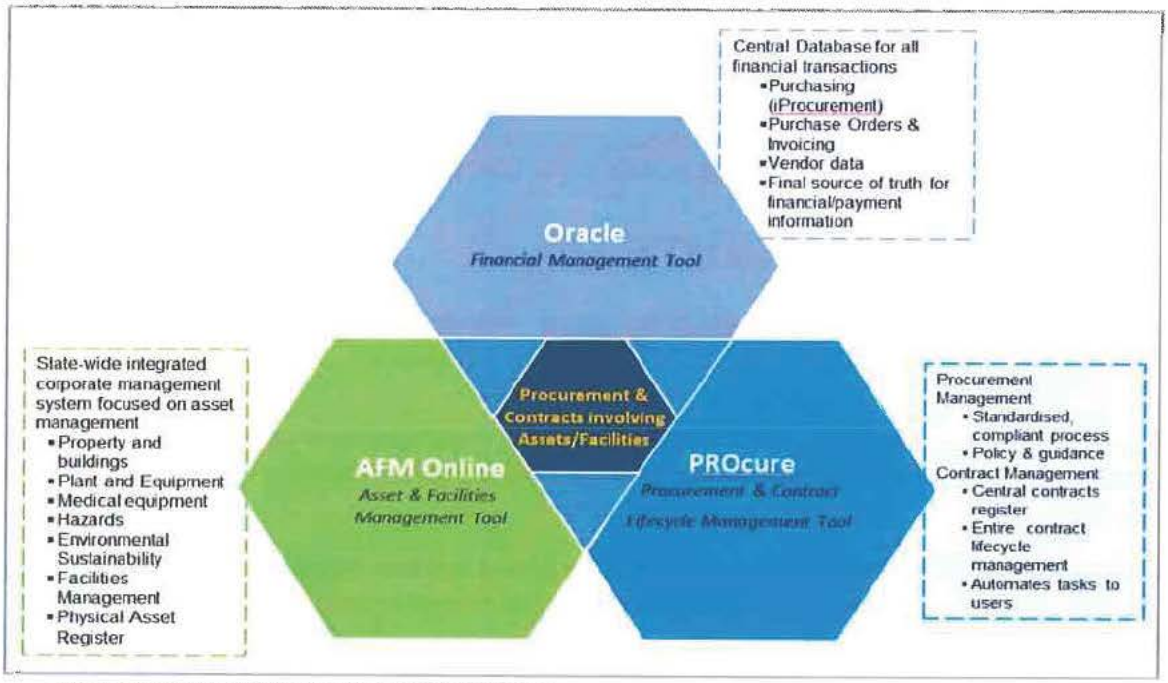

Figure 2 NSW Health ICT System Integration

Currently, these three systems do not integrate and this results in repetition of data input, sometimes up to three times. The interface between PROcure (web based) and Oracle is manageable but interface with AFM is difficult and the AFM System is sometimes challenging to use. IBM are currently attempted to resolve the issues although this process is complex. This adds complexity to an already complex environment and challenges professionals who are already time poor. There has also been a degree of resistance to the change associated with the introduction of these ICT systems.

NSW Health is currently improving their procurement and contract management framework through on-going maintenance, procurement and work order flow management. The ICT systems they have employed are

facilitating these outcomes.

Adopting any or all of the systems in use by NSW Health within ACT Health would require a rigorous due diligence process including risk and financial assessment to ensure that the systems can be effectively be deployed within ACT Health. The scale difference between the two jurisdictions also needs to be taken into account.

2.6 FUNDING MODELS

The asset value between the portfolios of ACT Health and NSW Health are very different and this scale and complexity needs to be recognised in adopting any of the suggestions based on lessons learned from NSW Health. For example, NSW Health's larger campuses - Royal Prince Alfred Hospital (60 – 70 buildings in portfolio) and Concorde (40 – 50 buildings in portfolio) – when aggregated with all of the campuses in NSW Health's estate number over 500 buildings. The operating budget alone for maintaining this complex estate is over $1.6B annually.

Incorporating appropriate Corporate Governance processes for an estate of this size, the NSW Health Service is required to provide detailed Business Cases for projects above $1M, which are directed to NSW Health decision-makers. To request the release of funding for new assets includes a more detailed Business Case process and anything above $1M in capital funding is directed to Treasury decision-makers for approval. This appears to be an administratively intensive, bureaucratic and time consuming process.

2.7 COLLABORATIVE OPPORTUNITIES

NSW Health identified the following collaborative opportunities to assist ACT Health with their SAMF development and implementation:

- The potential provision of the spreadsheet on funding models related to NSW Health's asset replacement program
- NSW Police provide an excellent resource to learn about good practice asset management
- Discussing SAMF development with David Gates from NSW Health.
- Open invitation to visit NSW Health to experience the condition of the estate and meet AM stakeholders across the organisation.
- The potential provision of the Clinical Services Framework of NSW Health.

3 QUEENSLAND EXPERIENCE

3.1 QUEENSLAND GOVERNMENT TOTAL ASSET MANAGEMENT PLAN

The Queensland Government owns approximately $311 billion worth of assets in the state sector. These assets support the delivery of a wide range of government services, which fulfil the social, economic and environmental needs of the community. The Queensland Commission of Audit attributed a maintenance backlog of $324 million in Queensland Health and $300 million in the Department of Education, Training and Employment to past asset planning and maintenance failures.

The Queensland Commission of Audit recommended that all government agencies produce 10-year total asset management plans (Recommendation 41). This was accepted by the government in its document A Plan: Better Services for Queenslanders and the Department of State Development, Infrastructure and Planning (DSDIP) has responsibility for implementation across government.

DSDIP has developed a policy framework that has been implemented across six key asset owning agencies in the state government in 2014/15 with the intention that following a review and subsequent improvement to the policy framework, it will be implemented more widely across the Queensland Government in 2015–16.

The six agencies responsible for completing total asset management plans in 2014–15 are:

- Department of Transport and Main Roads (DTMR)
- Queensland Health (QH)
- Department of Education and Training (DETE)
- Department of Housing and Public Works (DHPW)
- Department of Justice and Attorney-General (DJAG)
- Department of Energy and Water Supply (DEWS).

The primary intention of the policy is to:

1) Develop a transparent and rigorous asset planning process across government to improve the management of assets by identifying potential alternatives – through better use of existing assets, disposal of assets no longer required to deliver services, or investment in new assets to meet changes in demand. (early win).
2) Improve planning of a potential 10 year pipeline of investment by better informing central government decision-makers responsible for infrastructure policy and capital budgetary decisions, including DSDIP and Queensland Treasury and Trade (QTT). (early win).
3) Aid long-term financial planning by providing information on likely future capital expenditure and asset related recurrent expenses. (early win).
4) Build capacity, capability and consistency of asset management practices across government. (longer-term, continuing improvement).

It is intended that all activities relating to the development of Total Asset Management Plans within agencies not be cost prohibitive.

Total Asset Management Plans

The Total Asset Management Plan Framework is made up of two documents: a policy and submission requirements document and a template. The Total Asset Management Plan policy and submission requirements are essentially a guide that provides information about the Total Asset Management Plan policy, its purpose, application, benefits and governance. The template outlines the detailed asset management information sought, and the standard format in which the information is to be organised. The template requires:

1) Information relating to assets - services, options planning, acquisitions, maintenance and disposals (for example, policies, plans and strategies); and

2) Supporting financial information provided within data tables.

The intent of the template is to guide agencies through a logical development and analysis process to prepare a departmental-wide plan that includes:

- Describing their current asset portfolio and its alignment to the services they deliver to Queenslanders (extrapolated to give a 10 year 'before' picture of their existing portfolio).
- Analysing this portfolio and asking the question: "Will these assets be appropriate for service delivery over the next 10 years?" (identified capability gap).
- Analysing options and asking the question: "How do we need to change the asset portfolio to optimise it?"
- Outcomes of the options analysis, and identification of:
  - any new, replacement or enhancements to assets needed to deliver services over the next 10 years; and
  - surplus/unsuitable assets that can be rationalised or disposed of.
- Describing the strategies by which the current and emerging asset portfolio will be maintained over the next 10 years.
- Describing the 'after' picture i.e. the resulting asset portfolio and financial impact of these proposals over the next 10 years.

There is a strong focus on improving the policy for implementation to a wider range of departments to achieve a good balance between the burden of additional reporting and benefits reaped by whole-of-government in improved knowledge of the service needs of Queenslanders and the assets required to meet those needs.

3.2 SAMF DEVELOPMENT

Queensland Health has 16 Health and Hospital Services (HHS) which includes the clinical service delivery arms of the HHS and is one of five agencies that piloted the TAMP process within the QLD Government. A catalyst for the changes in 2012 was the induction of the National Health Care Agreement after which time the Queensland Health Service adopted a new organisational structure.

There are now 19 TAMPs completed within QLD Health and associated agencies, on an annual basis (for the last 3 years) which cover all aspects of the asset management lifecycle such as maintenance, renewal, disposal, etc. The process flow is a TAMP followed by a State Health Infrastructure Plan (SHIP) and the State Infrastructure Plan (SIP).

The TAMP process runs on an annual cycle. Each year of evolution seed the process becoming increasingly robust and helps to ensure that decision making refer back to these processes. For example, the TAMP includes a strong feedback loop and rewards Districts that place a lot of effort into articulating their funding proposals. Other Government departments realise that funding is being directed at services that produce thoroughly developed, well established TAMPs and the process is improved in subsequent years.

The TAMP process in Queensland has to account for a range of asset management challenges faced by QLD Health and other Government agencies. For QLD Health these include:

- Balancing acute hospital services and the community services hospitals. To combat the challenge of providing high cost and low frequency medical procedures across geographically dispersed areas, Queensland Health distributed a number of Centres of Excellence in South, Central and North QLD. This enabled specialised medical treatment to be provided at proximate locations across Queensland with the oversight of specialists via video/tele conferencing.

- Health service planning and the incorporation into a robust AM Infrastructure Strategy. In their approach to this challenge, Queensland Health teams came together to brainstorm solutions which

would ensure a consistent approach across their service delivery areas. This process helped produce a prioritised list of investment.

- To balance the asset management challenges for Queensland Health the five highest priorities were cross-referenced with 19 sets of issues identified in the TAMP process. It engendered a multi-varying priorities process with nine key parameters identified as influencing factors including Government and distribution of health care.

- Queensland Health experience an oversupply of hospitals especially in regional areas that cater only to small populations. It is difficult to rationalise the assets held up in these arrangement as there are no hospital closures allowed. It is not a politically acceptable decision to make even though from an asset management and service delivery perspective it would make the health provision across the State more efficient and cost effective.

In Queensland Health's experience the Health Services Plan (HSP) has to lead, guide and direct the Asset Management Plan which is a useful lessons to incorporate for ACT Health SAMF planning.

3.3 BUILT ASSETS

Each service delivery in each location is mapped and understood by Queensland Health and is given a Service Capability Delivery Level ranging from 1-6. Through assigning differing levels of service provision, it enables the separation of assert priority and understanding the impacts that new developments in each area will have on each HHS. For example, a new Emergency Department will have impacts on other levels of service and these are understood before investment decisions are executed.

Clinical services capability framework V3.5 has recently been adopted. This process also determines what is provided at each Queensland hospital in terms of the priority service provision and equipment. Spinal injury acute care example provided where it is Brisbane based (tertiary and teaching) with a rehabilitation centre in Townsville to enable continued care. The model employed by Queensland Health in this case is to utilise Clinical Excellence Divisions as innovation centres which leads to geographic efficiencies of specialist services and cost effectiveness.

As part of the Priority Capital Program Queensland Health employs an engineering firm to undertake a Cost Benefit Analysis (CBA) based on every application. In this manner, alternative methods of service delivery are examined. Generally, the private sector doesn't like the adaptive reuse although from a Treasury perspective it is a sensible and viable investment opportunity.

Existing assets provide opportunities for integrating alternative methods of service delivery and should be examined in a comprehensive SAMF. A case study described by Queensland Health is the GCU Hospital (a Greenfield site) which was 3X the capital cost of other Hospitals without offering 3X the service delivery. Adaptive reuse is a powerful strategy in a cost effective SAMF.

Modular growth solution is another alternative solution to providing additional space cost effectively. This solution is employed in WA regional areas with off-site fabrication and easy installation. A minimum of five modules are required to make projects cost effective and this approach provides additional safety and quality benefits as travelling clinicians recognise the layout of each facility and can operate them immediately. These modular constructions provide a great solution for regional hospitals under construction.

3.4 MEDICAL EQUIPMENT

Queensland Health recognises the challenges associated with the rising costs of medical equipment. For example, 5-10 years ago CT Scanners were $500-600K and now cost up to $2.3M. Their output is considerably more although this does raise a capital financing issue.

Solutions analysed included the increase of utilisation of these assets. Extended hours for asset operation was implemented and regional dispersal of medical imaging equipment was implemented to reduce the impact of demand on major Hospitals in Brisbane.

Queensland Health also recommend the colocation of private providers in the public hospital areas where feasible. Private providers have medical equipment which prevents QAS charges for delivering patients to use that equipment elsewhere which presents a cost effective solution.

3.5 ENTERPRISE SOLUTIONS

St Stevens Hospital, Harvey Bay is an interesting case study for ICT and Enterprise Solutions and Queensland Health recommended outreaching to learn about the integration of ICT systems employed there.

QLD Health use a range of tools to service regional and remote areas including Tele Health Services which have been used since the early 1990s and is one of the largest services of this type in the world. The challenge is balancing the investment in the physical assets versus the investment in the ICT. The ICT investments sometimes have longer lead times and pathways of fruition than the immediacy of the physical asset build.

3.6 FUNDING MODELS

There is consistently the competing costs of capital expenditure versus the cost of maintaining the asset versus the cost of alternative methods of service delivery. This issue is at the forefront of strategic asset management and managing an asset portfolio in a considered and efficient manner.

QLD Treasury Projects Allocation is based on Business Case investment, the review of the investment management committee and under the guidance of an investment review framework which underpins the entire process. It employs an efficient process for Business Case review and execution and Treasury sets out the project capital investment rules in the Project Assessment Framework (PAF).

Project proposals require sign off by the Executive before going to the investment review board as part of TAMP Governance processes. Building Queensland provides strategic Governance and oversight for any projects over $50M in capital expenditure. For any projects over $100M Building Queensland manages the project delivery process.

All of the inclusions from the TAMP process amount to approximately $10B annually. Obviously this is not a viable proposition for Treasury although what it does is enables a prioritised, informed discussion with Treasury with the inclusion of TAMP information on where to meet in the middle. It enables the identification of alternative funding options.

Health Service specific example on costs: For every $1 on capital build, over 30 years the cost of that asset will amount to about $5. The cost of health service delivery $50-$200 depending on the level of service. Consultants cost is about 10%. Efficiencies can and are being driven by private sector. Balance between high end capital costs or cheap up front with high ongoing costs. Treasury should still analyse the NPV and value proposition that this represents.

There are not many PPP arrangements in Queensland although there have been examples of its incorporation with some initial success and Queensland Health does see benefits in offering joint service provision with Private providers. Sunshine Coast University Hospital is the first PPP arrangement Queensland has driven forward. One of the major advantages of the PPP arrangements is that the capital and ongoing costs are accounted for. Case studies from the UK are getting to the 30 year mark which will be very telling and there will be many lessons learnt for Australian Health Services to tap into when this information becomes available.

Fiscal restrictions mean that innovative approaches to delivering core service objectives were required to maintain existing levels of service delivery. Queensland Health have included innovative solutions in their

asset management strategy such as co-located private hospitals on public hospitals grounds to improve service delivery outcomes. Undertaking strategic co-location of Health facilities can lead to competing policy decisions and bureaucratic issues although the experience has improved efficiencies in building utilisation and enhanced service delivery capability.

3.1 COLLABORATIVE OPPORTUNITIES

Queensland Health identified the following collaborative opportunities to assist ACT Health with their SAMF development and implementation:

- Collaboration with the Capital Works and Asset Management Consortia which turned into the Australasia Health Infrastructure Alliance. Monthly meetings currently with all the Health jurisdictions in Australia and New Zealand. Provides a good forum for jurisdictional knowledge transfer.
- Potential provision of examples of maximising utilisation, floor plate sand expanding other services across QLD Health. Examples of data being fed into producing strategic objectives.
- Recommended contact with Barry Dotsal, NHS, UK and Michael Django – Clinical Services improvement in Queensland.
- QLD Health to provide information on reviewing the burden of disease across each of the geographic areas and correlating this information with GIS. Case studies form Scandinavian countries and upcoming European Health Design conference to inform knowledge share.
- Potential release of the findings of the Health Service specific example of asset cycle lifespan costs compared to capital build and the detailed information to ACT Health.
- Potential release of the criteria expected from the IRB to make a successful funding application to Queensland Treasury for review by ACT Treasury.
- Summary of the 9 parameters deemed relevant under the prioritisation process included in the Queensland TAMP process

4 RECOMMENDATIONS FOR ACT HEALTH

- Total asset system needs to be implemented incrementally and in a considered manner. Ensure each element is executed appropriately without trying to rush each stage concurrently.
- Think Tank sessions to link clinical service requirements and asset management practice.
- Develop clear, unambiguous definitions of each asset type and each asset class for inclusion in SAMF.
- If ACT Health wish to adopt any of the systems identified by NSW Health or Queensland Health, they need to identify the risks associated with adaptability. This is critical as the scale of the ACT Health's operation are smaller than both cases.
- Recommendation to look at alternative methods of service delivery through the collaborative approach in the region to providing differentiated services against demographic models and service demand. For example, low volume but high cost services can lead to more effective and efficient alternative service provision. Possibilities include Canberra providing specialist services in Sydney rather than employ the service themselves.
- Case studies from the NHS, UK are getting to the thirty year mark regarding PPP arrangements and hand over into the public realm. This experience will be very telling and there will be many lessons learnt for Australian Health Services to tap into when this information becomes available.

5 APPENDICES

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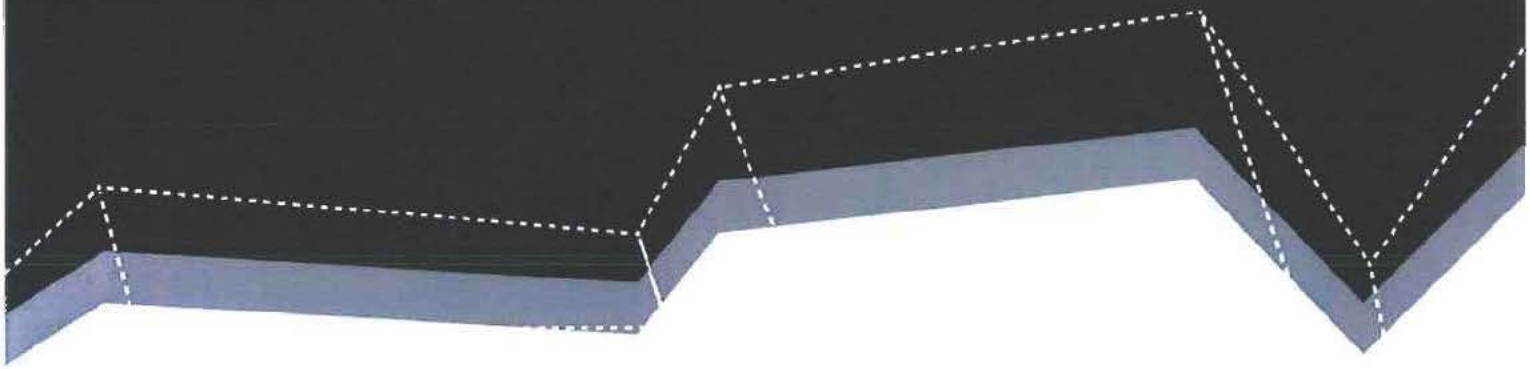
APPENDIX 5.1
NSW TOTAL ASSET MANAGEMENT (TAM)



October 2013

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13-03

Total Asset Management (TAM) Submission Requirements

Policy & Guidelines Paper

Preface

Successful physical asset management is fundamental to the establishment of a NSW Government asset portfolio that appropriately, effectively and efficiently meets service delivery requirements within available resource limits.

Total Asset Management (TAM) policy reflects the Government's objective of a strategic and systematic approach to physical asset and infrastructure planning and management that is consistent across the whole of government.

NSW Treasury Circular NSW TC 13/08 advises agencies of the need to comply with Total Asset Management (TAM) policy and requirements as outlined within this Policy and Guidelines Paper.

This Policy supersedes the previous TPP 08-02 Total Asset Management (TAM) Requirements for updating the NSW State Infrastructure Strategy (SIS).

Philip Gaetjens
Secretary
NSW Treasury
October 2013

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Note
General inquiries concerning this document should be initially directed to: Financial Management and Accounting Policy Branch (Tel: 9228 4207)

This publication can be accessed from the Treasury's website [http://www.treasury.nsw.gov.au/].

Contents

Executive Summary

Total Asset Management (TAM) policy reflects the Government's objective of a strategic and systematic approach to physical asset and infrastructure planning and management that is consistent across the whole of government.

The policy seeks to ensure that the Government's physical assets best support its service delivery responsibilities within the limits of available resources.

All General Government agencies and nominated Public Trading Enterprises (PTEs) are required to comply with TAM policy.

Information contained within Agency TAM submissions is used to inform decision-making and strategic planning across government. TAM submissions are a key input to the budget process and the development of State infrastructure strategy.

TAM submissions also represent an important corporate planning mechanism at the agency level and present an agency's asset response to its high level service delivery responsibilities.

The key requirements of this policy are outlined below:

- TAM submissions should be provided to Treasury as part of the budget returns process. Treasury will issue guidance to agencies relating to their TAM responsibilities annually.
- TAM submission requirements will vary according to agency classification.
- For the purpose of TAM policy, selected agencies and PTEs will be classified as 'nominated'. Treasury will determine and periodically review which entities are to be classified as nominated. The list of nominated agencies and PTEs is published on the Treasury website.
- Only those agencies and PTEs which have been nominated are required to submit an Asset Strategy in line with the requirements and procedures outlined within the policy.
- All General Government agencies and nominated PTEs are required to submit TAM data tables in line with the requirements and procedures outlined within the policy.
- Capital proposals, Business Cases and Gateway Review Reports are required to support individual project/programs identified within TAM submissions. These should be prepared in accordance with Treasury Circulars and relevant Treasury guidance.

Total Asset Management (TAM) Policy

Policy Purpose

Total Asset Management (TAM) policy reflects the Government's objective of a strategic and systematic approach to physical asset and infrastructure planning and management that is consistent across the whole of government.

TAM policy seeks to ensure that the Government's physical assets best support its service delivery responsibilities within the limits of available resources.

TAM policy requires agencies to plan for their non-current physical assets as part of their corporate planning responsibilities. This includes planning for assets such as land, buildings, information technology, infrastructure, collections, equipment or fleet. These assets support the delivery of public services or have a definite business function.

Compliance

All General Government agencies and nominated Public Trading Enterprises (PTEs) are required to comply with this policy.

PTEs that are not on the nominated agencies list are encouraged to apply TAM principles in preparing 10 year capital expenditure data for inclusion within their Statements of Corporate and Business Intent.

Policy Overview

Agencies and nominated PTEs are required to develop and maintain TAM submissions, comprising an Asset Strategy (to be submitted by nominated agencies and PTEs only) and TAM data tables. Capital proposals, Business Cases and Gateway Review Reports are required to support projects/programs outlined within the submissions.

TAM submissions should be provided to Treasury as part of the budget returns process. Guidance, outlining submission requirements, will be issued to agencies by Treasury on an annual basis.

Purpose and Use of TAM Information

Information contained within agency TAM submissions is used by NSW Treasury as well as a number of other agencies with coordinating roles.

Use by the Agency

TAM represents a valuable planning tool at the individual agency level. Agencies should undertake asset planning as a matter of good corporate practice.

TAM submissions, in varying degrees of detail, will outline and articulate the agency's asset response to its high level service delivery requirements. This may also assist the agency to determine whether the proposed services and the resultant physical asset requirements are sustainable into the future.

Use by NSW Treasury

TAM submissions are a key input into the budget process and the development of State infrastructure strategy.

Treasury uses TAM submissions to:

- Evaluate an agency's planned capital expenditure intended for the budget year and forward estimates.
- Ensure alignment of the State's capital program with government priorities and service delivery levels.
- Assess agency's capital programs against capital planning limits, where applicable.
- Identify and advise the Expenditure Review Committee (ERC) of potential risks to the implementation of State infrastructure strategies by comparing proposed capital expenditure in TAM plans against Treasury's 10 year affordability projections. Where appropriate, information may be used to identify and determine capital planning limits for the agency.
- Provide advice to Government and agencies on capital strategy, asset management planning and related financial risks.
- Plan and manage the capital project review processes efficiently and effectively.

Use by Infrastructure NSW

Infrastructure NSW (INSW) was established in 2011 to assist the Government in identifying and prioritising critical public infrastructure for NSW. As part of this mandate, INSW works with Treasury and agencies to identify and review major projects recommended for inclusion within the State's Infrastructure Plan (SIP). The SIP outlines the Government's funded infrastructure priorities over the next five years and is published annually in the Budget papers.

INSW will consider projects identified within the 20 year State Infrastructure Strategy (SIS) as well as other major projects identified within agency TAM submissions, recommended for inclusion within the SIP.

It is also expected that TAM submissions will be used to inform the periodic review of the 20 year State Infrastructure Strategy.

A diagram outlining the key stages of the NSW Treasury Budget process, including INSW responsibilities, is provided overleaf.

Use by other agencies

Other government entities using TAM information for strategic planning and reporting purposes are the Department of Finance and Services (DFS), the Department of Planning and Infrastructure (DP&I) and Government Property NSW (GPNSW).

Treasury may share agency TAM submissions with these agencies subject to the following requirements:

- The confidentiality of agency TAM submissions will be maintained and information will be used solely for the purpose for which it has been provided.
- Contact will be made with agencies should further information be required relating to an agency's TAM submission.
- Matters relating to compliance with TAM policy will be handled by Treasury.

Overview of NSW Treasury's Budget Process

Indicative Timeframes

October / November

Agency TAM submissions for Budget Process

- Asset Strategy (nominated agencies and PTEs)
- TAM data tables
- Capital proposals, Business Cases and Gateway Review Reports, as required

Annual Budget Process

- Half Year Review

December-January

Annual Budget Process

- Revised Forecasts
- Recommendation of projects for approval
- INSW recommendation of 5 year infrastructure plan for endorsement (projects >$100m)

February - May

Annual Budget Process

- Budget Forward Estimates
- Approve Projects
- Approve budget- year works

June

Budget

- Publish Budget Papers
- Finalise the NSW 5 year infrastructure plan

Project approval and Capital Planning Limits

The Cabinet Infrastructure Committee (CIC) will endorse major project proposals for inclusion within the five year SIP provided in Budget Paper No. 4. The Expenditure Review Committee (ERC) will approve Departmental capital allocations and projects to be included within the SIP.

Where ERC has approved 10 year capital planning limits (CPLs) for particular agencies, agency infrastructure plans should fit within this limit. CPLs should be used to guide funding and prioritisation planning. Business Case, Gateway Review and budget submission processes must be followed in order for individual projects to be considered for final funding approval.

TAM Submissions

TAM submissions comprise two elements and requirements relating to each of these elements will vary according to agency and PTE classification as outlined in the table below.

For the purpose of TAM policy, selected agencies and PTEs will be classified as 'nominated'. The list of nominated agencies will be reviewed annually by Treasury to reflect capital investment requirements and budget risks.

An updated list of nominated agencies will be provided on the Treasury website. See: http://www.treasury.nsw.gov.au/tam/tam-intro

	TAM Element	Applicable to:
1.	An Asset Strategy	Nominated agencies and nominated PTEs
2.	TAM data tables	All General Government agencies and nominated PTEs

Capital proposals, Business Cases and Gateway Review Reports are required to support projects outlined within TAM submissions.

Further information is provided on each of these elements in the sections below.

Principal Departments should coordinate, review and submit TAM submissions for entities within their cluster. Where this is not consistent with the independent status of some agencies, submissions should continue to be forwarded directly to Treasury.

Treasury expects agencies and nominated PTEs to undertake appropriate engagement with relevant agencies to ensure that their TAM submissions are in alignment with, and consistent with, relevant whole of government policy.[1]

Asset Strategy

The Asset Strategy is the high level plan that details how an agency's assets support service delivery and in particular, how the proposed capital projects are prioritised and integrated to support a cohesive service delivery strategy.

Only those agencies and PTEs which have been nominated are required to submit an Asset Strategy.

The Asset Strategy should focus on the interrelationship, alignment and prioritisation of assets to support the delivery of agency services.

Agencies should be mindful of the need to undertake whole-of-life asset planning and management. There is significant scope for agencies to improve the management of their existing assets through a more comprehensive focus on maintenance, increased asset utilisation and selective rationalisation of assets which no longer have a strong connection to service delivery objectives.

[1] Examples of whole of government policy which may apply include: *The State Infrastructure Strategy 2012-2032*, *NSW Government ICT Strategy*, M2012-20 *Government Property NSW (previously State Property Authority) and Government Property Principles*. This list is not exhaustive.

The Asset Strategy should:

- Provide a brief summary of the existing asset base (covering all asset classes) and how it supports agency services.
- Identify any significant asset gaps between the agency's existing asset base and the required asset base to continue service delivery.
- Identify future pressures driving demand for services and any demand management strategies considered or proposed to keep service levels sustainable within resource limits. Agencies should take into account changes to the operating environment.
- Outline inter-relationships between proposed projects or programs (highlighting projects or disposals involving multiple agencies), and how these support a cohesive, integrated asset and service strategy.
- Outline service risks, over both short and long term, if proposed projects are not funded.
- Explain how the proposed capital projects as identified in TAM data tables are prioritised within projected funding limits with reference to priority service levels as identified in the agency's corporate and business planning documents or Statement of Corporate or Business Intent (SCI/SBI).
- Outline evidence used to support the prioritisation of capital projects. For example, how economic and financial appraisals; risks assessments; and asset maintenance plans have been used to inform decision making.
- Provide measures of asset utilisation or non functionality (current and projected) that support asset disposals identified in the TAM data tables, where available.
- Demonstrate how proposed projects relate to Government priorities including those outlined within *NSW 2021: A Plan to make NSW Number One* and *The State Infrastructure Strategy 2012-2032*.
- Reference any consultation with local government or any other government agency.
- Explain how intervention options have been assessed. For example, how decisions relating to asset base expansion against maintenance of existing assets have been undertaken.
- Provide brief descriptions of the nature, costs and benefits of any planned projects or ongoing programs for which no business case has yet been submitted to Treasury.
- Include and report on progress against any TAM or project-specific planning actions agreed through negotiation with Treasury.

The amount of information and the level of detail to be included within the Asset Strategy will depend upon the size and nature of an agency's asset base and plans. Agencies should discuss the proposed contents and scope of their strategies with Treasury at an early stage. The Asset Strategy need not include detailed information that is included within specific project business cases.

Once TAM submissions are received, Treasury will consult with and seek further information from agencies as required.

In consultation with Treasury, agencies should update their Asset Strategy each year or as agreed with Treasury, to reflect significant changes in proposed asset/infrastructure planning, and attach an explanation of changes.

TAM Data Tables

All General Government agencies and nominated PTEs are required to submit TAM data tables. TAM data tables provide information on an agency's capital works in progress as well as a prioritised capital investment program. Templates and advice specifying the data required will be updated and provided annually by Treasury. Data must be provided in the format requested.

TAM data tables capture the following information:

- Works in Progress (WIPs) – identifies an agency's capital WIP and any proposed changes to expenditure. The WIP represents all capital programs/projects that are currently being implemented by the agency.

- New Capital Expenditure – captures information on proposed new capital expenditure. The data table template requires projects to be described, prioritised and classified by a number of criteria.
  - Proposals should clearly distinguish between minor and major works that can be funded within existing funding limits, and those prioritised works for which additional funding is sought.
  - Projects may be aggregated into programs as appropriate, in consultation with Treasury and subject to set thresholds identified by Treasury, where each program is a collection of highly inter-related projects.
  - Estimated expenditure requirements should be provided for rolling programs of works, within which specific future individual projects may not yet have been fully identified.
  - Proposals should include and identify any capitalised expenditure for which the purpose is primarily maintenance/replacement of an existing asset (maintaining broadly similar asset functionality and capacity).

- Business Case and Gateway Review Reports – provides information on project development activity and compliance with relevant procurement policy.

- Asset disposals – Outlines asset disposal and estimated sales revenue. Where appropriate, a detailed property disposal plan will be required.

- 10 year capital investment summary.

Nominated agencies are required to provide WIP and proposed expenditure data spanning the 10 year planning period.

Other agencies are required to provide WIP and proposed expenditure data for years one to four. Data beyond year four (the forward estimates period) is only required for proposed projects with an estimated total cost of $10 million and over.

Templates and associated guidance will be reviewed and updated by Treasury annually. Information on this will be provided to agencies with their allocation letters.

Once the budget process has determined funding levels and approved projects for the upcoming budget year, Treasury may require selected agencies to submit a second submission, referred to as Agreed TAM data. This will align the original TAM data tables to reflect Budget decisions.

Capital proposals, Business Cases and Gateway Review Reports

Capital proposals, Business Cases and Gateway Review Reports are required to support individual project/program proposals presented within TAM submissions.

A template and associated guidance for the completion of Capital proposals will be provided to agencies annually with their allocation letters.

Business Case and Gateway Review Report requirements are outlined in Treasury Circulars NSWTC 12/19 *Submission of Business Cases* and NSWTC 10/13 *Gateway Review System* and are available on the Treasury website. Agencies should consult with their Treasury analyst to discuss requirements and are encouraged to submit these documents as they are developed rather than wait until the final deadline.

TAM submission sign-off

Agencies should provide their TAM submissions to Treasury as part of the annual Budget return process.

Submissions are received by Treasury on behalf of the ERC and therefore must have Ministerial endorsement. Sign-offs should explicitly acknowledge that the TAM submission represents the agency's asset related Budget proposal for that year.

TAM submissions should be signed by both the Minister and CEO and emailed to: tamplans@treasury.nsw.gov.au

A hard copy of the TAM submission, signed by the Minister and CEO, should also be provided to the agency's treasury analyst.

Further information

Guidance material

TAM policy and guideline documents are accessible at NSW Treasury's website: http://www.treasury.nsw.gov.au/tam/tam-intro

Treasury contacts

TAM Policy

Narayan Mukkavilli — Tel: (02) 9228 4207
Email: narayan.mukkavilli@treasury.nsw.gov.au

Stephanie Galbraith — Tel: (02) 9228 3735
Email: stephanie.galbraith@treasury.nsw.gov.au

TAM data tables and technical support

Tatiana Carlisle — Tel: (02) 9228 4591
Email: tatiana.carlisle@treasury.nsw.gov.au

Doug Soo — Tel: (02) 9228 4247
Email: doug.soo@treasury.nsw.gov.au

Business Cases and Gateway Reviews:

Elizabeth Williams — Tel: (028) 92285453
Email: elizabeth.williams@treasury.nsw.gov.au

Asset Disposals

Colin Campbell — Tel: (028) 9228 4468
Email: colin.campbell@treasury.nsw.gov.au

Associated instruments

- NSW Treasury Circular NSWTC 13/08, *Total Asset Management Requirements*
- NSW Treasury Circular NSWTC 12/19, *Submission of Business Cases*
- NSW Treasury Circular NSWTC 10/13, *Gateway Review System*
- NSW Treasury and Guidelines Paper TPP 06-06 *Guidelines for Capitalisation of Expenditure on Property, Plant and Equipment.*
- Department of Premier & Cabinet, M2012-20 *Government Property NSW (previously State Property Authority) and Government Property Principles*
- Department of Premier & Cabinet, M2013-01 *Urban Growth NSW*
- Department of Premier & Cabinet, C2013-07 *Governance Framework for Major Transactions – 2013*

Please note that the above list outlines the primary instruments for agency consideration. It is not intended to be exhaustive.

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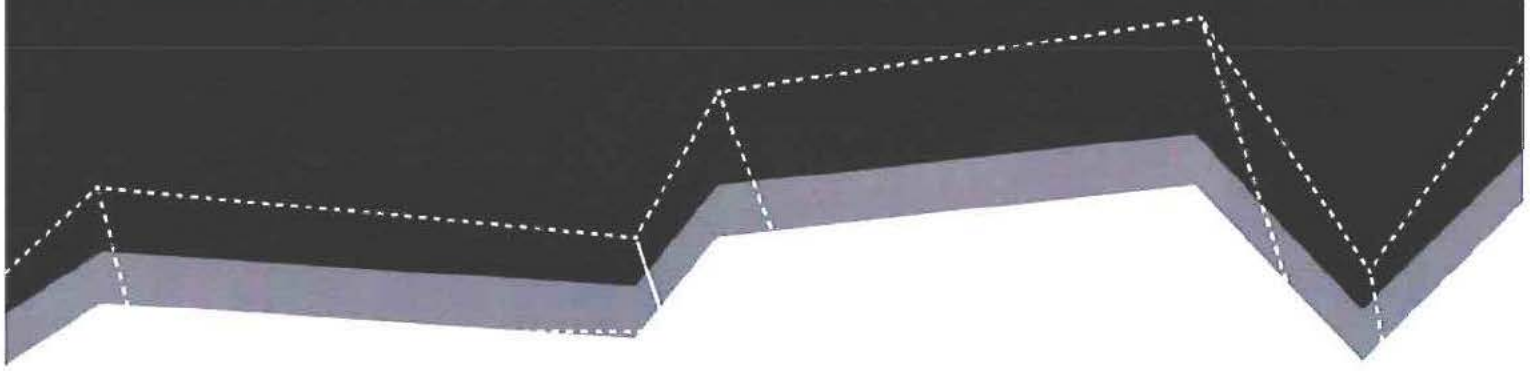
APPENDIX 5.2
HEALTH JURISDICTION COLLABORATION WORKSHOP AGENDA



Attendees: Brad Burch, System Innovation Lead, ACT Health System
Warren Prentice, Chief Information Officer, ACT Health System
Gary Wright, Director of Infrastructure Support, ACT Health System
Adrian Scott, Executive Director, Clinical Support Services, ACT Health System
Trevor Vivian, Director, Finance and Budget Division, ACT Treasury
Colm Mooney, Executive Director, Health Infrastructure, ACT Health System
Philip Thornburn, Strategic Biomedical Planning Officer ACT Health
Peter Jeffery, ICT Manager, ACT Health
Ian Bull, Manager - National EHealth Project, ACT Health
Philippa Hosie, Project Manager, ACT Health System
Kate Copeland, Senior Director Infrastructure Policy and Strategy, Queensland Health System
Deborah Flood, Director, Capital Asset & Contract Services, Sydney LHD, NSW Health System
Mick Serena, Project Director & Strategic Asset and Facilities Management (SAFM) Director, DCWC
Christine Sheehan, Director Health Advisory Service, DCWC
Teifi Caron, Project Manager & Senior Consultant, Strategic Asset and Facilities Management (SAFM), DCWC
Mae-Ryn Chong, Consultant, Strategic Asset and Facilities Management (SAFM), DCWC

No	Agenda	Description	Actions	Responsibility	Due
1	INTRODUCTION	10:00 - 11:00AM	SAFM TO PRESENT		
1.1	Introduction to Strategic Asset Management Frameworks (SAMF) and Asset Management Planning				
1.2	Literature Review – International / National best practice asset management in Public Health Syst ems.				

No	Agenda	Description	Actions	Responsibility	Due
2	NSW HEALTH	11:00AM – 12:00PM	DEBBIE FLOOD TO PRESENT		
2.1	Operational perspectives of asset management at NSW Health	11:00 – 11:45am			
2.2	Questions	11:45 – 12:00pm			
3	LUNCH BREAK	12:00 – 1:00PM			
4	OPEN FORUM DISCUSSION & OTHER BUSINESS	1:00 – 2:00PM	OPEN DISCUSSION		
4.1	Themes to be discussed: ▪ Lessons learnt and what would you do differently if you had a chance to do it again? ▪ Lessons learnt from other jurisdictions. Key success factors and potholes to avoid. ▪ Examples of surprises uncovered during the SAMF implementation phase. ▪ What cultural challenges did you identify and how did you address those that needed addressing? ▪ Budget shock. At the conclusion of the first audit of assets, you no doubt identified an extensive list of things that needed fixing. While we all recognise we can't send up a large budget				

No	Agenda	Description	Actions	Responsibility	Due
	submission in one go and the answer seems obvious in terms of prioritisation; how did you address this?				
5	QLD HEALTH	2:00 – 3:00PM	KATE COPELAND TO PRESENT		
5.1	Strategic Asset Management: Planning and Investment at QLD Health	2:00 – 2:45pm			
5.2	Questions	2:45 – 3:00pm			

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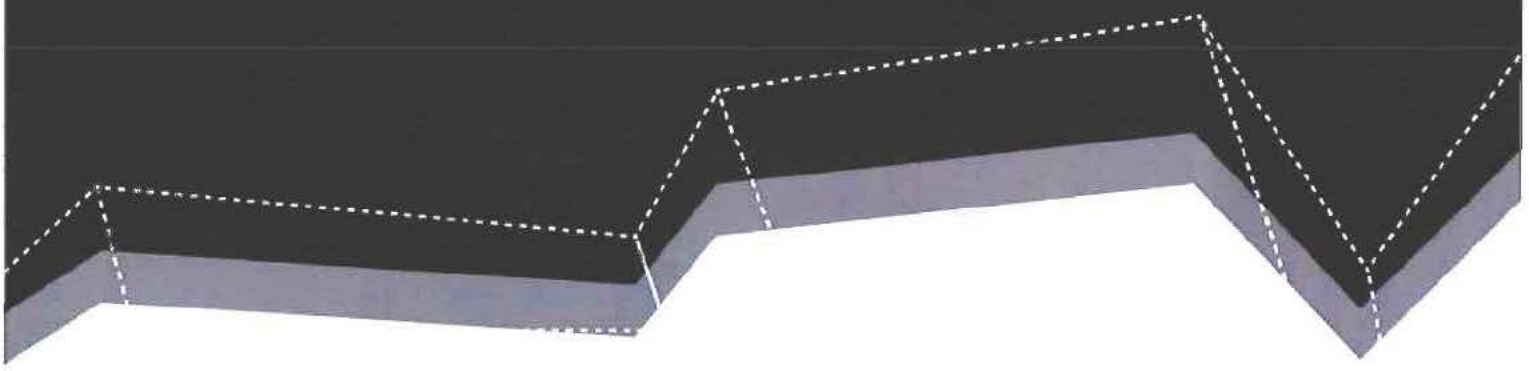
APPENDIX 5.3
ACT HEALTH
INTRODUCTION TO SAMF
PRESENTATION



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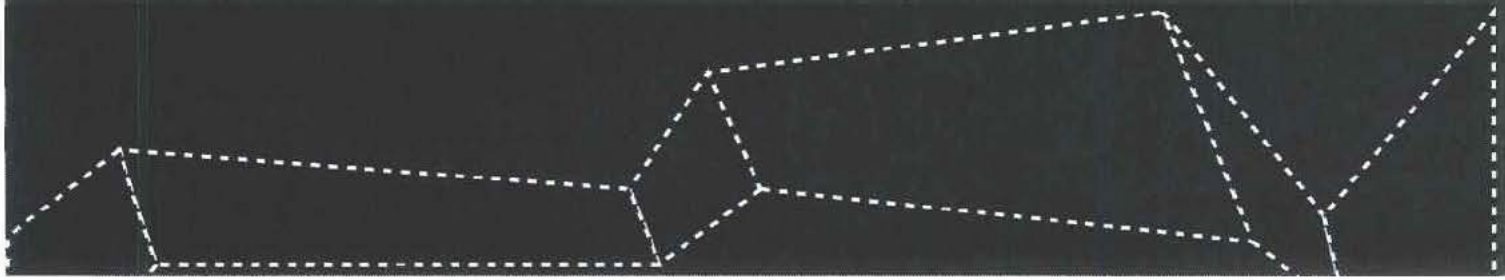
INTRODUCTION TO STRATEGIC ASSET MANAGEMENT FRAMEWORK

5th MAY 2016



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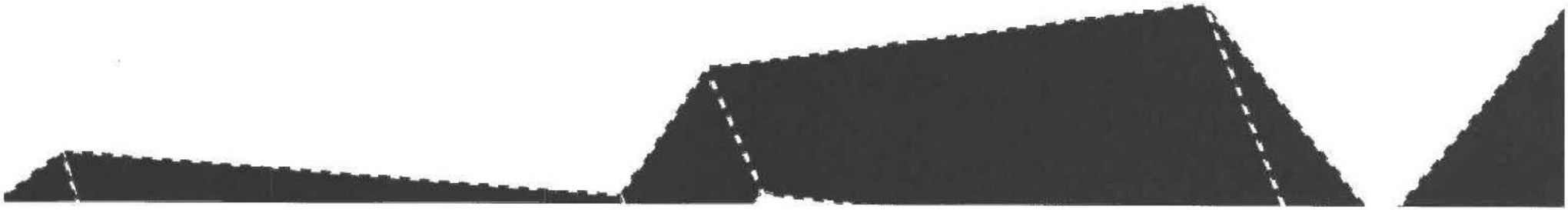
STRATEGIC ASSET MANAGEMENT CONTEXT



Principles of Asset Management

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- Assets exist to support the mission and delivery of services;
- Asset planning is a key corporate activity that must underpin corporate governance
- Non-asset solutions, full life-cycle costs, risks and alternatives must be considered before procuring new assets; and
- The costs and risks of providing, operating and maintaining assets need to be acknowledged in the delivery of services.

Key Financial Drivers

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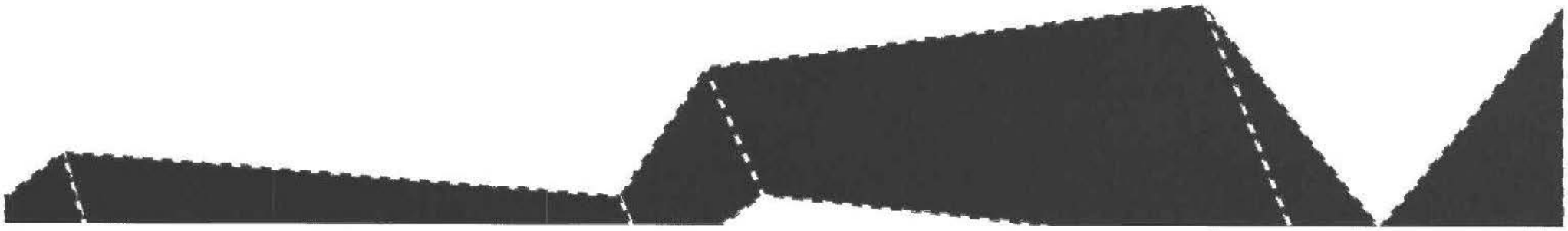
- **Whole of Life Cost are 3 times Capital Cost.** The full cost of managing a complex built estate of $1B over a 50 year period is approximately $4B:-
  - $1 B in initial capital investment;
  - $1 B in maintenance and asset replacement;
  - $1 B in operating costs such as cleaning, security and utilities;
  - $1 B in refurbishment.



Key Financial Drivers

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- **Space is critical and the driver of cost.**
  - More services delivered for less space = less cost.
  - A 10% improvement in the efficient use of space will save $100M in maintenance, a further $100M in operating costs and a $100M in refurbishment.

Key Financial Drivers

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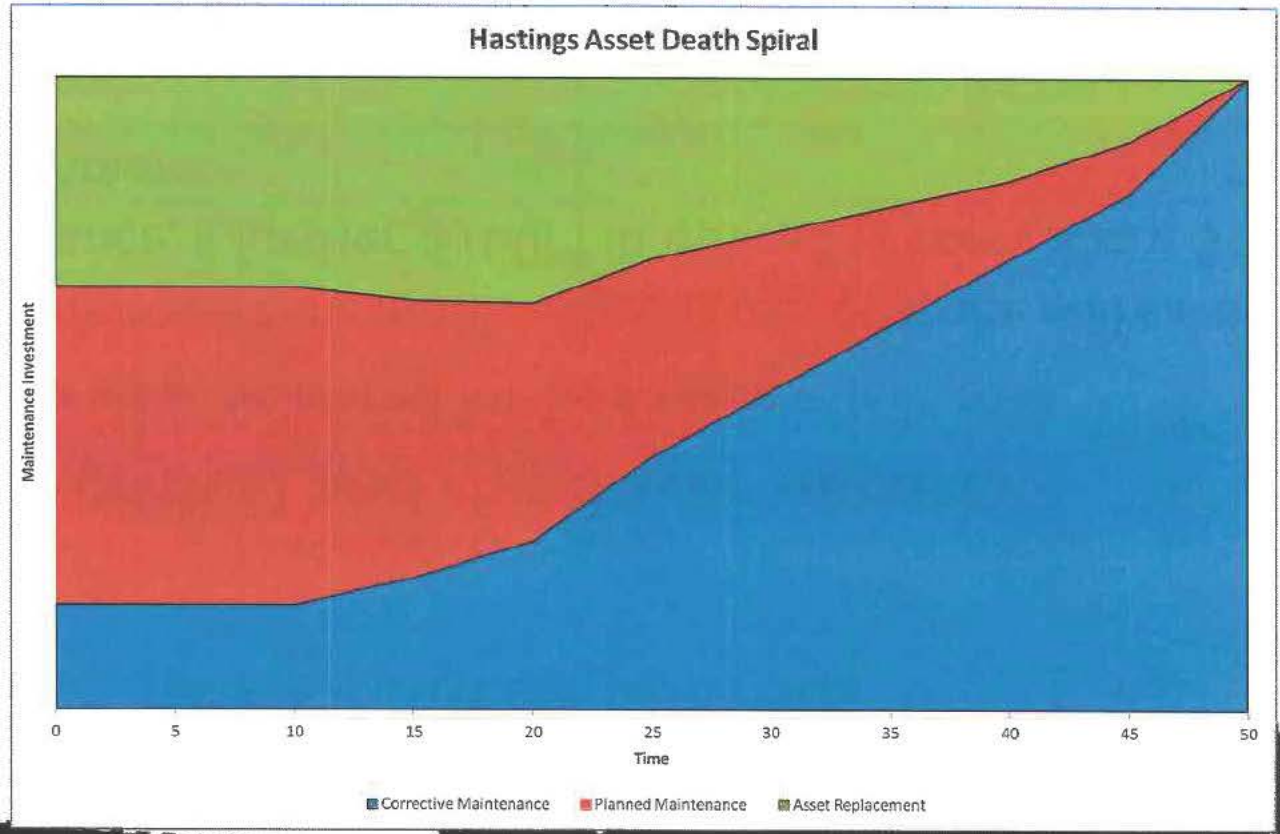
- **Avoid the Asset Death Spiral**. Sustained under expenditure in maintenance/asset replacement accelerates deterioration in the quality of the estate.



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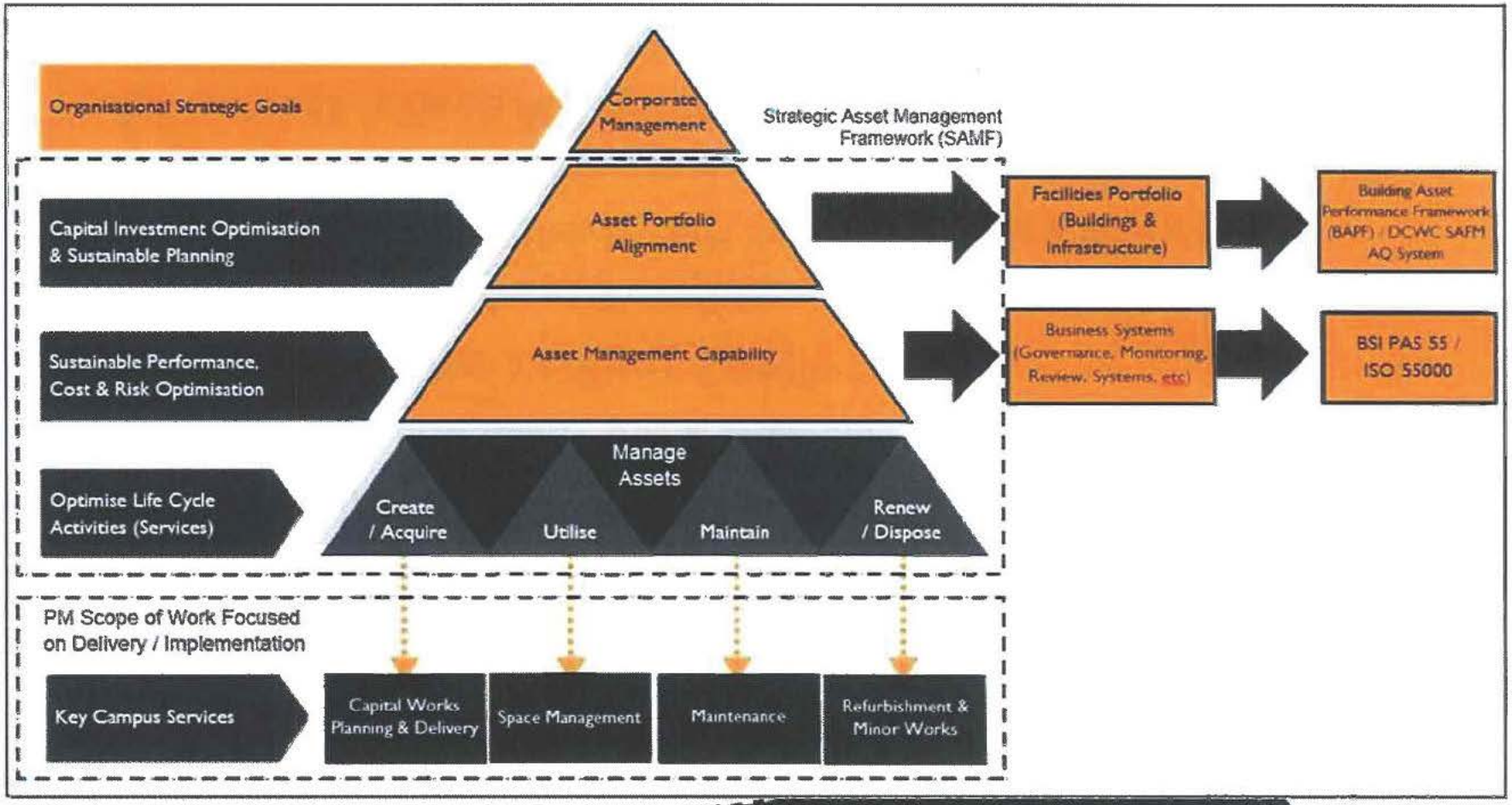
Strategic Asset Management Framework



Strategic Asset Management Framework

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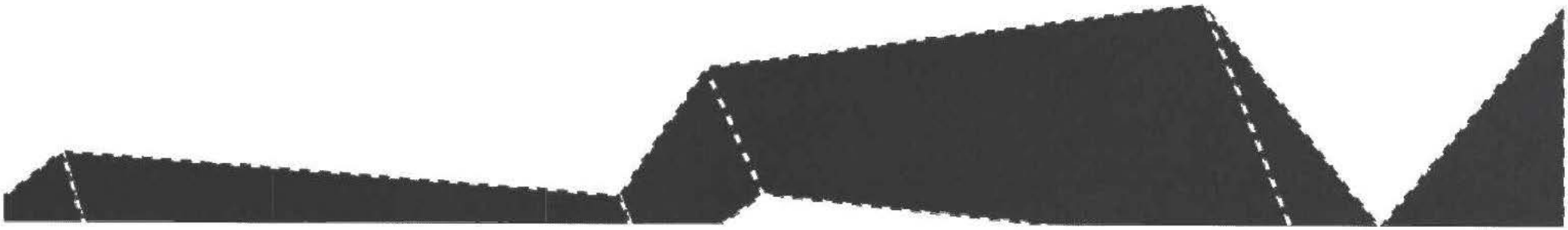
- The SAMF needs to be ***integrated*** with ***corporate governance*** processes;
- The SAMF must include a ***robust performance assessment framework*** for the asset portfolio;
- Two components to a robust SAMF:
  - ***Alignment of the Asset Portfolio.*** aligning the asset portfolio with corporate strategies (i.e. Health Service Delivery Plan); and
  - ***Alignment of Asset Management (AM) Capability.*** A Capability Assessment reviews AM systems and processes that underpin the management of the asset portfolio.



Benefits of Strategic Asset Management Framework

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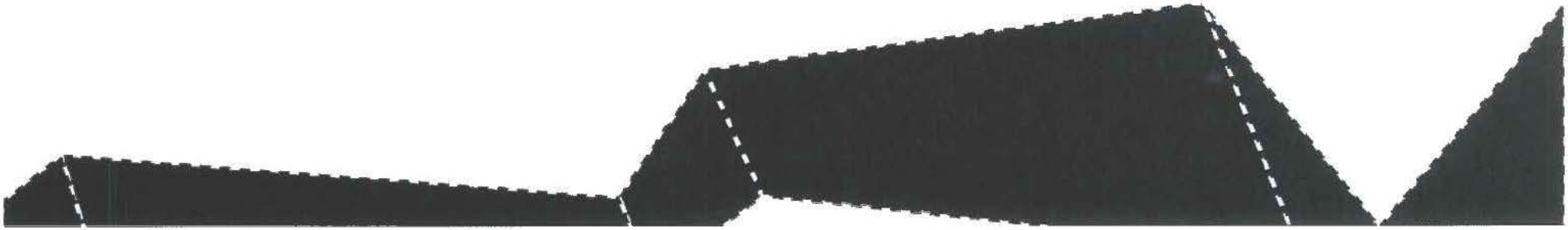
- Robust alignment of asset portfolio with organisational strategic objectives
- Clear line of sight between strategic and operational objectives
- A robust methodology for investment planning across identified asset classes
- Empirical data to enable benchmarking of asset management performance



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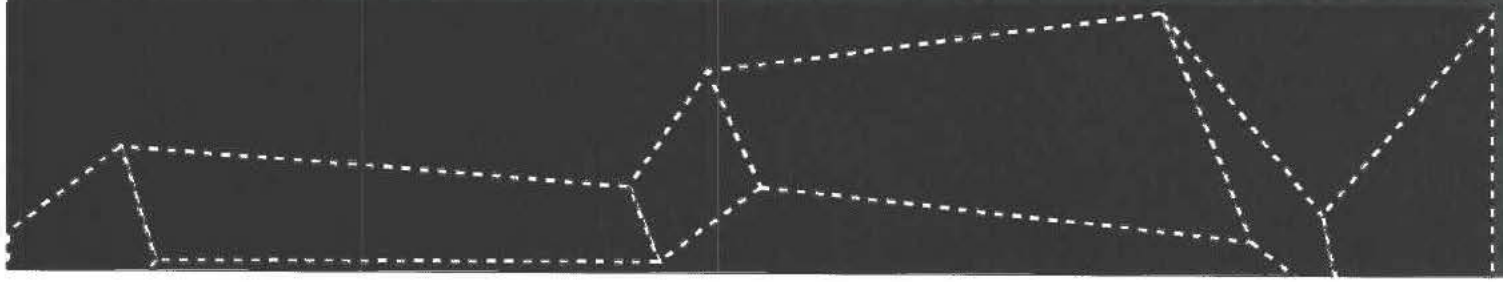
ALIGNMENT OF ASSET PORTFOLIO

5th MAY 2016



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Methodology

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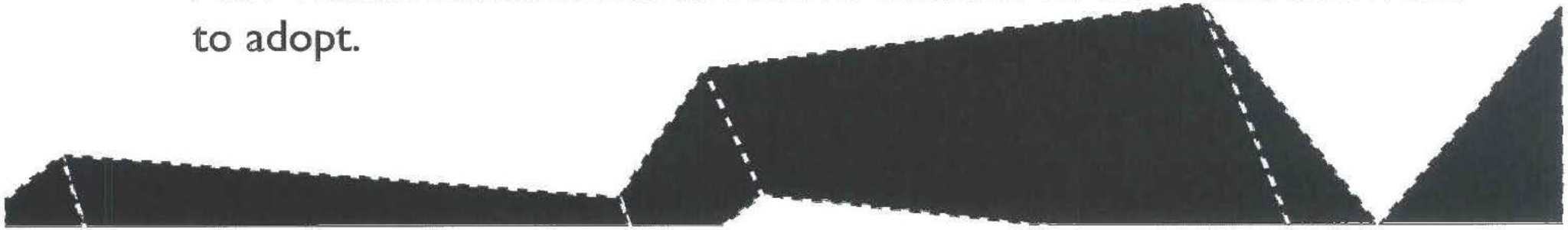
- Task: Identify options and make a recommendation as to the appropriate frameworks for asset management in ACT Health

- DCWC SAFM Approach:
  - Research and review existing frameworks that focus on asset portfolio realignment and strategic asset management plan (SAMP) development.
  - Determine the best practice approach with a high degree of applicability to ACT Health
  - Provide preliminary recommendation for further discussion with ACT Health stakeholders to reach a decision on the best framework to adopt.



Selected Frameworks

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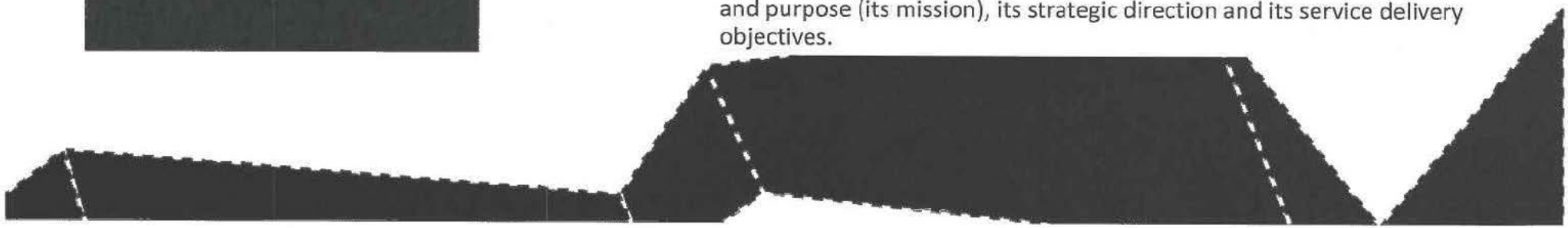
Asset Management Framework	Country / Source	Brief Description
Achieving Excellence Design Evaluation Toolkit (AEDET)	British, UK	The AEDET is a Health-sector focused SAMF that is focused on evaluating the quality of design of healthcare environments. It incorporates performance-based measures to ascertain the effectiveness and efficiency of building performance and the operations of facilities.
Victorian Medical Equipment Asset Management Framework (VMEAMF)	Victoria, Australia	An asset management framework implemented in Victoria, Australia. Deals with the management of medical equipment assets.
NSW Government, Total Asset Management (TAM)	NSW, Australia	A strategic and systematic approach to physical asset and infrastructure planning and management that is consistent across the whole of Government, not just the Health setting.
Australian National Audit Office (ANAO)	ACT, Australia	A high level SAMF applicable across varying sectors and Government agencies. The ANAO is focused on the alignment of asset portfolio with the organisation's strategic objectives and desired service delivery outcomes, however, it does not align this with asset management capability to present an integrated approach to SAMF.
ACT Strategic Asset Management Guideline (ACT SAM Guideline)	ACT, Australia	A set of guidelines used by the ACT government. The objectives of the guidelines is to improve the quality and performance of publicly owned assets
TEFMA	Australia	Framework that targets universities with a focus on making the institution's estate adequately support the institution's overall goals and purpose (its mission), its strategic direction and its service delivery objectives.



Common Challenges

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- SAMF/SAMP Differentiation
  - Clearly delineating these two aspects clarifies the key outputs of the SAMF and enables targeted identification of asset management gaps that exist in the organisation's current approach to managing its assets
- Financial Sustainability
  - Adequately addressing the financial viability and long term financial sustainability of managing an asset portfolio will reduce the gap between what the portfolio currently does in support of organisational objectives and what it should do rather than create a wish list
- Lacking Strategic Context in Identification of Capital Projects
  - Capital Projects to be based on the impact that it has on asset portfolio performance and how the project meets organisational objectives and outcomes as part of a total portfolio approach

Benefits of SAMP

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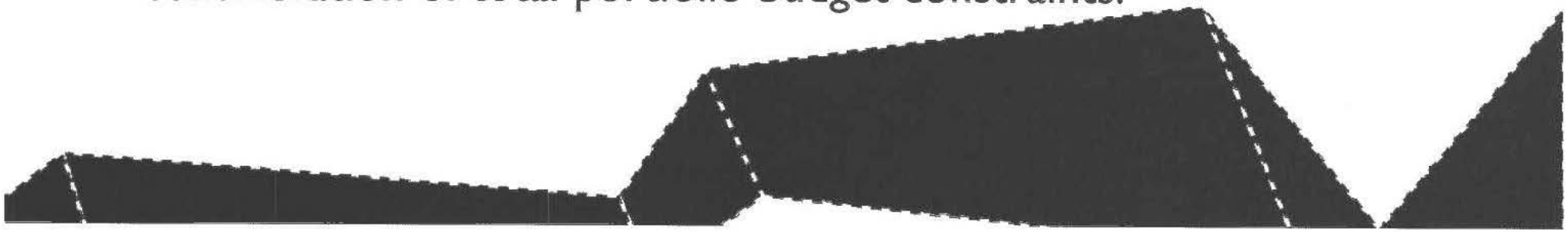
- Ensures that "a clear line of sight" is established to corporate AM (performance) objectives and subsequent performance targets;
- Provides an empirical assessment of the current performance of the asset portfolio and the gaps to target performance;
- Enables high level assessment of strategy options that could be adopted to deliver the required level of asset portfolio performance;
- Enables the cost and financial impact of the strategies to be empirically assessed; and
- Supports the development of a project list that are most likely to provide the highest impact for least cost (or best value), in consideration of total portfolio budget constraints.



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Best Practice Methodology

Project Lifecycle

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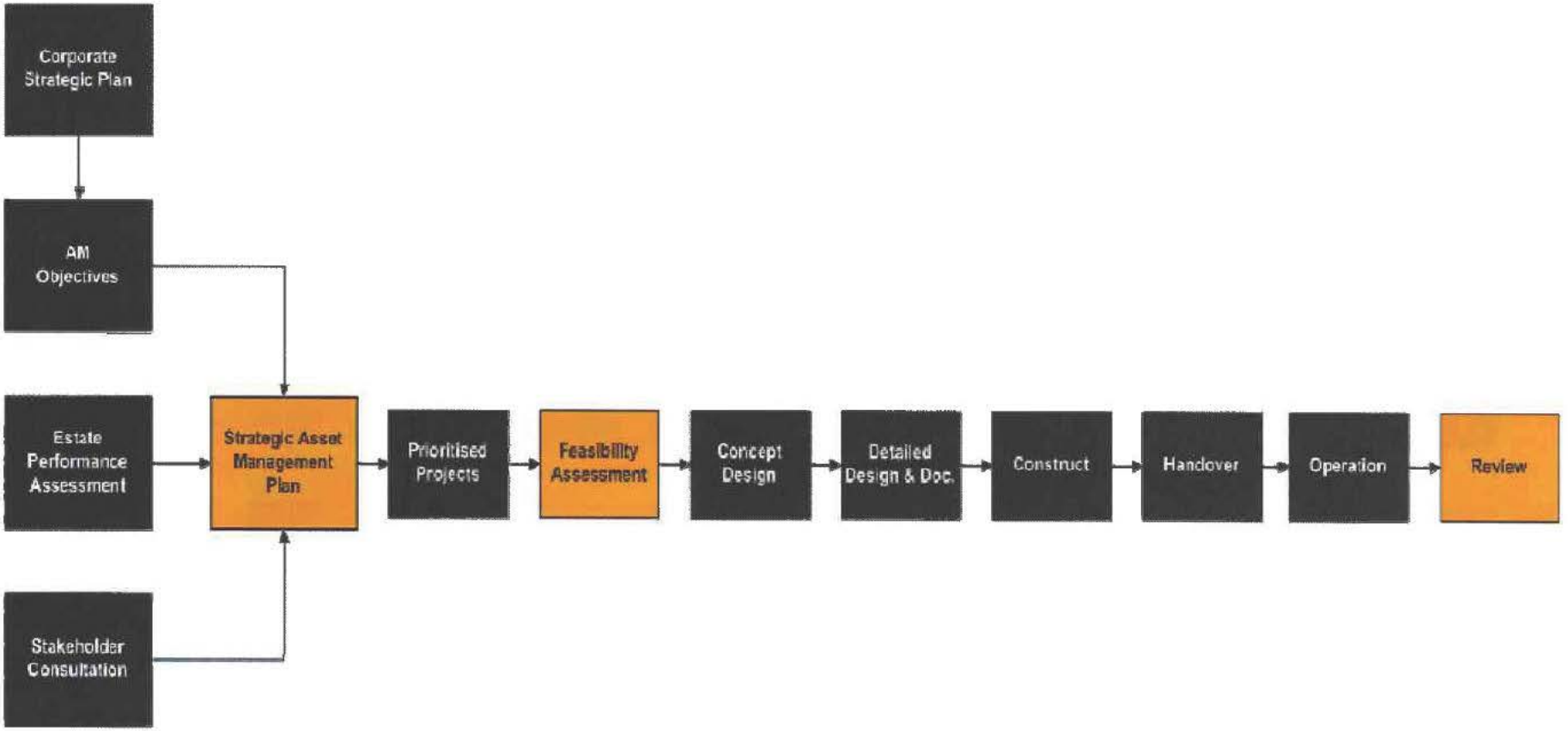

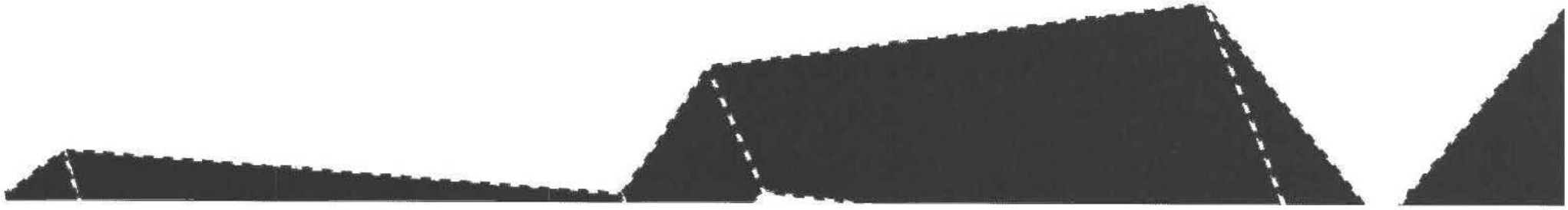

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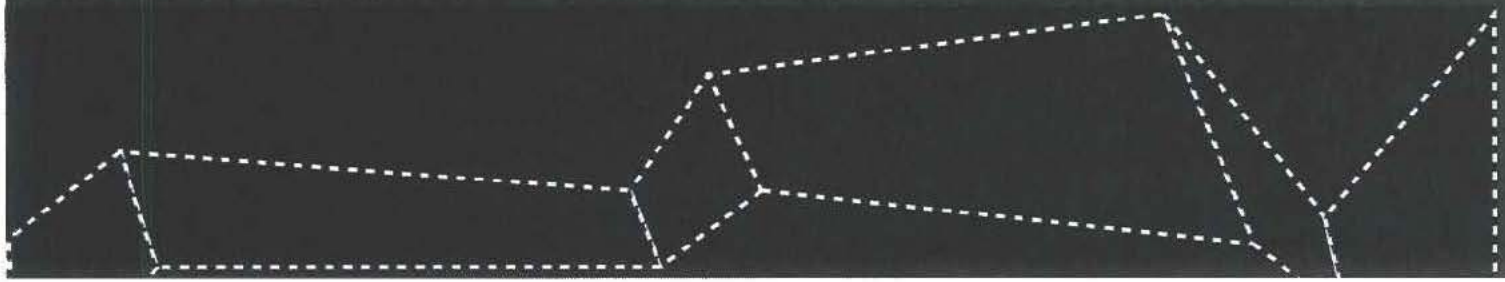
ALIGNMENT OF ASSET MANAGEMENT CAPABILITY

5th MAY 2016



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Methodology

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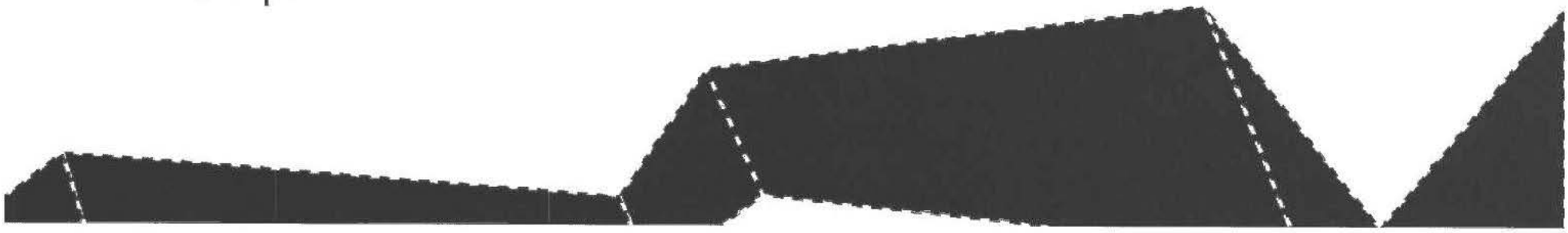
- Task: Identify options and make a recommendation as to the appropriate frameworks for asset management in ACT Health

- DCWC SAFM Approach:
  - Research and review existing asset management capability tools that assess level of asset management maturity in organisations.
  - Compare and determine the best practice approach with a high degree of applicability to ACT Health
  - Provide preliminary recommendation for further discussion with ACT Health stakeholders to reach a decision on the best tool to adopt.



Selected Frameworks

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Asset Management Capability Assessment Tools	Country or Source	Brief Description	Number of Questions	Year Introduced
IAM PAS 55 BSI (Publicly Available Specification 55-BSI)	British, UK	Applicable for the optimisation management of physical assets.	121	2004
IAM ISO 55000 (International Standard)	British, UK	Applicable for the management of any asset type.	39	2014
AMBoK (Asset Management Council)	Australia	Built on ISO 55001 and other standards.	Around 150	Not assessed
TAM (Total Asset Management)	NSW Government, Australia	Built on EFQM. For any type of asset management, ranging from asset management to operational	65	2004
PAMCAM (Property Asset Management Capability Assessment Model)	Office of Government Commerce, UK	Built on EFQM - Made specific for property asset management	38	2009, relaunched 2014

*Note that OGC and TAM are both based on the EFQM (European Foundation for Quality Management)

Benefits of AM Capability Assessment

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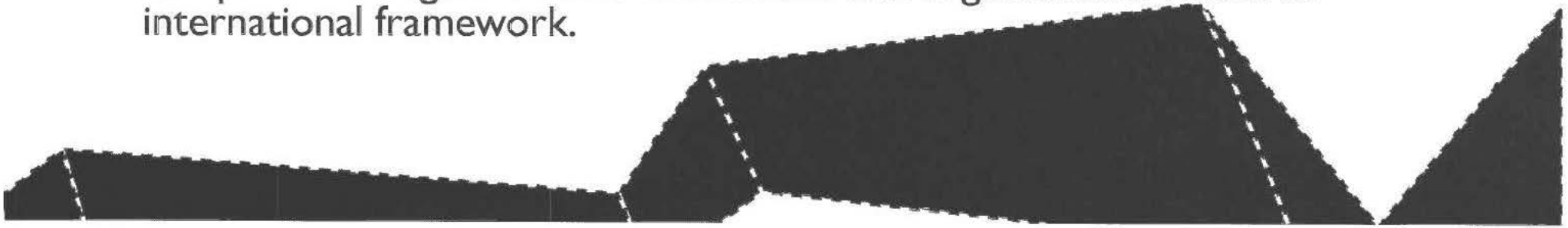
SAFM

- Demonstrates competence, establishes improvement priorities and makes better, clearer connections between strategic organisational plans and the actual day-to-day work and asset realities;
- Identifies weak spots in terms of best practice that can be addressed to reduce risk;
- Integrates planning and delivery; in the integrated management of acquisition/creation/ operation, maintenance, disposal/renewal, and in the many generic 'enablers' that underpin sustainable, optimised performance;
- Provides clear evidence of sustainable good governance to all stakeholders;
- Develops a robust framework for the management of assets that will improve strategy development, service delivery and asset performance;
- Demonstrates progress over time as the process is repeatable and sustainable; and
- Provides a benchmarking tool for ACT Health's asset management practices and processes against other institutions and organisations within an international framework.



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Best Practice Methodology

Examines the following key areas:

- Governance;
- Planning;
- Key enablers such as:
  - Policies and procedures;
  - Information systems;
  - Risk management;
  - Procurement framework;
  - Life Cycle Analysis;
- Performance assessment; and
- Review and continuous improvement

Sample Maturity Level for Asset Management Capability Assessments

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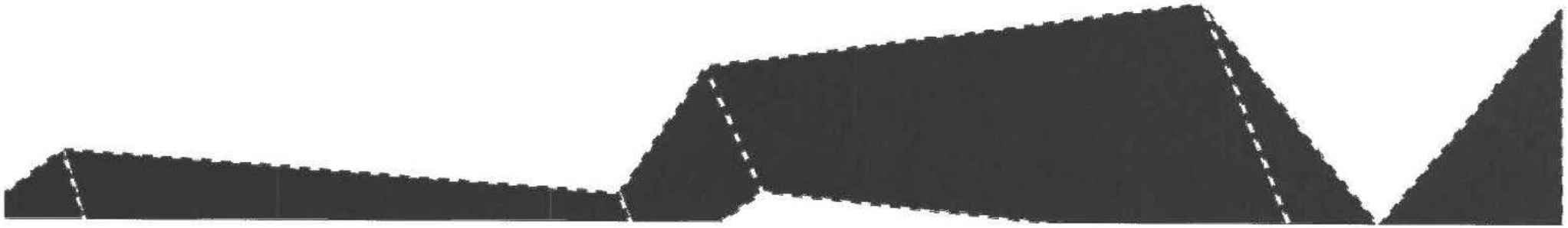
Maturity Level 0	Maturity Level 1	Maturity Level 2	Maturity Level 3	Maturity Level 4
The elements required by PAS55 are not in place. The organisation is in the process of developing an understanding of PAS55.	The organisation has a basic understanding of the requirements of PAS55. It is in the process of deciding how the elements of PAS55 will be applied and has started to apply them.	The organisation has a good understanding of PAS55. It has decided how the elements of PAS55 will be applied and work is progressing on implementation.	All elements of PAS55 are in place and are being applied and are integrated. Only minor inconsistencies may exist.	Using processes and approaches that go beyond the requirements of PAS55. Pushing the boundaries of Asset Management development to develop new concepts and ideas.



Sample Spider Diagram

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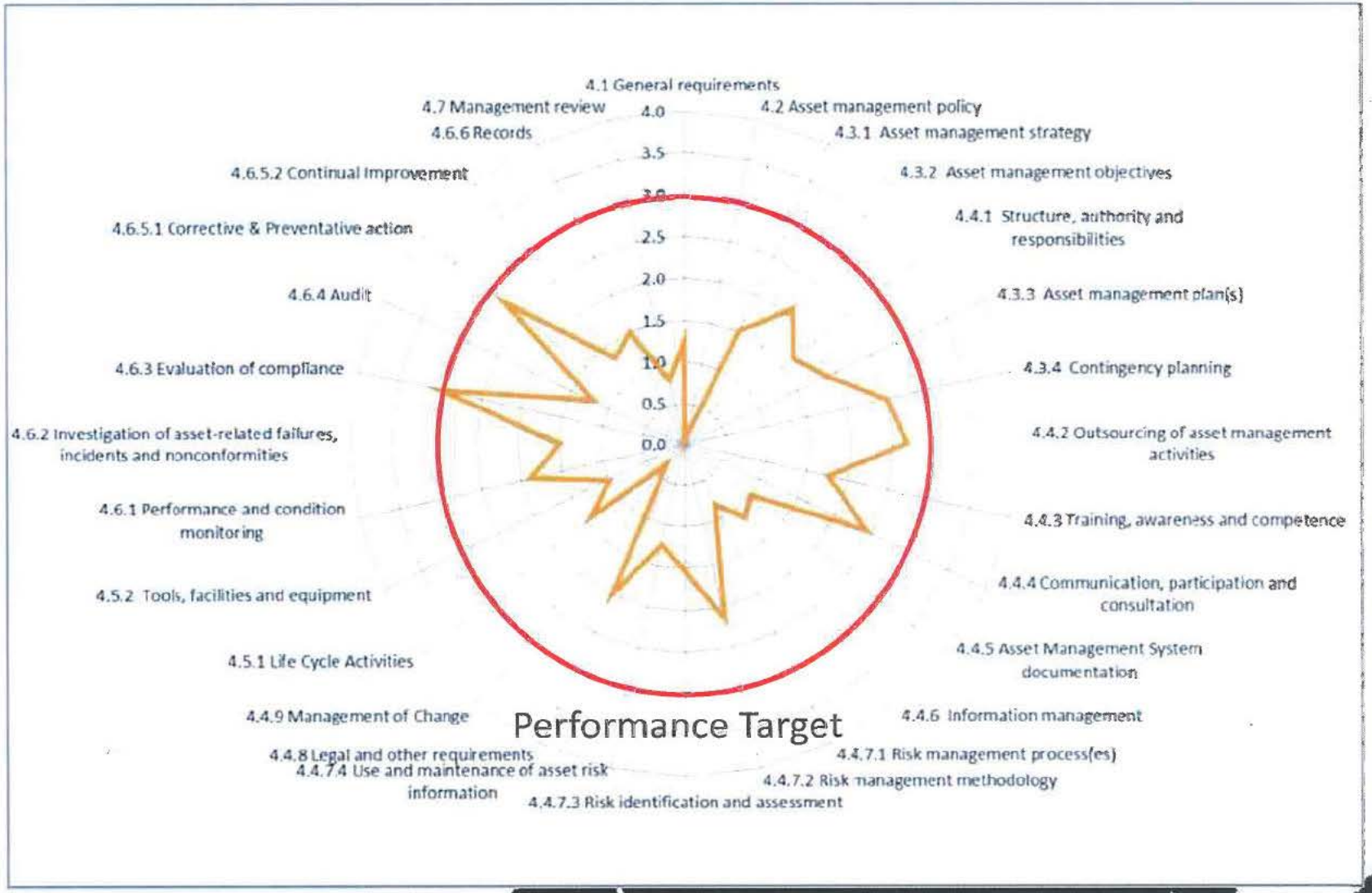

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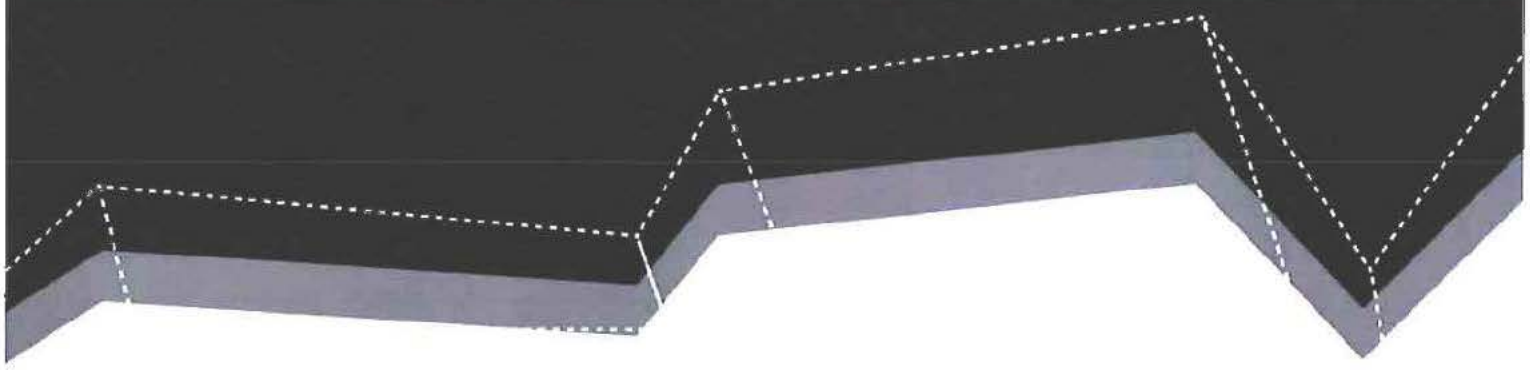
APPENDIX 5.4
NSW HEALTH PRESENTATION



Total Asset Management NSW Health Transition

Prepared by Deborah Flood
Director Capital Asset & Contract Services
Sydney Local Health District

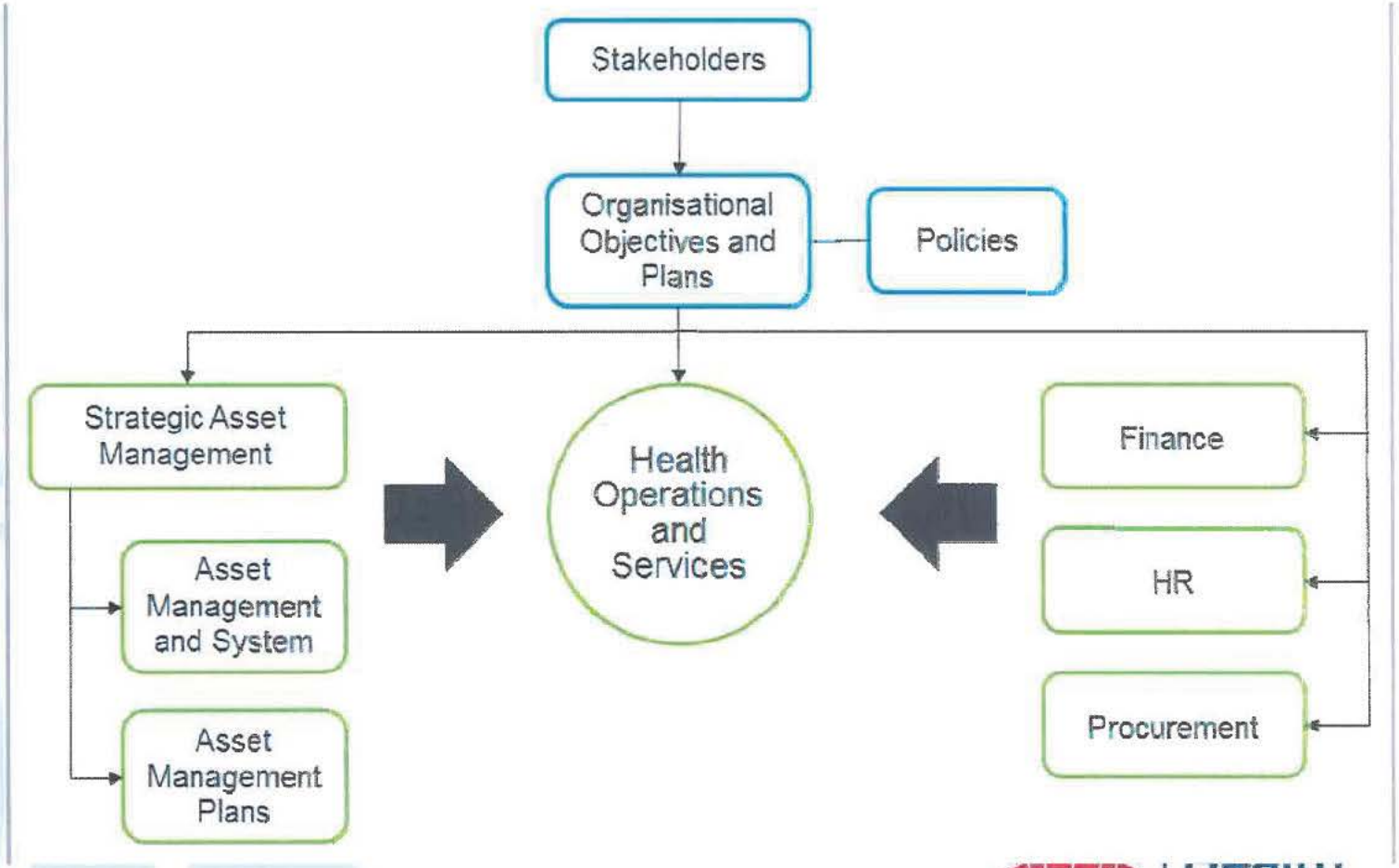
May 2016

NSW GOVERNMENT | Health
Sydney
Local Health District

Asset Management Transformation

- Development of AM as a corporate function supporting service delivery
- Builds on existing components (eg: capital investment planning) at LHD & State-wide levels
- Focus on whole of life asset management
- Strengthening links to Finance function & asset acquisition

Corporate Functions (including Asset Strategic Management)



Procurement and Contract Management Framework

- Development of a procurement and contract management capability framework for the PROcure, AFM Online and Oracle iProcurement
- PROcure is responsible for high level contract management of any goods & services based on contract. This includes:
  - Contract renewals
  - Variations
  - Extensions

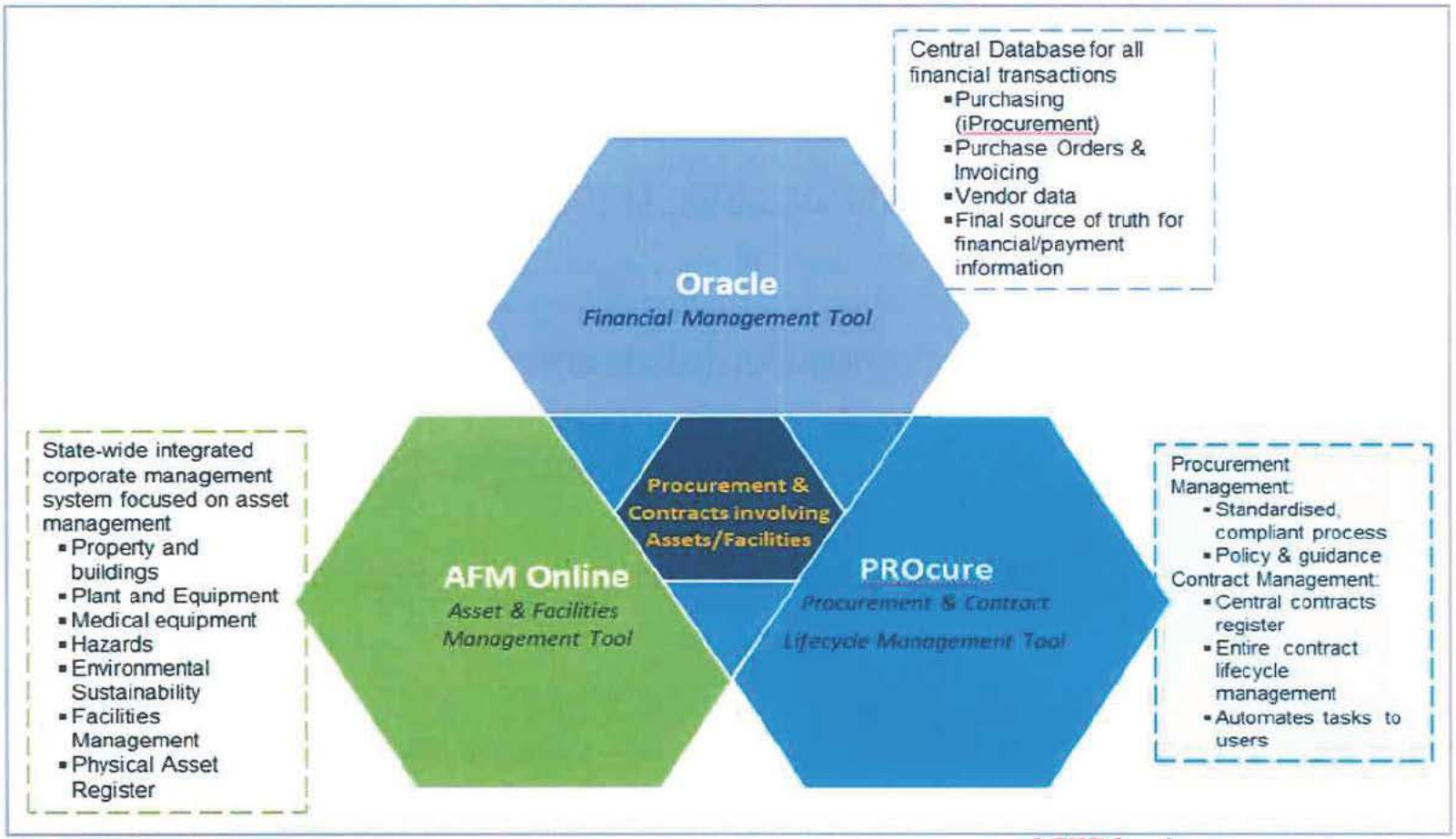
Procurement and Contract Management Framework

- PROcure will be the central contract register for all contracts
- AFM Online is an integrated corporate management system focused on assets and their maintenance. It allows for:
  - Management of assets including property, plant & medical equipment
  - Maintenance or lease related contracts
  - includes KPI's & service level agreements

Procurement and Contract Management Framework

- Oracle iProcurement purchasing module is the state wide central financial database for all purchasing transactions
- It is envisioned that relevant contracts are created and managed within PROcure with the creation of a valid AFM Online record (ie; requiring management against assets and lease). Ongoing asset management is undertaken in AFM Online with purchasing undertaken via Oracle iProcure.
- Alignment between AFM Online & PROcure is required to facilitate the flow of information between the two systems

Procurement and Contract Management Framework



NSW GOVERNMENT Health
Sydney Local Health District

Implementation

AFM Online

- Implementation has been protracted and difficult
- System is not intuitive "clunky"
- Systems does not integrate requiring multiple entries into different systems
- AFM Online is a difficult tool & has required extensive modification to meet functional needs
- Wider consultation with users required to meet need

Implementation

PROcure

- PROcure is a web based application using internet explorer (windows based system) that is intuitive & easy to use.
- Linked to Stafflink number for tracking
- Provides a central vendor record within the environment – complete transparency across whole of health for any vendor
- Ability to set levels of authority
- Provides detailed reports
- Email alerts for renewal of contracts
- Ability to document history of the contract

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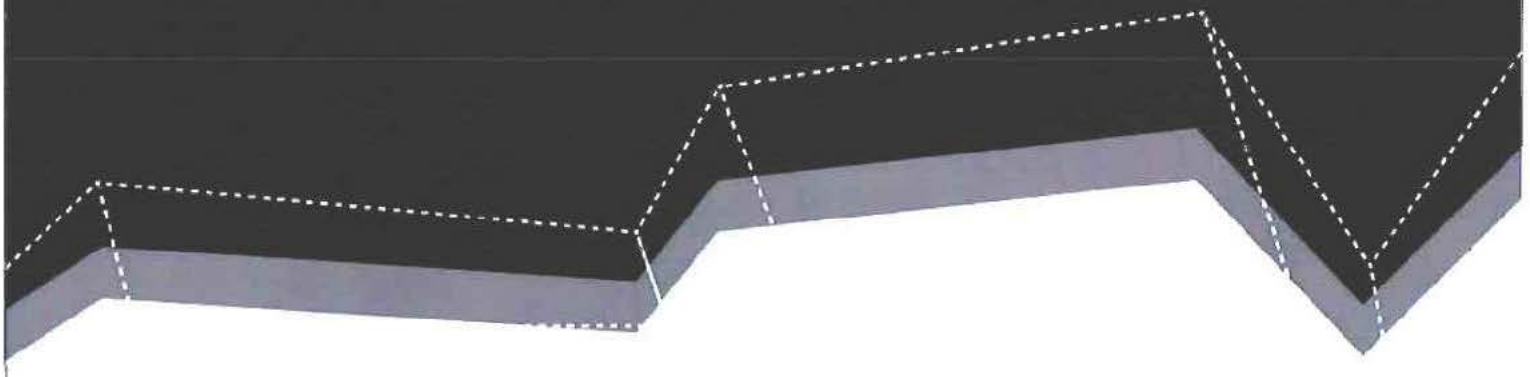
APPENDIX 8.6
NSW HEALTH ASSET FRAMEWORK



APPENDIX D ASSET GROUPS BY ASSET CLASS

The following list is an example of the asset groups required and the asset classes required for the asset hierarchy. The complete list is to be agreed by the Asset Master List Subcommittee and may include or exclude some of the asset classes and/or groups listed below.

Asset Class	Class Code	Asset Group
Building Fabric	BF	Internal Fabric
		External Fabric
		Fixtures
Building Services	BS	Mechanical Services
		Electrical Services
		Hydraulic Services
		Fire Services
		Transportation Services
Facility Equipment	FE	Mortuary Equipment
		FF&E
		Office Equipment
Infrastructure, Grounds & Garden	IG	Boundary Walls, Fencing & Gates
		Workshop Equipment
		Landscaping
		Hydraulic Services
Medical Equipment	ME	Theatre Equipment
		Dental Equipment
		Laboratory Equipment
		Refrigeration Equipment
		Patient Care Equipment
		Imaging Equipment
		Sterilisation Equipment
		Medical Gas
		Testing Equipment
		Respiratory Equipment
		Medical Equipment
IT & Communications	IT	IT Equipment
		Communication Equipment
Security Equipment	SE	Alarms
		CCTV Equipment
Laundry Equipment	LE	Washing Equipment
		Drying Equipment
		Other Equipment
Catering Equipment	CE	Food Prep. Equipment
		Washing Equipment
		Food Delivery Equipment
		Refrigeration Equipment

APPENDIX E FACILITY EQUIPMENT MASTER LIST

The following list is an example of the asset type/subtype by group and class. The complete list is to be agreed by the Asset Master List Subcommittee and may include or exclude some of the asset types and subtypes listed below.

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	R Code
Building Services	BS						
		Mechanical Services	MS				
				Air Conditioning	R1398	Package Unit	R1000
				Air Conditioning	R1398	Split System	R1313
				Boilers	R7803	Fire Tube	R1008
				Boilers	R7803	Gas Fired	R1009
				Boilers	R7803	Water Tube	R1010
				Boilers	R7803	Electric	R1391
				Boilers	R7803	Oil Fired	R1395
				Boilers	R7803	Steam	R1392
				Cooling Tower	R1029	Open	R7919
				Cooling Tower	R1029	Closed	R7920
				Cooling Tower	R1029	Ceramic Filled	R7916
				Cooling Tower	R1029	Wood Filled	R7921
				Cooling Tower	R1029	Crossflow	R7918
				Ducting Systems	R7990	Exhaust Air	R7820
				Ducting Systems	R7990	Supply Air	R7815
				Ducting Systems	R7990	Evaporative Cooled Air	R7837
				Ducting Systems	R7990	Warm Air	R7790
				Exhaust Systems		Kitchen	R7825
				Exhaust Systems		Fume Cabinet	R1053
				Fans		Centrifugal	R1316
				Fans		Ceiling Exhaust	R1305
				Fans		Induced Air	R1585
		Electrical Services	ES				
				Emergency Lighting		Exit Lights	
				Distribution Board	R1426	RCD	R1427
		Hydraulic Services	HS				
				Sanitary Fixtures	R1358	Bath	R7656
				Storage Tanks		Hot Water	R1399
				Reticulation		Hot Water	R1400
				Sewerage		Drains	R1401
				Sewerage		Backflow Prevention Device	R1407
		Fire Services	FS				
				Alarm Panel		Fire	R1368
				Fire Detection	R1046	Smoke	R7944
				Fire Detection	R1046	Thermal	R7943
				Fire Extinguishers		BCF	R1378
				Fire Extinguishers		CO2	R1047
				Fire Extinguishers		Foam	R1377
				Fire Extinguishers		Powder	R1376
				Fire Extinguishers		Water	R1375

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	R Code
				Fire Protection	R1402	Hose Reels	R1062
				Fire Protection	R1402	Hydrants	R1065
				Fire Protection	R1402	Sprinkler System	R7948
				Fire Protection	R1402	External	R2306
		Transportation Services	TS				
				Lifts		Passenger	R8015
				Lifts		Goods	R8012
				Lifts		Vehicle	R8043
				Lifts		Wheelchair	R8040
Building Fabric	BF						
		Internal Fabric	IF				
				Floor Finish	R1302	Carpet	R7554
				Floor Finish	R1302	Cork	R7552
				Floor Finish	R1302	Vinyl	R7550
				Floor Finish	R1302	Rubber	R7553
				Floor Finish	R1302	Tile	
				Floor Finish	R1302	Timber	R7530
Facility Equipment	FE						
		Mortuary Equipment					
				Mortuary Equipment	R7623	Cold Room	R1560
				Mortuary Equipment	R7623	Cabinets	R1567
		FF&E					
				Kitchen Equipment		Water Coolers	R1561
				Kitchen Equipment		Refrigerator	R1565
		Office Equipment					
				Whiteboard		Electronic	R1596
IT & Communications	IT						
		Communication Equipment					
				Nurses Call System		Tone Generator	R1542
				Nurses Call System		PLC	R1543
Security Equipment	SE						
		Alarms					
				Burglar	R1346		
		CCTV					
				Monitors	R8048		
				Security Camera	R6919		
Laundry Equipment	LE						
		Washing Equipment					
				Dishwasher		Domestic	R1437
				Washing Machine		Commercial	R1455
				Washing Machine		Domestic	R1456
		Drying Equipment					
				Dryer		Commercial	R1453
				Dryer		Domestic	R1454
		Other Equipment					
				Press		Wet	R1466
				Press		Garment	R1467

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	R Code
Catering Equipment	CE	Refrigeration Equipment		Refrigerator		Domestic	R1565
				Refrigerator		Commercial	R1563
Infrastructure, Grounds & Garden	IG	Hydraulic Services		Sewerage		Drains	R1730

APPENDIX F MEDICAL EQUIPMENT MASTER LIST

The following is the existing master list of medical equipment used (class code ME). The Biomedical Advisory Group (BEAG) is reviewing a new medical equipment master list for use with the HealthAMMS system. The BEAG Medical Equipment Master List Subcommittee will agree on the medical assets to be included in the master list.

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
Medical Equipment	ME							
		Theatre Equipment						
				Lights		Theatre		
		Dental Equipment						
				Dental Equipment	R1327	Suction Pump		R1328
				Dental Equipment	R1327	Dental Chair		R1329
				Dental Equipment	R1327	X-Ray		R1334
				Dental Equipment	R1327	Film Processor		R1335
				Anaesthesia Units		Dental	17842	
				Articulators		Dental	10201	
				Aspirators		Dental	10212	
				Cabinets		Dental	10532	
				Casting Furnaces		Dental	17796	
				Casting Units		Dental	10662	
				Condensers		Endodontic Filling Material	17890	
				Burs		Dental	10521	
				Burs		Dental, Carbide	16668	
				Burs		Dental, Diamond	16670	
				Burs		Dental, Steel	16669	
				Carvers		Dental Amalgam	16426	
				Carvers		Dental Wax	16427	
				Dental Hand Instruments		Endodontic	16662	
				Dental Hand Instruments		Operative	16663	
				Dental Hand Instruments		Orthodontic	16664	
				Dental Hand Instruments		Periodontal	16665	
				Dental Hand Instruments		Surgical	16666	
				Dental Hand Instruments		Other	16667	
		Laboratory Equipment						
				Analysers		Blood	18614	
				Analysers		Blood Gas	18617	
				Analysers		Blood Gas/pH	15709	
				Analysers		Blood Gas/pH/Electrolyte	18618	
				Analysers		Blood Gas/pH/Electrolyte/Metabolite	18619	
				Analysers		Blood, Bilirubin	18615	
				Analysers		Blood, Glycohemoglobin	17109	
				Analysers		Blood, Iron	15299	
				Analysers		Blood, Urea Nitrogen	15092	
				Analysers		Blood, Zinc Protoporphyrin	18616	
				Analysers		Body Fluids	18613	
				Analysers		Body Fluids, Alcohol	15089	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Analysers		Body Fluids, Amino Acid	15090	
				Analysers		Body Fluids, Calcium	16940	
				Analysers		Body Fluids, Catecholamine	17173	
				Analysers		Body Fluids, Chloride	15118	
				Analysers		Body Fluids, Creatinine	17182	
				Analysers		Body Fluids, Electrolyte	15100	
				Analysers		Body Fluids, Electrolyte, Coulometric	16819	
				Analysers		Body Fluids, Electrolyte, Flame Photometer	16530	
				Analysers		Body Fluids, Electrolyte, Ion-Selective	16818	
				Analysers		Body Fluids, Enzyme	15101	
				Analysers		Body Fluids, Glucose	15102	
				Analysers		Body Fluids, Lactate	16773	
				Analysers		Body Fluids, Lead	15300	
				Analysers		Body Fluids, Lithium	17546	
				Analysers		Body Fluids, Nitrogen	15103	
				Analysers		Breath	17474	
				Analysers		Breath, Carbon Dioxide	10588	
				Analysers		Breath, Carbon Monoxide	15093	
				Analysers		Breath, Helium	15892	
				Analysers		Breath, Hydrogen	18624	
				Analysers		Breath, Nitrogen	18623	
				Analysers		Breath, Oxygen	15015	
				Analysers		Clinical Chemistry	15551	
				Analysers		Clinical Chemistry, Automated	16298	
				Analysers		Clinical Chemistry, Automated, Centrifugal	16300	
				Analysers		Clinical Chemistry, Automated, Continuous-Flow	16301	
				Analysers		Clinical Chemistry, Automated, Discrete	16299	
				Analysers		Clinical Chemistry, Manual	16302	
				Analysers		Haematology	17740	
				Analysers		Haematology, Blood Grouping	16014	
				Analysers		Haematology, Blood Grouping, Automated	16817	
				Analysers		Haematology, Blood Grouping, Semiautomated	18622	
				Analysers		Haematology, Cell Counting	18620	
				Analysers		Haematology, Cell Counting, Automated	17741	
				Analysers		Haematology, Cell Counting, Manual	11996	
				Analysers		Haematology, Cell Counting, Reticulocyte	18261	
				Analysers		Haematology, Cell Counting, Semiautomated	17742	
				Analysers		Haematology, Coagulation	15552	
				Analysers		Haematology, Coagulation, Automated	15098	
				Analysers		Haematology, Coagulation, Manual	18621	
				Analysers		Haematology, Coagulation, Semiautomated	17176	
				Analysers		Haematology, Erythrocyte Aggregation	17483	
				Analysers		Haematology, Erythrocyte	17088	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
						Deformation		
				Analysers		Haematology, Haemoglobin	15146	
				Analysers		Haematology, Platelet Aggregation	15104	
				Analysers		Immunoassay	18625	
				Analysers		Immunoassay, Chemiluminescent	17916	
				Analysers		Immunoassay, Fluorimetric	16218	
				Analysers		Immunoassay, Nephelometric	16908	
				Analysers		Immunoassay, Photometric	18626	
				Analysers		Immunoassay, Photometric, ELISA	18627	
				Analysers		Immunoassay, Photometric, Enzyme (EIA)	16217	
				Analysers		Immunoassay, Photometric, Microplate Reading	16979	
				Analysers		Microbiology	16608	
				Analysers		Microbiology, Blood Culture	18628	
				Analysers		Microbiology, Blood Culture, Automated	15973	
				Analysers		Microbiology, Blood Culture, Manual	18629	
				Analysers		Microbiology, Blood Culture, Mycobacteria	18630	
				Analysers		Microbiology, Susceptibility	15091	
				Analysers		Microbiology, Susceptibility, Automated	15306	
				Analysers		Microbiology, Susceptibility, Manual	16745	
				Analysers		Microbiology, Urine Bacteriuria	16813	
				Analysers		Radioimmunoassay	15301	
				Analysers		Radioimmunoassay, Automated	16382	
				Analysers		Radioimmunoassay, Manual	16865	
				Analysers		Radioimmunoassay, Semiautomated	16383	
				Analysers		Semen	16984	
				Analysers		Urine	16886	
				Analysers		Urine, Automated	16378	
				Analysers		Urine, Semiautomated	16887	
				Alarms		Refrigerator	13314	
				Balances		Electronic	10263	
				Balances		Electronic, Analytical	18449	
				Balances		Electronic, Microanalytical	18451	
				Balances		Electronic, Precision	18450	
				Balances		Mechanical	10264	
				Balances		Mechanical, Analytical	18453	
				Balances		Mechanical, Microanalytical	18454	
				Balances		Mechanical, Precision	18452	
				Baths		Tissue Flotation	15107	
				Baths		Water	15108	
				Baths		Water, Laboratory	16861	
				Baths		Water, Plasma-Thawing	16796	
				Baths		Water, Shaker	16772	
				Cabinets		Desiccating	16285	
				Cabinets		Drying	15812	
				Cabinets		Formaldehyde	15813	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Cabinets		Laboratory	15814	
				Cabinets		Slide Storage	17132	
				Carts		Malignant Hyperthermia	16988	
				Carts		Tissue	16493	
				Centrifuges		Floor	15116	
				Centrifuges		Floor, High-Speed	18263	
				Centrifuges		Floor, Low-Speed	18262	
				Centrifuges		Floor, Low-Speed, Nonrefrigerated	17177	
				Centrifuges		Floor, Low-Speed, Nonrefrigerated, Blood Bank	15115	
				Centrifuges		Floor, Low-Speed, Refrigerated	15117	
				Centrifuges		Floor, Ultrahigh-Speed	15193	
				Centrifuges		Tabletop	10780	
				Centrifuges		Tabletop, High-Speed	18270	
				Centrifuges		Tabletop, High-Speed, Microhematocrit	10779	
				Centrifuges		Tabletop, High-Speed, Micro-Sample	17452	
				Centrifuges		Tabletop, Low-Speed	18264	
				Centrifuges		Tabletop, Low-Speed, Nonrefrigerated	18266	
				Centrifuges		Tabletop, Low-Speed, Nonrefrigerated, Blood Bank	18267	
				Centrifuges		Tabletop, Low-Speed, Nonrefrigerated, Cell Washing	16815	
				Centrifuges		Tabletop, Low-Speed, Nonrefrigerated, Cytological	16765	
				Centrifuges		Tabletop, Low-Speed, Nonrefrigerated, Hand-Driven	18269	
				Centrifuges		Tabletop, Low-Speed, Nonrefrigerated, Micro-Sample	18268	
				Centrifuges		Tabletop, Low-Speed, Refrigerated	18265	
				Centrifuges		Tabletop, Ultrahigh-Speed	18271	
				Chambers		Analytical Balance	17129	
				Chambers		Electrophoresis	18548	
				Chromatography Columns		Capillary	18279	
				Chromatography Columns		Packed	18280	
				Chromatography Columns		Packed, Bonded Phase	18281	
				Chromatography Columns		Packed, Ion-Exchange	18282	
				Chromatography Systems		Gas	15120	
				Chromatography Systems		Gas, Capillary Column	18272	
				Chromatography Systems		Gas, Packed Column	18273	
				Chromatography Systems		Liquid	18274	
				Chromatography Systems		Liquid, Packed Column	18276	
				Chromatography Systems		Liquid, Packed Column, High-Pressure	15121	
				Chromatography Systems		Liquid, Packed Column, High-Pressure, Bonded-Phase	18278	
				Chromatography Systems		Liquid, Packed Column, High-Pressure, Ion-Exchange	18277	
				Chromatography Systems		Liquid, Planar	18275	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Chromatography Systems		Liquid, Planar, Paper	15122	
				Chromatography Systems		Liquid, Planar, Thin-Layer	15123	
				Counters		Bacteria	15125	
				Counters		Colony	15126	
				Densitometers		Liquid	18845	
				Densitometers		Liquid, Urine	15310	
				Densitometers		Scanning Light	16905	
				Desiccators		Thin-Layer Chromatography Plate	16284	
				Distilling Units		Solvent	16540	
				Dryers		Labware	15985	
				Dryers		Slide	17134	
		Refrigeration Equipment						
				Refrigerator		Drug		R1559
				Refrigerator		Blood Bank		R1562
				Freezer		Blood Bank		R3750
				Freezer		Bone		R3752
				Freezer		Eye Bank		R3753
				Freezer		Laboratory		R3754
				Freezer		Linear Rate		R3755
		Patient Care Equipment						
				Bed		Electric		R2120
				Bed		Hydraulic		R2141
				Bed		Mechanical		R2144
		Imaging Equipment						
				Film Processing		Daylight		R1677
				Film Processing		Major		R1678
				Film Processing		Minor		R1679
				X-Ray		Floor Mounted		R1696
				X-Ray		Ceiling Mounted		R1697
				Brachytherapy Systems		Afterloading	17732	
				Brachytherapy Systems		Remote Afterloading	17517	
				Burs		Corneal	16413	
				Burs		Cranial	10520	
				Densitometers		Bone	17152	
				Densitometers		Bone, Isotope	18846	
				Densitometers		Bone, Isotope, Dual-Photon Absorptiometry	17150	
				Densitometers		Bone, Isotope, Single-Photon Absorptiometry	17151	
				Densitometers		Bone, Ultrasonic	18382	
				Densitometers		Bone, X-Ray	17540	
				Densitometers		Bone, X-Ray, Dual-Energy Absorptiometry	17747	
				Densitometers		Bone, X-Ray, Single-Energy Absorptiometry	17748	
				Densitometers		X-Ray Film	16548	
				Digital Imaging Systems		Angiographic/Cardiovascular	16560	
				Digital Imaging Systems		Computed Radiography	17904	
				Digital Imaging Systems		Photospot	18442	
				Digital Imaging Systems		Portal	18032	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Dosimeters		Radiation	11295	
				Batteries		Mobile Radiographic Unit	16558	
				Cabinets		Pass Box, X-ray	10541	
				Cameras		Gamma	15944	
				Cameras		Radiographic Photospot	16418	
				Carts		Instrument	10641	
				Cerebral Blood-Flow Measurement Units		Xenon Clearance	16237	
				Collimators		Gamma Camera	17801	
				Collimators		Radiographic	16389	
				Computers		Nuclear Medicine	15678	
				Computers		Radioimmunoassay	16372	
				Computers		Radiotherapy Planning System	13281	
				Computers		Radiotherapy Record/Verify	17532	
				Counters		Gamma	16381	
				Counters		Scintillation	15184	
				Data Analysis Systems		Ultrasound	17203	
				Data Analysis Systems		Ultrasound, Cardiac	17204	
				Data Analysis Systems		Ultrasound, Obstetrical	16968	
		Sterilisation Equipment						
				Sterilizer		Ultra Violet		R1724
				Sterilizer		Steam		R1726
				Sterilizer		Instrument		R1729
				Sterilizer		Gas		R1731
				Sterilizer		Flash		R1732
		Medical Gas						
				Alarms		Central Gas System	15824	
				Compressors		Medical-Air	10972	
				Dryers		Medical-Air	18050	
				Dryers		Medical-Air, Desiccating	18041	
				Dryers		Medical-Air, Refrigerating	18040	
		Testing Equipment						
				Battery Analysers		Chargers	18348	
				Battery Analysers		Reconditioners	18349	
				Calibration Standards		Visible Spectrophotometric	17843	
				Calibrators		Anaesthesia Unit	15019	
				Calibrators		Blood Gas	16929	
				Calibrators		Infusion Drop-Rate	15785	
				Calibrators		Mass Spectrometer	16930	
				Calibrators		Pressure Transducer	13114	
				Calibrators		Radioisotope	13275	
				Calibrators		Respiratory Therapy Unit	15020	
				Calibrators		Spirometer/Pneumotachometer	17250	
				Calibrators		Tonometer	16414	
				Environmental Monitors		Atmospheric Gas	12606	
		Respiratory Equipment						
				Analgesia Units		Cryogenic	17140	
				Analgesia Units		Inhalation	16953	
				Anaesthesia Unit		Carbon Dioxide	10140	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Absorbers				
				Anaesthesia Unit Absorbers		Halogenated Vapour	17615	
				Anaesthesia Unit		Carbon Dioxide Absorbents	17509	
				Anaesthesia Unit		Gas Scavengers	10142	
				Anaesthesia Unit		Vaporizers	10144	
				Breathing Circuits		Anaesthesia	10139	
				Breathing Circuits		Oxygen Administration	16987	
				Breathing Circuits		Ventilator	15003	
				Breathing Devices		Self-Contained	17089	
				Cabinets		Anaesthesia	10529	
				Carts		Anaesthetist's	10636	
				Dosimeters		Nitrous Oxide	16338	
		Medical Equipment						
				Angioplasty Systems		Arthrectomy	17559	
				Angioplasty Systems		Arthrotomy	17560	
				Apnea Monitors		Recording	17885	
				Articulators		Cast	10200	
				Aspirators		Emergency	15016	
				Aspirators		Endocervical	16227	
				Aspirators		Endoscopic Irrigation	17424	
				Aspirators		Infant	10214	
				Aspirators		Liposuction	17103	
				Aspirators		Low-Volume	10215	
				Aspirators		Nasal	10216	
				Aspirators		Surgical	10217	
				Aspirators		Thoracic	10218	
				Aspirators		Tracheal	10219	
				Aspirators		Ultrasonic	15756	
				Aspirators		Uterine	10222	
				Aspirators		Wound	10223	
				Autotransfusion Units		Blood Processing	17537	
				Autotransfusion Units		Whole Blood Recovery	17538	
				Bilirubinometers		Cutaneous	16166	
				Blood Gas Monitors		Carbon Dioxide	12588	
				Blood Gas Monitors		Oxygen	12590	
				Blood Gas Monitors		Extracorporeal	17680	
				Bronchoscopes		Flexible	15073	
				Bronchoscopes		Flexible, Video	17662	
				Bronchoscopes		Rigid	15074	
				Cardiac Output Units		Direct Fick	10614	
				Cardiac Output Units		Dye Dilution	16177	
				Cardiac Output Units		Impedance	17496	
				Cardiac Output Units		Other	15207	
				Cardiac Output Units		Radioisotope	15795	
				Cardiac Output Units		Thermal Dilution	10615	
				Cardiac Output Units		Ultrasonic	17190	
				Cardiotocographs		Antepartum	18339	
				Cardiotocographs		Intrapartum	18340	
				Cast Cutters		Electric	16340	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Cast Cutters		Manual	16341	
				Cast Cutters		Pneumatic	17523	
				Cataract Extraction Units		Phacoemulsification	17596	
				Circulatory Assist Units		Cardiac	10840	
				Circulatory Assist Units		Intra-Aortic Balloon	10846	
				Circulatory Assist Units		Venous Return	10849	
				Circulatory Assist Units		Ventricular	10847	
				Colonoscopes		Video	17665	
				Cryosurgical Units		General-Purpose	11067	
				Cryosurgical Units		Ophthalmic	11068	
				Cystoscopes		Flexible	17144	
				Cystoscopes		Rigid	17145	
				Data Management Systems		Anaesthesia	17504	
				Data Management Systems		ECG	17205	
				Data Management Systems		Hemodynamic	17766	
				Data Management Systems		Obstetrical	17939	
				Data Management Systems		Patient	16361	
				Defibrillator/Cardioverters		Implantable	18503	
				Defibrillator/Pacemakers		External	17882	
				Defibrillator/Pacemakers		Implantable	17989	
				Defibrillators		External	18499	
				Defibrillators		External, Automated	17116	
				Defibrillators		External, Manual	11134	
				Defibrillators		External, Manual, Line-Powered-Only	11137	
				Defibrillators		External, Semi-Automated	18500	
				Defibrillators		External, Telephonic	17579	
				Defibrillators		Implantable	16652	
				Dialysate Delivery Systems		Multipatient	11211	
				Dialysate Delivery Systems		Single-Patient	11213	
				Dialyzers		Hemodialysis	11232	
				Duodenoscopies		Video	17654	
				Dynamometers		Other	11365	
				Dynamometers		Squeeze	11367	
				ECG Monitors		Arrhythmia	12601	
				ECG Monitors		Telemetric	13988	
				EEG Monitors		Spectral Display	17412	
				EEG Monitors		Telemetric	15719	
				Electrocardiographs		Multichannel	11411	
				Electrocardiographs		Multichannel, Interpretative	16231	
				Electrocardiographs		Multichannel, Interpretative, Signal-Averaging	18330	
				Electrocardiographs		Multichannel, Non-Interpretative	18329	
				Electrocardiographs		Multichannel, Non-Interpretative, Signal-Averaging	17687	
				Electrocardiographs		Single-Channel	11413	
				Electrocautery Units		Battery-Powered	11421	
				Electrocautery Units		Line-Powered	11422	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Electrocautery Units		Line-Powered, Endoscopic	18843	
				Electrosurgical Unit Adapters		Hand Control	11494	
				Electrosurgical Units		Bipolar	18230	
				Electrosurgical Units		Monopolar	18229	
				Electrosurgical Units		Monopolar, Argon-Enhanced Coagulation	17739	
				Electrosurgical Units		Monopolar/Bipolar	18231	
				Electrosurgical Units		Monopolar/Bipolar, Argon-Enhanced Coagulation	18232	
				Enteroscopes		Video	18126	
				Ergometers		Bicycle	10383	
				Ergometers		Other	15219	
				Alarms		Enuresis	11588	
				Alarms		Occupancy	18587	
				Alarms		Occupancy, Bed	12585	
				Alarms		Occupancy, Chair/Wheelchair	17531	
				Alarms		Oxygen Depletion	12879	
				Analysers		Physiologic	18777	
				Analysers		Physiologic, Body Composition	17417	
				Analysers		Physiologic, Erection/Tumescence	17441	
				Analysers		Physiologic, Middle Ear	15634	
				Analysers		Physiologic, Middle Ear, Acoustic Reflectometry	18784	
				Analysers		Physiologic, Middle Ear, Impedance Tympanometry	18783	
				Analysers		Physiologic, Neuromuscular Function	17763	
				Analysers		Physiologic, Neuromuscular Function, Body Motion	17929	
				Analysers		Physiologic, Neuromuscular Function, Dynamometric	18781	
				Analysers		Physiologic, Neuromuscular Function, Gait	16334	
				Analysers		Physiologic, Peristaltic Motility	18779	
				Analysers		Physiologic, Peristaltic Motility, Colon/Rectum	18780	
				Analysers		Physiologic, Peristaltic Motility, Oesophageal	11600	
				Analysers		Physiologic, Pulmonary Function	17698	
				Analysers		Physiologic, Pulmonary Function, Adult	13182	
				Analysers		Physiologic, Sonography	17456	
				Analysers		Physiologic, Thermometric Fertility Cycle	17645	
				Analysers		Physiologic, Visual Function	14382	
				Analysers		Point-of-Care	18505	
				Analysers		Point-of-Care, Breath	18514	
				Analysers		Point-of-Care, Breath, Alcohol	17475	
				Analysers		Point-of-Care, Breath, Carbon Isotopes	18422	
				Analysers		Point-of-Care, Breath, Hydrogen	17476	
				Analysers		Point-of-Care, Breath, Methane	17477	
				Analysers		Point-of-Care, Sweat Electrolyte	18516	
				Analysers		Point-of-Care, Urine	18517	
				Analysers		Point-of-Care, Whole Blood	18508	
				Analysers		Point-of-Care, Whole Blood, Coagulation	16749	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Analysers		Point-of-Care, Whole Blood, Gas/pH	18510	
				Analysers		Point-of-Care, Whole Blood, Gas/pH/Electrolyte	18511	
				Analysers		Point-of-Care, Whole Blood, Glucose	16488	
				Analysers		Point-of-Care, Whole Blood, Haematology	18513	
				Analysers		Point-of-Care, Whole Blood, Lactate	18512	
				Analysers		Point-of-Care, Whole Blood, Multi-Analyte	18509	
				Apex Locators		Endodontic	16355	
				Beds		Electric	10347	
				Beds		Electric, Alternating Pressure	18383	
				Beds		Electric, Birthing	15732	
				Beds		Electric, Circular Revolving	10345	
				Beds		Electric, Flotation Therapy	10348	
				Beds		Electric, Low-Air-Loss	17593	
				Beds		Electric, Obese	15760	
				Beds		Electric, Radiography/Fluoroscopy	10351	
				Beds		Electric, Rocking	10363	
				Beds		Electric, Rotation	18384	
				Beds		Electric, Rotation/Rocking	18385	
				Beds		Electric, Vertical Tilting	16991	
				Blankets		Circulating-Fluid	12067	
				Blankets		Forced-Air	18852	
				Cabinets		Instrument	10534	
				Cabinets		Treatment, Ultraviolet	10538	
				Callipers		Skinfold, Electronic	16267	
				Cameras		Endoscopic	15748	
				Cameras		Fundus	10551	
				Cameras		Microscope	15815	
				Cameras		Ophthalmic	16419	
				Cameras		Surgical	10559	
				Cameras		Video, Endoscope	17002	
				Carbon Dioxide Monitors		Exhaled Gas	16938	
				Carbon Dioxide Monitors		Transcutaneous	15970	
				Carbon Dioxide Monitors		Transcutaneous	17996	
				Carts		Orthopaedic Supply	10646	
				Carts		Resuscitation	10647	
				Carts		Surgical Case	15891	
				Cell Disrupters		Ultrasonic	17123	
				Communication Aids		Voice Synthesizer	17187	
				Computers		Cardiac Catheterization Laboratory	10980	
				Computers		ECG Interpretation	10981	
				Computers		Pulmonary Function Laboratory	10984	
				Computers		Stereotactic Surgery	18182	
				Computers		Stress Exercise	15027	
				Computers		Liquid Oxygen	16536	
				Cooling Units		Patient	12078	
				Couplers		Laser/Laparoscope	18027	

Asset Class	Class Code	Asset Group	Group Code	Asset Type	R Code	Asset Sub Type	ECRI Code	R Code
				Diathermy Unit Analysers		Shortwave	16362	
				Disrupters		Cell	16525	
				Drivers		Syringe	18092	
				Dryers		Breathing Circuit	17449	
				Dynamometer Exercise Systems		Computerized	17681	
				Electrode Monitoring Systems		Electrosurgical, Return	16010	
				Electrode Shielding Systems		Electrosurgical, Active	18093	
				Electrodes		Blood Gas	11431	
				Electrodes		Blood Gas, Carbon Dioxide	11432	
				Electrodes		Blood Gas, Oxygen	11433	
				Electrodes		Blood Gas, pH	17686	
				Electrodes		Catheter Tip	11434	
				Electrodes		Cystoscopic	11436	
				Electrodes		Electrosurgical, Active	16860	
				Electrodes		Electrosurgical, Active, Foot-Controlled	16206	
				Electrodes		Electrosurgical, Active, Hand-Controlled	11499	
				Electrodes		pH	15137	
				Electrodes		Sweat Test	11461	
				Electrodes		Transcutaneous Electrical Nerve Stimulation	17191	
				Electrosurgical Current Monitors		Laparoscopic	17736	
				EMG Monitors		Telemetric	15720	
				EOG Monitors		Telemetric	15721	
				Exercise Stairs		Motorized	17668	

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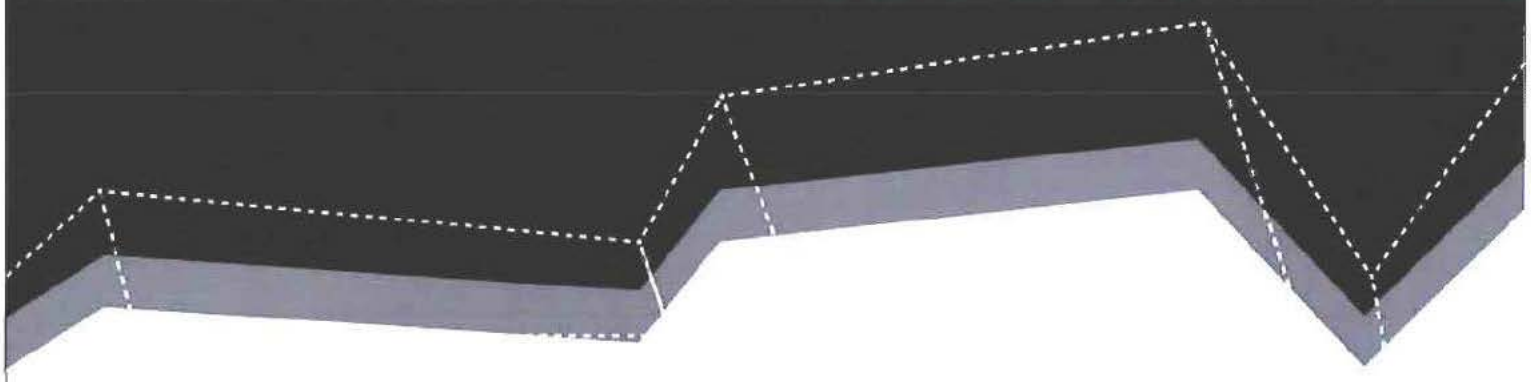
APPENDIX 8.7 VICTORIAN HEALTH ASSET FRAMEWORK



Appendix 2: Eligible in-scope items

Appendix 2A: Medical Equipment Replacement Program – specific-purpose capital grant

Replacements of existing owned assets under the specific-purpose capital grant (less than $300,000 per single item) are to sustain existing services only. The following assets are some examples of the in-scope equipment items for funding consideration.

Health services may consider using their specific-purpose capital grant for installation and infrastructure works associated with medical equipment approved under the High Value Statewide Replacement Fund.

The grant can also be used to replace medical equipment greater than $300,000 (excluding GST) if the health service considers it to be the highest risk of all the outstanding in-scope assets.

Major technical upgrades to existing equipment may be considered for funding where the benefits and extension of effective life are equivalent to new equipment.

1.	Anaesthetic units	
2.	Apheresis units	
3.	Beds, trolleys, couches, specialised chairs and wheelchairs	• Fully ergonomic electric beds (includes intensive care unit (ICU), bariatric and other specialised beds) • Fully ergonomic electric patient coaches *(must comply with the Victorian Nurse Back Injury Program)* • Fully ergonomic electric patient trolleys *(must comply with the Victorian Nurse Back Injury Program)* • Patient chairs – specialised (ICU) • Specialised high-cost wheelchairs (such as stroke, ICU, bariatric)
4.	BiPAP/CPAP units	
5.	Defibrillators	
6.	Electrosurgical units (ESU)	
7.	Endoscopic/laparoscopic towers	
8.	Heart–lung bypass units	
9.	Haemofiltration and haemodiafiltration units	
10.	Imaging	• Angiography unit • Cardiac catheter laboratory • Computed tomography (CT) scanner • Fluoroscopy unit • Gamma camera • Image intensifier • Magnetic resonance imaging (MRI) unit • Mammography unit • Positron emission tomography – computed tomography (PET-CT) • Single photon emission computed tomography – computed tomography (SPECT-CT) – gamma camera • Transoesophageal echocardiograms • Ultrasound units • X-ray units

11.	Infant incubators	
12.	Lasers	
13.	Microscope surgical	
14.	Monitors	• Physiological monitoring systems • Electrocardiograph (ECG) recorders, 12-lead • Transport monitors • Cardiotocographs (CTG) • Telemetry units
15.	Operating room tables	
16.	Patient lifting equipment	*(must comply with the Victorian Nurse Back Injury Program)*
17.	Pumps	• Infusion pumps, general purpose volumetric • Infusion pumps, patient care analgesia (PCA) • Infusion pumps, epidural • Syringe drivers
18.	Scopes	• Bronchoscopes • Colonoscopes • Cystoscopes • Rhinofibrescopes • Gastroscopes
19.	Sterilisers	
20.	Stereotactic units	
21.	Ventilators	
22.	Washer disinfector units	

Appendix 2B: Eligible in-scope items – Medical Equipment Replacement Program – High Value Statewide Replacement Fund

Assets considered for replacement are existing *single* items to sustain current services only, costing more than $300,000 (excluding GST).

Installation and infrastructure works, or aggregates of single items, are not funded as part of the central fund, but health services may consider using the specific-purpose capital grant to fund the installation works.

Major technical upgrades to existing imaging equipment may be considered for funding where the benefits and extension of effective life can be demonstrated.

The following assets are some examples of the in-scope medical equipment items for funding consideration.

Contact <assetmanagement@dhhs.vic.gov.au> if clarification is required.

1. Imaging	• Transoesophageal echocardiograms
	• General x-ray *(imaging unit only)*
	• Angiography
	  ▪ *Imaging unit, gantry*
	  ▪ *Patient table, operator console and displays*
	  ▪ *Control circuit cabinets and computer*
	• Fluoroscopy unit
	  ▪ *Imaging unit*
	  ▪ *Patient table, operator console and displays*
	  ▪ *Control circuit cabinets and computer*
	• Cardiac catheter laboratory
	  ▪ *Imaging unit, x-ray gantry (C-arm)*
	  ▪ *Patient table, x-ray control cabinets*
	  ▪ *Operator console and displays*
	  ▪ *X-ray image display screens and mounting hardware*
	  ▪ *Haemodynamic monitor, including displays, contrast media injector*
	• Image intensifier *(imaging unit only)*
	• Mammography units *(imaging unit only)*
	• Computed tomography (*CT*)
	  ▪ *Imaging unit, gantry*
	  ▪ *Patient table, operator console and displays*
	  ▪ *Control circuit cabinets and computer*
	• Magnetic resonance imaging (MRI)
	  ▪ *Imaging unit, gantry,*
	  ▪ *Patient table, operator console and displays*
	  ▪ *Control circuit cabinets and computer*
	  ▪ *RF Coils*
	  ▪ *Injectors*
	MRI compatible associated equipment such as anaesthetic unit and monitoring equipment will be assessed on a case by case basis and must be outlined in the submission proposal.

2 .Nuclear medicine	• Gamma camera
	• SPECT-CT gamma camera
	• Positron emission tomography – CT (PET-CT)
	In-scope for nuclear medicine equipment
	  ▪ *Imaging unit, gantry*
	  ▪ *Patient table, operator console and displays*
	  ▪ *Control circuit cabinets and computer*

3. Operating room	• Operating room microscopes • Stereotactic units (neurosurgical or orthopaedic)
4. Sterilising and disinfecting units	• Steriliser • Disinfecting unit

Options

- Workstations (list number), radiation dose reduction, standard image processing & analysis software will be considered
- Standard image processing & analysis software
- Uninterruptable power supply (UPS) may be considered where integrated with the unit

Any major additional options will need to be listed as part of the submission.

Health services should consider the requirements of bariatric patients when replacing equipment outlined above.

Note
Components that are not in scope and have not been agreed as part of the submission will not funded.

Appendix 2C: Eligible in-scope items – Engineering Infrastructure Replacement Program – High Value Statewide Replacement Fund and specific-purpose capital grant

Replacements of existing owned engineering infrastructure assets under the High Value Statewide Replacement Program and specific-purpose capital grant are to sustain existing services only. The following assets are examples of the in-scope items for funding consideration. Infrastructure/assets considered for replacement through the High Value Statewide Replacement fund are single items costing more than $300,000 (excluding GST).

Health services may consider the use of the grant for scoping of highest risk eligible engineering infrastructure projects. The grant can also be used to replace engineering infrastructure greater than $300,000 (excluding GST) if the health service considers it to be the highest risk of all the outstanding in-scope assets.

1. Air-conditioning	• Airhandling units • Chiller • Condensing unit – direct expansion (D-X) plant • Control system • Cooling towers • Ductwork • Heat rejection unit • Pump • Reticulation
2. Communications systems	• Nurse call • Private automatic branch exchange (PABX) *Note: handsets for telephony systems are excluded* • Voice over internet protocol (VOIP) (telephone system) *Note: handsets for telephony systems are excluded* • Two-way radio communication for clinical emergencies
3. Electrical services	• Body protection • Emergency generator • Emergency lighting • Generator switchboard • Main switchboard • Mains high voltage • Mains low voltage • Mechanical board • Submain cabling • Transformer • Uninterruptible power supply (UPS)
4. Fire	• Communication system (EWIS – emergency warning intercommunication system) • Communication system (WIP – warden intercommunication phone) • Detection • Exit signage • Fire indicator panel • Fire, smoke separation • Sprinkler system
5. Fuel	• Liquefied petroleum gas (LPG) • Natural gas
6. Hazardous materials	• Removal of high-risk materials, friable asbestos

7. Heating	• Airhandling • Calorifier • Control system • Domestic hot water boiler • Domestic hot water temperature control • Heating hot water boiler • Pump • Reticulation • Steam boiler
8. Medical	• Gas • Suction • Vacuum
9. Sewer system	
10. Transportation – lift	
11. Water	• Cold water main • Filtration/softener

ACT HEALTH

STRATEGIC ASSET MANAGEMENT FRAMEWORK DEVELOPMENT – FINAL REPORT

July 2016

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ACRONYMS AND DEFINITIONS

Acronym	Definition
ABCD	Australian Building Codes Board
ACT	Australian Capital Territory
ACT Health	ACT Health Directorate
AM	Asset Management
AMF	Asset Management Framework
AMP	Asset Management Plan
APPA	Association of Physical Plant Administrators
ARV	Asset Replacement Value
APAF	Asset Performance Assessment Framework
BAPF	Building Asset Performance Framework (Queensland Government)
BSI	British Standards Institution
CADP	Capital Asset Development Plan
CCTV	Closed Circuit Television
CH	Canberra Hospital
CI	Configuration Item
CMDB	Configuration Management Database
COTS	Commercial Off The Shelf
CSF	Clinical Services Framework
CSP	Clinical Services Plan
CUP	Capital Upgrade Program
DCWC SAFM	Donald Cant Watts Corke Strategic Asset & Facilities Management
ES	Enterprise Solutions – Term is used very broadly to encompass all aspects of computer technology business solutions including hardware, software, servers and network to support large organisations such as ACT Health.
GFA	Gross Floor Area
GHG	Greenhouse Gas

Acronym	Definition
GMDN	Global Medical Device Nomenclature
HIP	Health Infrastructure Plan
HVAC	Heating Ventilation and Air Conditioning
IAM	Institute of Asset Management
ICT	Information & Communication Technology
IDR	Initial Data Review
IIMM	International Infrastructure Management Manual
KPI	Key Performance Indicators
LCC	Life Cycle Cost
LCCA	Life Cycle Cost Analysis
LoS	Level of Service
MME	Minor Medical Equipment
NPV	Net Present Value
NSW	New South Wales
PAF	Performance Assessment Framework
PAS	Publicly Available Specification
PICS	Purchasing Inventory and Control System
PWG	Project Working Group
SAMP	Strategic Asset Management Plan
SAMF	Strategic Asset Management Framework
TAM	Total Asset Management (NSW Government)
TAMP	Total Asset Management Plan (Queensland Government)
TEFMA	Tertiary Education Facilities Management Association

TABLE OF CONTENTS

TABLE OF TABLES

TABLE OF FIGURES

EXECUTIVE SUMMARY

ACT Health aims to improve the delivery of its comprehensive range of co-ordinated health and health care services to the ACT community and surrounding regions. This will also enable the ACT Government to meet the needs of the Canberra community in a sustainable manner.

ACT Health acknowledges that a major resource considered essential to support service delivery, after staff, is the asset portfolio, consisting of buildings and associated building services plant and equipment, land, medical equipment and devices and various non-medical plant and equipment. Key challenges for ACT Health in managing the asset portfolio as a major resource are:

- Ensuring that its asset portfolio remains supportive of its corporate strategic documents and Models of Care;
- Continually improving the sustainability and efficiency of the use of its physical assets;
- Ensuring that the physical assets will meet future demands in terms of capacity and technology; and
- Ensuring that the physical assets do not pose any work, health or safety risks to patients, staff, contractors and the general public.

To address these challenges Donald Cant Watts Corke Strategic Asset and Facilities Management (DCWC SAFM) was commissioned to develop a framework and definition for strategic asset management – a Strategic Asset Management Framework (SAMF).

The Strategic Asset Management Framework

To ensure that the asset portfolio continues to support the services that ACT Health is expected to deliver, ACT Health needs the asset portfolio to align with its corporate strategies. Enabling this outcome requires the development of a SAMF. A SAMF consists of two critical elements, namely:

- Alignment of ACT Health's asset portfolio in support of its corporate objectives; and
- Alignment of Asset Management (AM) capability with the portfolio and corporate objectives.

These two elements combine to optimise all the life cycle activities that are associated with the management and operation of an asset portfolio (Planning, Delivery, Operation and Divestment). Generally, in most institutions, the link between corporate strategic objectives, service delivery outcomes and asset cycle activities is tenuous at best. This is because there is no clear line of sight between these two areas. A SAMF creates a clear line of sight that connects these two areas and ensures that all activities undertaken by ACT Health to create, manage and operate the asset portfolio contribute directly to the strategic objectives and service delivery outcomes of ACT Health.

A key activity required to ensure alignment of the asset portfolio and to inform the rational development of capital investments, is the development of a Strategic Asset Management Plan (SAMP). Its objective is to define high level, affordable and achievable strategies for realigning the asset portfolio to meet strategic and operational objectives and defining the AM outcomes to be delivered. Typically supported with life cycle cost analysis of each major asset in the portfolio, the development of a SAMP ensures that the asset portfolio is aligned to meet future state service requirements in a managed, cost effective manner that achieves legislative compliance and also manages risk.

The process of developing a SAMP typically commences with an initial review of the existing asset portfolio to assess its capability of supporting ACT Health's strategic objectives, followed by an assessment of the range, quantity and quality of assets required to support the strategy. Included in the development of this SAMP is the development of an Asset Performance Assessment Framework (APAF), which defines the criteria for measuring and assessing the asset portfolio's ability to meet the strategic objectives and ACT Health's service delivery outcomes.

Supporting the SAMP is a set of Asset Management Plans (AMP) that provide technical and operational guidance for each asset class, or assets grouped according to location, to ensure that the assets are managed according to the SAMP.

ACT Health Asset Management Capability

The success of implementing a SAMF at ACT Health depends on its AM capability and maturity. In May 2016 ACT Health conducted a self-assessment of its AM capability using the Institute of Asset Management's Publicly Available Specification 55 (PAS 55) assessment tool. The assessment involved a total of 34 participants, selected by members of ACT Health's Project Working Group (PWG) comprising ACT Health senior and middle management and facilities management staff. Each group assessed 28 elements of PAS 55, indicating ACT Health's AM maturity in a range of key areas including: Governance, Management Review, Enablers and Controls, Asset Implementation Plans and Performance Assessment. Each element was rated from 0 to 4.0, where 0 indicates an awareness of PAS 55 without an embedded capability and 4.0 indicates best practice of asset management beyond PAS 55 requirements.

The PAS 55 assessment indicated that in most areas ACT Health currently sits at an 'awareness' level in its AM maturity as it is still developing a strategic framework and systematic approach to implementing robust AM practices in the organisation. ACT Health scored, on average, less than one in the PAS 55 assessment. The minimum rating for PAS 55 certification and demonstrating a strong AM capability is three. Low scores in AM capability at ACT Health pose potential risks to the way that assets are managed within ACT Health. This can also compromise the ability of ACT Health to meet its Models of Care and strategic objectives.

Key Issues

A major discrepancy in reporting the replacement value of ACT Health in its 2014-15 Annual Report highlighted the high probability that not all physical assets currently utilised by various groups within ACT Health are included in the financial management system e.g. selected medical equipment, and hence their asset values were excluded from the Annual Report. This may also mean that some assets are not adequately insured and may not be included in the budget for operations, maintenance and replacement in the future. The potential reasons for these circumstances could include:

- The use of different asset registers for different types of equipment which are not aligned with the information contained in the financial management system;
- Ambiguous policy on which assets should be included in the financial management system versus the asset management system and ancillary enterprise systems;
- Confusion over the management and reporting of asset procurement records, including records on asset values and associated roles and responsibilities for managing the assets;
- Ill-defined physical assets and nomenclature of ancillary equipment; or
- A combination of the above.

A recent report released by AECOM in relation to Sustaining Health Assets also highlighted the fact that a previous decision taken in 2015 by ACT Health to defer the redevelopment of Buildings 2 and 3 has resulted in extensive degradation of these two buildings. This is an indication of how ACT Health has limited visibility of the long term financial risks posed by asset condition and functionality performance which significantly impact on future ACT Health operations.

Recommendations

ACT Health is currently underprepared to accurately and empirically align its asset portfolio with its corporate strategies. This will change through the development and implementation of key documents such as the ACT Health Strategic Plan, Clinical Services Framework (CSF) and Plan, Models of Care, SAMF and SAMP.

In anticipation of these documents, it is highly recommended that key representatives of the different asset types reach agreement on the following:

- The methodology for asset classification including the terms and nomenclature to be applied to the assets, plus the hierarchy structure for registering selected types of assets which consist of a number of components. This will ensure consistency across the ACT Health organisation;
- The asset types which should, or should not, be included in a centralised asset register; and
- Policies and accountabilities for sharing asset information within ACT Health, including a joint decision on the range of information to be included in the central registry; e.g. Primary User Group, Asset Replacement Value (ARV), date of purchase, location, etc.

There are a range of AM improvement activities that ACT Health should undertake in a systematic and continuous manner to implement a SAMF and improve its AM capability. Key activities include:

1. Conducting an Initial Data Review (IDR) of existing asset data based on the above, agreed asset hierarchy and nomenclature, to achieve more transparent alignment across all datasets, particularly in relation to ARVs;
2. Identification of Asset Priority Index (API) for each of ACT Health's key assets and defining the Levels of Service (LoS) that each asset should deliver to support ACT Health operations;
3. Development of an Asset Performance Assessment Framework (APAF) to provide a baseline of how the current asset portfolio is aligned with ACT's strategic objectives and how it is performing. This will ensure the timely progression of this project and will allow a SAMP to be developed as associated documents that guide the development of a SAMP become available;
4. Development of AM policy, objectives and strategies, supported by the establishment of an AM team to drive the implementation of the policy, objectives and strategies;
5. Reconciliation of existing Enterprise Solutions (ES) with regards to AM performance and consolidate resources into a number of suitable software solutions that meet ACT Health's AM requirements, before defining future requirements. This will facilitate the alignment of all datasets across different enterprise systems, minimising errors and duplication;
6. Ensuring that all outputs from management reviews are incorporated or taken into consideration in AM activities and vice versa. This includes communicating the outputs to relevant stakeholders, undertaking appropriate levels of consultation and encouraging participation as part of implementing any changes to processes and procedures;
7. Improving AM processes and procedures particularly those associated with contingency planning, outsourcing of AM activities, training and competencies on AM activities, communication and consultation, documentation and reviews of AM systems and information, identification and assessment of asset related risks, recording and reporting of legal and other requirements, as well as management of changes.
8. Development of a SAMP for the asset portfolio realignment (following the completion of ACT Health strategic documents), and AMPs for each asset class or for each campus / location. The first step should be an APAF as it is not reliant on the AMPs being completed. This can be developed quickly and will allow ACT Health to maintain current momentum in developing ACT Health's AM capability.

A comprehensive SAMP will also include life cycle cost analysis of all major assets, capturing the operations and maintenance costs over the life of the assets, combined with the disposal and replacement costs, projected over 25-40 years. This analysis will provide ACT Health with visibility of the likely financial liability that its assets are posing over the longer term and the appropriate budget that ACT Health should plan for. In turn, the SAMP will assist ACT Health in identifying options to ensure the availability, capability and capacity of the assets in supporting ACT Health future operations in a sustainable manner and enable ACT Health to make informed decisions about the asset portfolio, based on accurate asset intelligence.

Further, detailed recommendations are provided in Section 7 of this report.

Executing the above recommendations, particularly the IDR and APAF followed by the development of a SAMP and associated AMPs, will assist ACT Health achieve the target AM maturity level of three for a number of elements under the PAS 55 specification. Achieving these outcomes will enable ACT Health to deliver a robust SAMF that ensures its asset portfolio supports the delivery of ACT Health's Models of Care and strategic objectives.

It is anticipated that there will be challenges in the process of adopting the above actions and recommendations due to the variation between groups of stakeholders managing the different asset classes, all of whom currently adopt different practices to achieve common objectives. Hence, it is critical that the process is supported by a robust change management system that includes a high degree of stakeholder consultation and adoption of recommended AM practices from subject matter experts at local levels.

1 BACKGROUND

ACT Health provides a range of health services to residents of the ACT and surrounding regions. These services are supported by a portfolio of physical assets, including:

- Built Estate - including all associated building fabric, internal fitouts, finishes, fixtures and building services plant and equipment, plus immediate surrounding grounds and infrastructure;
- Medical Equipment and Devices - including equipment in patient care, imaging and laboratories, etc.;
- Information, Communication and Technology (ICT) - including computers, servers, mobile phones, nurse call systems, building management and control systems, security systems and lift control systems; and
- Non-Medical Plant and Equipment - including fire suppression systems, heating, ventilation and air conditioning (HVAC), office equipment and training and educational equipment.

The grouping of the above asset types has been adopted by ACT Health and provide a useful basis by which to develop the organisation's SAMF and bespoke AMPs.

Following a Request for Quote (RFQ) issued by ACT Health, DCWC SAFM was commissioned to develop a report outlining a robust framework and definition for strategic asset management – the SAMF Development Report.

This report aggregates and draws upon the knowledge that has evolved over the duration of the six draft reports developed under the SAMF Development Project for ACT Health as well as the three Stakeholder Collaboration Workshops. These include:

- Asset Portfolio Alignment Framework Assessment Report (Approved and finalised);
  - The recommended approach to developing a comprehensive, robust SAMP utilising the DCWC SAFM best practice approach to asset portfolio alignment was approved by ACT Health.
- Asset Management Capability Framework Assessment Report (Approved and finalised);
  - The recommended approach to determining ACT Health's AM capability was approved and a PAS 55 analysis was conducted. The results from this analysis are included in the Appendices under Section 8.2 of this report.
- Health Jurisdiction Collaborative Workshop Report;
  - Presented insights and lessons learnt on the development and implementation of a SAMF from NSW Health and Queensland Health representatives' perspectives.
- Strategic Asset Management Framework Development Report;
  - SAMF Development Workshops intended to build understanding and capability within ACT Health on the benefits of incorporating a best practice AM approach across the organisation and to gain insight into the AM issues currently facing ACT Health stakeholders at senior and middle management levels. The results from the PAS 55 AM capability survey and the recommended approach to SAMP development were presented at these workshops with input from ACT Health stakeholders to further understand the pertinent issues facing ACT Health in developing a stronger AM capability and improving the alignment and quality of the entire asset portfolio.
- Development of Asset Management Plans Report; and
- Enterprise Solutions Report.

While this report is constructed from the key elements of the SAMF Development, Development of AMP and Enterprise Solutions Reports and incorporates key recommendations from the other reports, the appendices in Section 8 provide detailed information on asset portfolio alignment framework, asset management capability framework assessment and health jurisdiction collaborative workshop reports.

2 STRATEGIC ASSET MANAGEMENT FRAMEWORK DEVELOPMENT

Physical assets are often defined as something of enduring value or benefit, which exist as a resource that provides services or to support businesses or organisational outcomes and outputs. This means that a robust SAMF should consist of two critical elements, namely:

- **Alignment of the Asset Portfolio.**
  The focus of this element of a SAMF is on aligning the asset portfolio to meet corporate strategies and service delivery outcomes [i.e. Strategic Plan, Clinical Services Framework, Clinical Services Plan, Health Service Delivery Plan);
- **Alignment of Asset Management Capability (Management of the Asset Portfolio).**
  This element assesses and aligns asset management business systems to ensure that they are suitable to deliver appropriate outcomes for the management of the asset portfolio. A capability assessment is undertaken in a measurable and empirical way to review the asset management systems and processes that underpin the management of the asset portfolio. This ensures that they are aligned to a best practice methodology. These systems, processes and policy settings are integral in setting the framework for leadership, planning, enabling asset management activities and evaluating performance in an environment of continuous improvement.

Both of these elements need to align with the strategic goals of the organisation from which organisational service delivery objectives are derived. The approach as outlined above also facilitates the identification of any asset management issues across the asset management domain and enables targeted identification of opportunities for improvement in AM capability and portfolio alignment.

Hence, to provide tangible benefits, a SAMF must:

- Integrate with corporate governance processes; and
- Include a robust performance assessment framework for the asset portfolio.

2.1 BEST PRACTICE SAMF

Following an extensive review and comparison of various asset management frameworks, outlined in the Asset Portfolio Alignment Framework Assessment Report included in the appendices in Section 8.1, the recommended approach for ACT Health to develop a SAMF is to adopt the DCWC SAFM's best practice approach. This approach separates the key activities of aligning the asset portfolio with the organisation's strategic objectives (facilitated through the development of a SAMP) and improving AM capability as determined by PAS 55 assessment methodology.

Figure 1 below illustrates the components of a SAMF and how these integrate into a broader organisational construct. It is important to note that asset cycle activities (create/acquire, utilise, maintain, renew/dispose) are operationally focused and sit at the bottom end of the SAMF. Often, organisations conduct asset cycle activities without reference to and in the absence of a SAMF. This process does not facilitate a considered and measurable way of linking asset cycle activities with the strategic objectives and service delivery outcomes of the organisation and as a result can lead to ill-informed expenditure on asset portfolios and sub-optimal management of the asset portfolio.

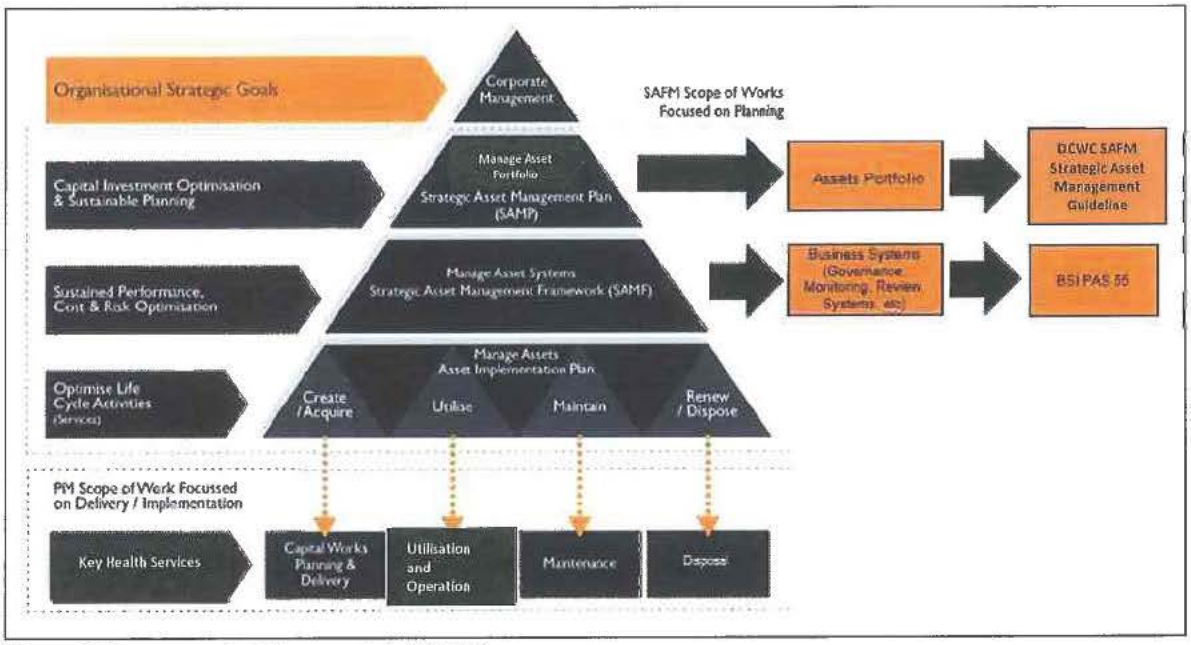

Figure 1 Recommended Approach to SAMF

The SAMF development process provides ACT Health with critical insights into the current state of the asset portfolio and the business systems supporting the management of the asset portfolio. The integration of the SAMP within the SAMF will optimise the ACT Health asset portfolio through the active use of performance-based asset plans aligned with service delivery requirements to achieve its stated business objectives.

This process is outlined above in Figure 1, indicating the following as key components of the Framework:

- Corporate Management;
- Asset Portfolio Alignment - through the development of a SAMP; and
- Asset Management Capability - measured under the PAS 55 assessment methodology.

2.2 CORPORATE MANAGEMENT

As highlighted in Figure 1 above, Corporate Management of the organisation is outside the remit of a SAMF. The SAMF sits immediately below the Corporate Governance level and is informed by the plans and objectives that ACT Health aspires to achieve into the future. This is critical in the development of a SAMF and the elements that sit within it as clear guidance on the intended evolution of ACT Health that enables the future state of the asset portfolio to be determined in an empirical way.

Similarly, defining what the future state of the asset portfolio will be, enables a more accurate assessment of the asset management capability that is required to manage the future asset portfolio.

The SAMF process therefore provides ACT Health with critical, empirical insights into the current state, capacity, capability and adequacy of the asset portfolio in supporting future ACT Health strategic objectives and service delivery requirements. The integration of the SAMP within the SAMF will optimise ACT Health's asset portfolio through active use of asset implementation plans aligned with service delivery requirements to achieve its stated Care Model and business objectives.

This alignment ensures that the ACT Health asset portfolio and asset management capability directly contribute to the delivery of ACT Health business objectives. The SAMF process is therefore critical to ensuring that there is a clear line of sight between these elements and ACT Health's strategic goals and operational objectives. This ensures that resources can be deployed in the most effective manner possible in pursuit of organisational objectives and stated priorities.

Currently ACT Health is developing a number of strategic planning documents at the corporate management level. Finalisation of these strategic documents is important to progressing the next stage evolution of the SAMF including the development of a SAMP. However, there are work packages - e.g. initiating an APAF - that can still be delivered as part of preparing the SAMP while ACT Health finalises these strategic documents.

2.3 ASSET PORTFOLIO ALIGNMENT

Physical assets only exist to directly support business activities. If assets are not directly contributing to the strategic goals and service delivery objectives of an organisation, then they become very expensive liabilities. As a result, it is critical that ACT Health develop a SAMF to ensure that there is a link or a "consistent lens" between corporate objectives and the range, quantity and quality of the assets within its asset portfolio.

A SAMF provides an integrated approach for the effective management of assets and infrastructure through the alignment of the asset portfolio and AM capability. A SAMP that is developed based on evidence of the performance of each asset is the critical tool that enables this alignment of the portfolio in support of institutional outcomes and service delivery objectives.

A comprehensive SAMP will also include life cycle cost analysis of all major assets, capturing the operations and maintenance costs over the life of the assets, combined with the disposal and replacement costs, projected over 25-40 years. This analysis will provide ACT Health with visibility of the likely financial liability that its assets are posing over the longer term and the appropriate budget that ACT Health should plan for. In turn, the SAMP will assist ACT Health in identifying options to ensure the availability, capability and capacity of the assets in supporting ACT Health future operations in a sustainable manner and enable ACT Health make informed decisions about the asset portfolio, based on accurate asset intelligence.

The DCWC SAFM approach is to employ an international best practice performance assessment methodology based on the Queensland Government Building Asset Performance Framework (BAPF) to measure the performance of the asset portfolio. This assessment enables a baseline to be developed that establishes where the asset portfolio currently sits from a performance perspective.

In tandem with assessing the current state of the asset portfolio, a Needs Assessment is undertaken to define the organisation's AM objectives. These are derived from ACT Health's strategic planning documents, related organisational plans [CSF and Clinical Services Plan (CSP)] and discussions with senior executives on the future objectives of the institution.

Once the AM objectives are defined, a gap analysis is conducted to determine the gap between the current state of the asset portfolio and the future state of the asset portfolio as defined in the AM objectives. This, in turn allows a strategy to be developed that is financially sustainable to ensure a high degree of alignment between ACT Health's future objectives and its asset portfolio to ensure that all assets contribute directly to meeting these goals and objectives.

This alignment process enables an optimal approach to the ongoing management of the asset portfolio as activities that sustain the asset portfolio, such as maintenance, can be delivered in a manner that is consistent with supporting only those assets that directly contribute to ACT Health's future goals and objectives. This "differentiated" and "targeted" approach to asset portfolio management ensures the efficient use of limited resources, minimises wastage and maximises the value proposition thereby providing confidence to the organisation that every dollar is being used efficiently and effectively in managing the asset portfolio. A SAMP is also a useful tool that enables the preparation of funding bids, based on empirical evidence, for funding in support of organisational goals. A more detailed outline of the asset portfolio realignment process and benefits is detailed in this report in Section 3 below.

2.4 ASSET MANAGEMENT CAPABILITY

The success of implementing a SAMF in an organisation also depends on the organisation's AM awareness and capability level. Implementing a robust improvement process is essential to increasing the capability level within an organisation.

Following a robust process to determine the optimal tool for determining ACT Health's AM capability, involving an international literature review, the most appropriate tool to use for ACT Health's circumstances was the PAS 55 self-assessment methodology.

The PAS 55 assessment methodology can be employed to identify current capability and provide a roadmap for further improvement. To achieve PAS 55 certification, all elements need to be assessed at maturity level 3 or above, the recognised nominated standard for a compliant system. A guideline of the PAS 55 maturity levels is provided below in Figure 2.

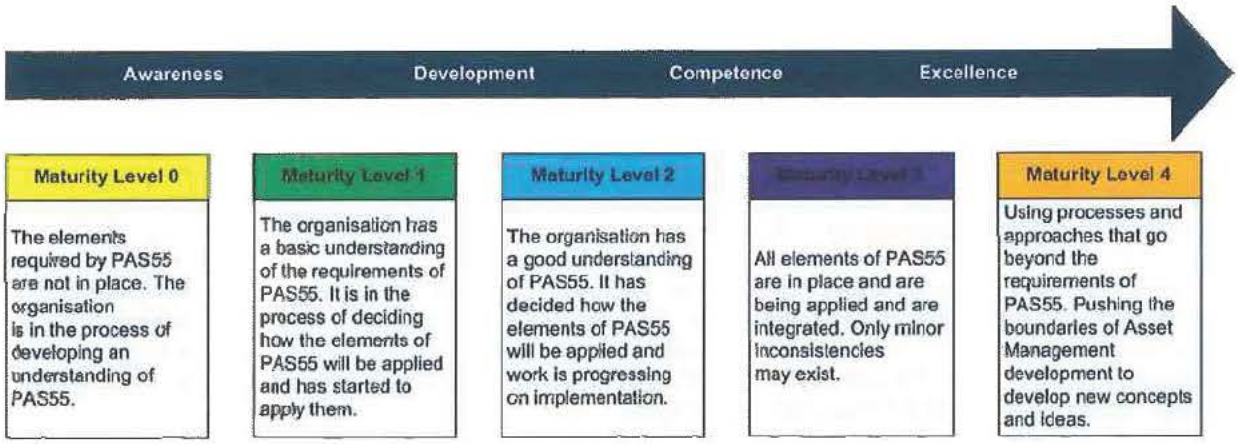

Figure 2 PAS 55 Maturity Levels

A PAS 55 assessment to measure ACT Health's current AM capability was recommended and subsequently implemented as part of the current commission. The objectives of the AM capability assessment was to enable ACT Health to:

1. Continually improve its business capability, and particularly to:
   - Identify development opportunities based on improving efficient and effective delivery of the business goals;
   - Provide a framework for a capability improvement plan; and
   - Enable ACT Health to track improvements in its business management and delivery capability.
2. Focus efforts and resources towards a more strategic direction for the delivery of health services.

Further details on the background, objectives and results of this assessment are provided in Section 4 and in the appendices under Section 8 of this report.

3 ASSET PORTFOLIO ALIGNMENT

Asset portfolio alignment is critical to ACT Health as it relies heavily on its asset portfolio to deliver its required services in pursuit of its organisational goals. The asset portfolio alignment process will provide the following benefits to ACT Health:

- Aligns the asset portfolio with ACT Health's strategic objectives and service delivery outcomes;
- Converts the institution's strategic direction and mission into measurable AM objectives;
- Assess the current performance of the asset portfolio against the corporate objectives;
- Identifying the gap between current performance of the assets and future need (Gap Analysis);
- Develop prioritised non-asset and asset strategies to close the performance gap over time;
- Translating the strategies into appropriate Asset Utilisation, Capital Investment, Maintenance, and Surplus Asset Plans;
- Develop efficient and effective service delivery approaches for implementation of the various plans; and
- Achieve engagement with senior managers and build institutional expertise and capability.

The process of aligning the asset portfolio with ACT Health's corporate plans is underpinned by the development a SAMP, supported by an APAF.

A SAMP is the collation of all asset management practices across ACT Health and form the basis of the external interface with customers and regulators. The objective of a SAMP is to define high level, affordable and achievable strategies for realigning asset portfolios to meet the strategic and operational objectives of the organisation and define the AM outcomes that will be delivered. A SAMP should support ACT Health to develop strategic AM objectives that are financially sustainable.

This is achieved by incorporating life cycle cost analysis of all major assets into the Asset Management Plans, capturing the operations and maintenance costs over the life of the assets, combined with the disposal and replacement costs, projected over 25-40 years. This will then enable the SAMP to examine a range of strategy options that are aimed at developing a clear link between ACT Health's asset portfolio objectives and the financial sustainability of those objectives. With a robust, performance-based and substantiated SAMP for the asset portfolio that outlines level of service and cost, ACT Health will have both direction and focus in terms of the asset strategies that need to be implemented to support the ACT Health organisation and broader Government.

The APAF provides a method to assess the performance of the assets, in terms of their capability, adequacy and capacity of supporting ACT Health Care Model and delivering corporate objectives. The methodology will also facilitate the process of identifying surplus or excess assets, including those which may be still in good physical condition or operating performance but are technologically obsolete and can no longer support ACT Health business requirements effectively.

The SAMP is the first step in a process to identify the most feasible asset portfolio investment strategies and prioritised capital projects, as shown in Figure 3 below:

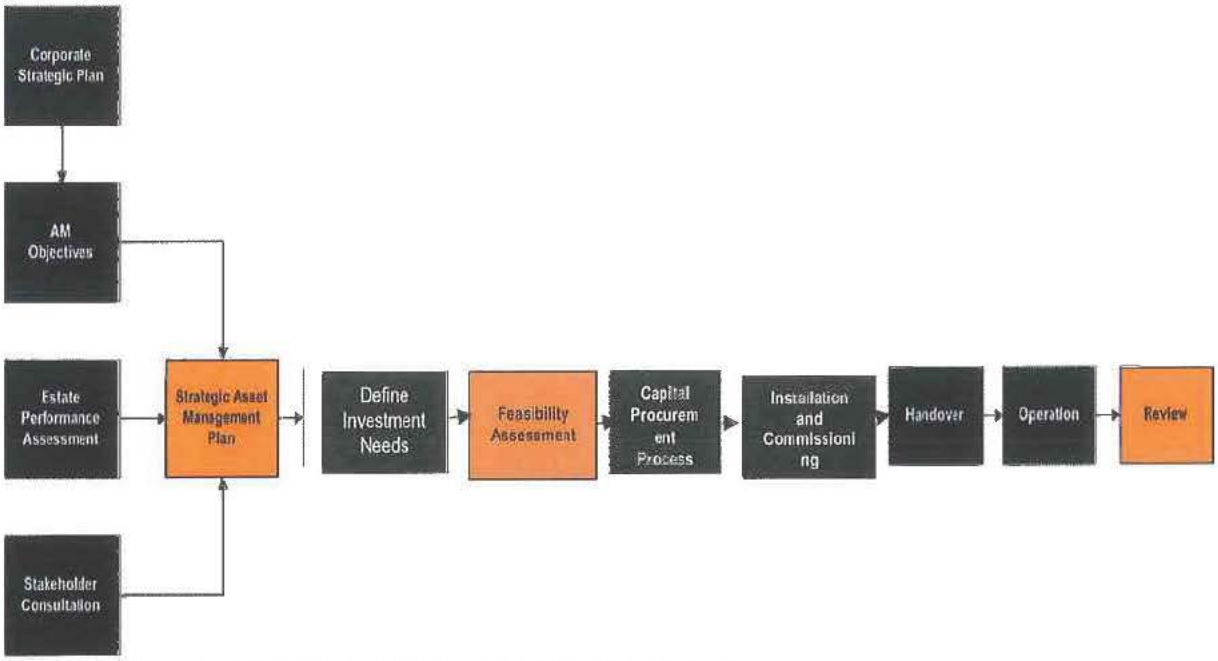

Figure 3: Recommended Process for identifying capital investments

The above process of identifying capital investments, through the development of a SAMP, provides the following outcomes and benefits:

- Ensures that "a clear line of sight" is established to corporate AM (performance) objectives and subsequent performance targets;
- Provides an empirical assessment of the current performance of the asset portfolio and the gaps to target performance;
- Enables high level assessment of strategy options that could be adopted to deliver the required level of asset portfolio performance;
- Enables the cost and financial impact of the strategies to be empirically assessed; and
- Supports the development of capital investment that is most likely to provide the highest impact for least cost (or best value), in consideration of total portfolio budget constraints.

Another key, additional benefit of using the DCWC SAFM approach to the development of a SAMF and SAMP is that it is designed to facilitate knowledge transfer and capacity building within the ACT Health organisation. This ensures that ACT Health can, over time, develop sufficient in-house expertise and the right tools to effectively, efficiently and independently manage the ACT Health asset portfolio.

3.1 STRATEGIC ASSET MANAGEMENT PLAN DEVELOPMENT PROCESS AT ACT HEALTH

Realigning ACT Health's asset portfolio, requires the development of a SAMP that has been developed using a phase-by-phase approach to achieve a robust outcome. The SAMP will be supported by an AMP for either each asset type or each campus / location supporting ACT Health operations. The development of AMPs will have regard to existing policy documents that are focused on the management of the asset portfolio.

Figure 4 and Table 1 below presents the SAMP development process and describes each phase of the process in further detail.

Figure 4: Recommended SAMP Development Process

Table 1: SAMP Development Phases and Purpose

Phase	Purpose
1. Initial Data Review	▪ Determines current in-house capability for developing a SAMP.
2. Needs Assessment (AM objectives)	▪ Methodology for deriving AM performance objectives from strategic documents, providing a clear line of sight to the Strategic Plan; ▪ Comparable and quantifiable performance indicators for AM objectives; and ▪ Clear impact of strategy based on options analysis for long-term planning purposes.
3. Asset Performance Assessment Framework (APAF)	▪ Provides a comprehensive, repeatable, and reliable asset portfolio performance assessment that can be used consistently across the asset lifecycle; ▪ A 'clear line of sight' between the performance measures and AM objectives and therefore the strategic priorities of ACT Health is established; ▪ Supports robust, evidence-based decision making in the SAMP; and ▪ Delivers asset portfolio data in a way that can be effectively communicated to the ACT Health Executive.
4. Gap Analysis	▪ Provides clear and transparent quantitative measures that compare asset performance against AM objective targets (i.e. clearly defines the gaps); and ▪ Provides a framework for assessing the impact of asset strategies on the performance gaps in terms of options analysis.
5. Risk Assessment	▪ Management of important assets within the asset portfolio is optimised to manage risk and align with strategic objectives; ▪ Defines the consequences of not achieving AM performance targets; and ▪ Supports informed prioritisation of projects.
6. Strategy Development	▪ Systemic approach to estimate the cost of each strategy for each asset class and the most likely preferred scenario for that asset; and ▪ Informs strategy options.
7. Options Analysis	▪ Provides clear options evaluation and impact on asset performance and enables transparent identification of the preferred, financially sustainable option that meets asset portfolio performance requirements for the organisation.

Phase	Purpose
8. Financial Summary and AMPs	▪ Enhanced forecasting and budgeting into future; ▪ A life-cycle cost analysis, capturing all operations and capital works long term budget forecasts, will give insight around maintenance funding depending on chosen maintenance strategy; and ▪ Insight into financial sustainability of chosen options based on the capped budget parameters.

The SAMP development process outlined above aligns closely with the Draft ACT Government Strategic Asset Management Guidelines (February 2013) issued by ACT Treasury providing the following:

- Realignment of ACT Health's asset portfolio to better support the broader ACT Government service delivery objectives;
- Formulation and evaluation of the most effective strategies to deliver the above outcome for an appropriate level of investment; and
- Development of programs of work that achieve the required objectives that are affordable and achievable.

These elements are further detailed throughout this report.

3.2 INITIAL DATA REVIEW AND NEEDS ASSESSMENT

3.2.1 Asset Classification and Nomenclature

ACT Health delivers its services by relying on the availability and reliability of its asset portfolio, consisting of different types of assets utilised by varying Business Units across several locations around the Canberra region. ACT Health currently lacks a consistent approach of grouping or classifying its assets and there are different terms being utilised by different Business Groups for the same types of assets. This leads to different interpretations for similar terminologies which can often cause confusion and frustration when making decisions about assets.

An example of this confusion is the fact that the total asset value reported in ACT Health Annual Report 2014-15 may have excluded the value of the medical equipment owned and operated by ACT Health. There were also discussions on how best to define the term 'medical devices' for this SAMF report.

It is highly recommended that representatives of different asset users or managers come to an agreement on the way assets are grouped or classified across ACT Health, and also agree on some of the terms and nomenclature to be applied to the assets so there is consistency across the organisation.

Furthermore, some of the assets consist of a number of elements, each of which may also consist of a series of components. There are tendencies to confuse the approach to classifying these assets with some user groups identifying the elements or even the components of the assets as separate assets, whilst others only consider the complete unit as an asset. This issue should be addressed by ACT Health through discussions between asset users groups so that a hierarchy structure can be agreed and adopted in a consistent manner by all Business Units, including Finance.

3.2.2 Initial Data Review

The Initial Data Review (IDR) process is to assess whether ACT Health has the appropriate types of asset data that will provide accurate indications of the range, types, quantity, location and age of the assets currently utilised to support service delivery. This will be closely followed by examinations of the accuracy and quality of the existing asset data to facilitate any future planning of assets and whether the assets will have the capacity to support future demands for health services.

This IDR process will also highlight gaps in knowledge and understanding of the asset portfolio in terms of AM objectives and actual asset portfolio performance. The review will address and investigate the existing key asset portfolio metrics in terms of asset portfolio capacity, quality, remaining useful life, financial sustainability and legislative compliance. It will also assist in determining how well positioned ACT Health is to prepare a SAMP.

A proportion of this information has been provided to DCWC SAFM and can be used as the basis for a future IDR as required.

3.2.3 Needs Assessment

An important component of the SAMF is the Needs Assessment process which develops a range of AM objectives. The process is derived from ACT Health Models of Care and other supporting corporate planning documents, all of which are critical to facilitating the alignment of the asset portfolio with ACT Health's strategic objectives.

The IDR and Needs Assessment processes are critical in ensuring that ACT Health Asset portfolio is:

- The right size, quantity and capacity for selected assets;
- In the optimal location or distribution of the assets across the organisation;

- Of the right quality;
- Safe and compliant;
- Environmentally sustainable; and
- Financially sustainable.

This alignment between the assets and ACT Health Models of Care and associated Corporate Objectives ensures that ACT Health assets directly contribute to the delivery of ACT Health business objectives and creates a clear line of sight that connects these important elements.

The next step in the process is to review the Strategic Plan(s) and associated documents complemented by consultation with key staff. Once these are finalised, the gap between the current performance of ACT Health's asset portfolio compared to where it is required to be to meet the strategic objectives of ACT Health can be established. This 'Gap Analysis' enables the development of a strategy for realignment of the asset portfolio over time that is achievable and financially sustainable.

3.3 ASSET PORTFOLIO ASSESSMENT FRAMEWORK

The assessment of asset performance should support strategy development and provide an overview of asset portfolio performance for all ACT Health asset classes as described in Table 2.

Table 2: Asset Classes and Definitions

Asset Class	Description
Built assets	Building Fabric – includes all building structures, external fabric such roof, external windows and doors, plus all internal fabric including interior fit outs, wall finishes, doors, floor finishes, etc.
Medical Equipment/Devices	All medical equipment from patient care to imaging, laboratory etc.
ICT	All IT equipment and communication equipment such as PCs, servers, mobile phone, Nurse call system, etc.
Non-Medical and Plant Equipment	Building Services – includes mechanical, hydraulic, electrical and fire protection Services, office equipment, training and education equipment, etc.

Following an extensive literature review of various methods currently available to assess and measure asset performance, DCWC SAFM advocate the use of the method depicted in Table 3 below. This approach to analysing the asset portfolio performance is a hybrid approach that is based closely on the Queensland Government's Building Asset Performance Framework (BAPF), adapted to incorporate appropriate elements from NSW TAM and Queensland TAMP, and tailored to ACT Health's specific requirements.

Table 3 below provides a high level overview of the performance assessment aspects that can be applied to each ACT Health Asset Class.

Table 3: Asset Performance Assessment Framework (APAF) for each asset class

Performance Criteria	Recommended Asset Performance Assessment Framework for:		
	Built Assets and Non Medical Plant and Equipment	Medical Equipment	ICT Equipment
Capacity	•		•
Utilisation	•	•	•
Location	•	•	•
Condition	•	•	•
Functionality	•	•	•
Remaining Life	•	•	•
Compliance	•	•	•
Environmental Sustainability	•	•	•
Financial Sustainability	•	•	•
Asset Priority Index	•	•	•

Each of the criteria outlined in Table 3 above are detailed in Section 5.4.4.

3.4 GAP ANALYSIS

An effective SAMF needs to enable measurable AM performance targets (objectives) to be compared to measureable asset portfolio performance targets. The AM objectives provide an empirical basis that informs what the future state of the asset portfolio needs to be like, in order to support the strategic goals and service delivery objectives of the organisation. For example, does the organisation expect that demand for services will see it grow into the future? If so, by how much i.e. 1%, 2% per annum for the next 15 years. This allows an assessment of future space to be conducted so that the organisation can best assess the preferred strategy for meeting these needs. Figure 5 outlines the process for conducting a gap analysis.

As outlined in Figure 5, a number of factors are considered and measured to compare the current performance of the asset portfolio with future performance requirements to assess the resulting gap. Through this process organisations can determine whether their future, stated requirement can be supported and are realistic. This, in turn, enables a sustainable strategy to be developed that ensures the asset portfolio is evolved in a financially sustainable manner.

Figure 5: Gap Analysis

3.5 RISK ASSESSMENT

From a Health sector perspective, risk is a crucial aspect of maintaining consistent business operations and ensuring service delivery outcomes are achieved in a safe environment. It is important that all risks posed by each of ACT Health's assets are identified and taken into consideration when developing the SAMP. This will mitigate against risks of asset failure which may impact patient safety and present potential legal action against ACT Health. To achieve this aim, empirically based measurements indicating ACT Health's risk performance against stated risk tolerances (AM Objectives) are required in an ACT Health SAMP.

A comprehensive SAMP should also include an evaluation of the risks associated with any legislative and work health and safety perspectives. A Risk assessment associated with compliance with legislative and relevant Building Code requirements needs to be applied systemically in the SAMP process as any non-compliances will expose ACT Health to potential legal claims. The risk assessment approach should link the likelihood of risk occurrence with the assessed performance of each asset and the consequence of risk occurrence with the strategic importance of the assets in the organisation.