



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

Finance Directorate Property Management Department



Immovable Property Asset Management
Organisational Transformation

May 2012

The Journey



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Property Management functionality historically reactive, fragmented, lacking strategic direction and needed:

- organisational cohesiveness,
- well defined business processes,
- appropriate structural arrangements and
- sufficient and competent capacity

It was critically important to

- Move away from historical ad-hoc approach where prop is used as a **commodity** to a pro-active approach where property is used as a **strategic instrument**.
- Move towards maximum benefit aimed at achieving sustainable economic and social development growth.

Strategic Agenda

IDP

SDBIP & Business Plans

Performance Management

Immovable Property Asset Management

Independent Advisory Board

Purpose Built Portfolios

P1 P2 P3

Core Functions

Immovable Asset Management

- Property Administration
- Property Development
- Facilities Management
- Acquiring of Property
- Disposal of Property
- Property Intelligence

Knowledge & Innovation

- Property Finance & Investment Analysis
- Portfolio Performance Management and Monitoring
- Property Economics and Research
- Fixed Asset Register
- Asset Management Administration

Strategic Liaison & Stakeholder Engagement

Portfolio Performance Committee

Internal Audit

Governance & Oversight

Asset Life Cycle: Towards a Macro Organisational Structure



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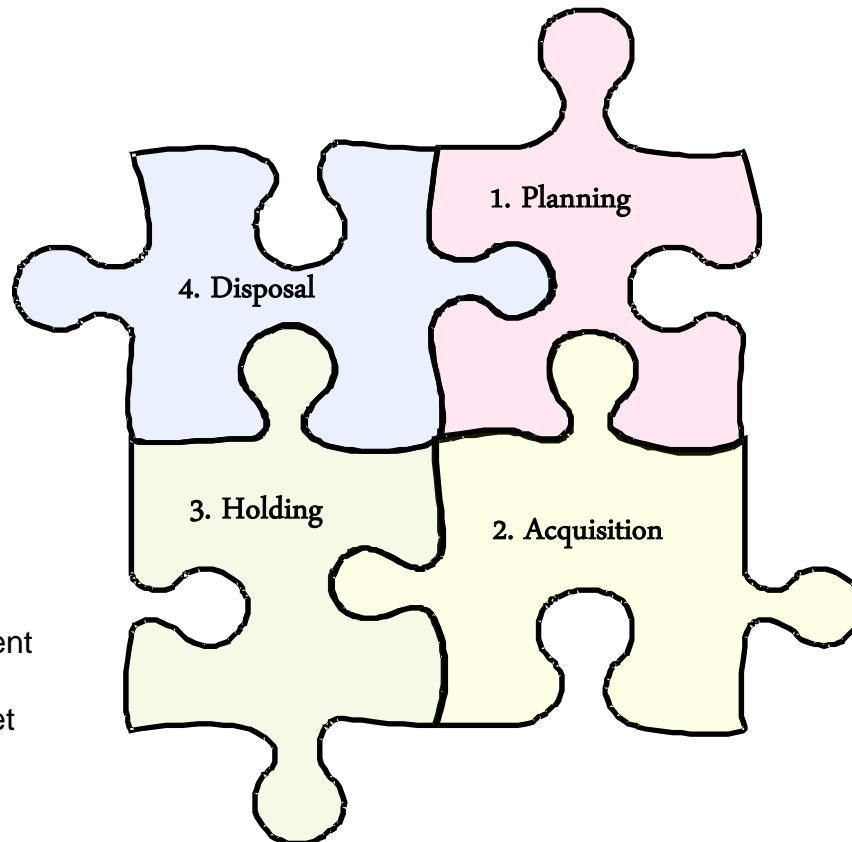
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Functions

- Property Disposals
- Property Development
- Contract Management



- Leasing (renewals, new business, contract management)
- Scheme properties
- Facilities Management (asset maintenance)
- Non-viable disposal



Functions

- Strategy & Planning
- Knowledge & Innovation
- Portfolio Determination
- Portfolio Planning
- Portfolio performance and monitoring

- Acquisition of Land & Rights in land

A. Property Intelligence: GIS, Valuations, Surveying
B. Departmental Support: Legal, Finance, HR & Admin



IMMOVABLE PROPERTY ASSET MANAGEMENT FRAMEWORK

IMMOV PROP ASSET REGISTER

Data

System

Governance

Integration

Reporting

ASSET MANAGEMENT SYSTEM

Portfolios

Performance

Strategy

Bus Plan

Reporting

COMPLIANCE FRAMEWORK

GIAMA

Policy

Accounting

Reporting

Audit

STRATEGY – PROPERTY MANAGEMENT

Centralised custodial role

Life cycle planning

Policy / Strategy based decision making

Capacity development and retention

Asset Management System Progress (Portfoliorisation)



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Development of Portfolio Framework

- Extensive literature study on local and global public sector asset management practices - **complete**
- Review of applicable legislation -GRAP,GIAMA,MFMA - **complete**
- 4 site visits and asset interrogation sessions - **complete**
- Proposed portfolio system developed – **80%**

Development of Performance Measurement Framework

- Review of performance measurement theory and legislation
Systematic scoping of potential measurement KPAs and KPIs for properties/portfolios – **ready for engagement**
- Developing generic KPA and KPI for each portfolio - **ongoing**

Benefits of Business Improvement



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- Departmental strategy is aligned to City, National and Provincial policy
- Leading Institutional Framework in Africa
- Identification of Immovable Property Asset Portfolios for the City
- Identification of immovable property as a strategic asset requiring portfolio approach and appropriate corporate governance / oversight
- Development and documentation of core mandatory business processes, across departments where applicable
- Asset Performance and Information Management highlighted as critical success factors
- Incorporation of Quality Management standards into business processes
- Service Level Agreements designed and implemented to manage roles and expectations with City departments



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Thank you