

Audit of Real Property Management

Office of Audit and Evaluation

This report was endorsed for approval by the NRC Departmental Audit Committee on 22 February 2021.

This report was approved by the NRC's President on 26 March 2021

© 2021 Her Majesty the Queen in Right of Canada,
as represented by the National Research Council of Canada.

Cat. No. NR16-338/2021-E-PDF
ISBN 978-0-660-37423-9



Table of Contents

01

EXECUTIVE
SUMMARY

05

INTRODUCTION

12

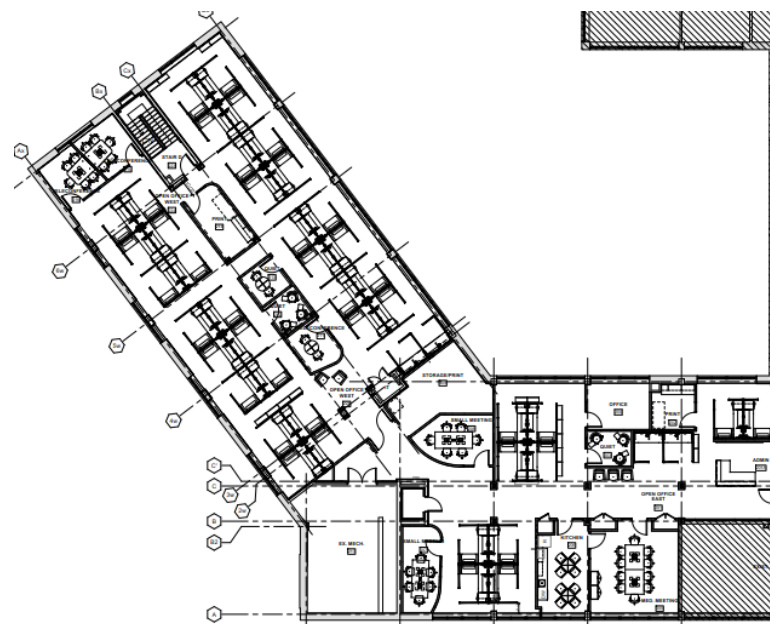
KEY AUDIT FINDINGS

31

RECOMMENDATIONS

36

APPENDICES



EXECUTIVE SUMMARY



Executive summary

Background

The National Research Council of Canada (NRC) has legislative authority over its real property under the *NRC Act*. Managing a real property portfolio that spans the country, the organization faces the same challenge as other federal government custodians in balancing economy and efficiency of real property management with departmental program needs for space. This is further complicated by an aging portfolio; growing and more complex user needs; growing mandated considerations and requirements (e.g. Greening Government and accessibility); and evolving work styles and workplace practices.

The objective of the audit was to provide assurance that the NRC's real property management framework demonstrates sound stewardship practices and aligns with the Treasury Board (TB) *Policy on Management of Real Property*. The audit's scope included processes and practices in place to implement the NRC Real Property Management Framework between April 1, 2018 and October 31, 2019.

Audit Opinion and Conclusion

In my opinion as Chief Audit Executive, while the NRC has defined and implemented a Real Property Management Framework that is generally aligned with TB Policy requirements, further action is necessary to strengthen the Framework to demonstrate stewardship of real property. There is a need to foster more consistency in how the Framework is implemented across the organization; review and match real property services to needs within human resource and fiscal constraints; and improve the management of data and related processes to ensure complete, accurate, and consistent information is available for decision-making.

Statement of Conformance

In my professional judgement as Chief Audit Executive, the audit conforms to the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (IIA Standards) and the Code of Ethics, as supported by the results of the Quality Assurance and Improvement Program.

Alexandra Dagger, CIA, Chief Audit Executive

Acknowledgements

The audit team would like to thank those who collaborated in this effort to highlight the NRC's strengths and opportunities for improvement as they relate to this audit project.



Executive summary

Key takeaways

Overall the audit found that the NRC Real Property Management Framework has some supporting processes in place that demonstrate stewardship of real property assets. The Framework generally aligns with the principles and requirements of the TB *Policy on Management of Real Property*. Real property governance structures are in place and recognize the risks associated with aging real property and are formulating plans to address the issues that have arisen from inconsistent recapitalization and renewal funding.

The real property management model has not been fully implemented, curbing an organization-wide approach to real property management. Clearer definitions over roles and responsibilities, especially at the touchpoints between base-building elements and research and lab space, and Real Property Planning and Management (RPPM) service offerings and standards is required. The financial sustainability of the NRC's real property management approach is at risk due to the rigidity of the delivery model and limited awareness of the Framework and its guiding principles and processes. A lean real property workforce and inconsistent documentation of operating procedures have created business continuity and organizational knowledge management risk in the face of growing operating complexity and an aging workforce.

An initiative is underway for an NRC-wide assessment of the current real property portfolio and to determine future needs to inform investment decisions. However, real property planning lacks fulsome and consistent data to align planning objectives and support consistent decision-making. The active Real Property Information Management System operates with outdated data and lacks a qualified technical resource to leverage its full capabilities, increasing the risk of inadequate information for decision-makers and planners.

Subsequent to the end of the audit data collection period, RPPM has continued to work on addressing some of the issues identified by the audit.

Audit findings themes

The audit findings were organized under the following themes

1. **Real property accountability model** 
2. **Management framework implementation** 
3. **Service menu, levels, and standards** 
4. **Data and information management** 
5. **Alignment of workforce to objectives** 
6. **Portfolio strategy and policy integration** 
7. **Consistent planning approach** 

Executive summary

Recommendations*

The Vice-President, Corporate Services and Chief Financial Officer, should:

1. With the support of the Senior Executive Committee, revise the real property management accountability model and update the supporting financial model to strengthen the alignment of NRC priorities and real property user needs.
 - The review of the financial model should consider the adoption of service tiers (i.e. baseline, cost-share, charge-back, self-funded) to align service offerings to resources.
2. Define the key information technology system functionalities to support NRC real property management and adequately resource a plan to implement the tool(s) required to achieve defined capabilities.
 - The plan should include user training and needs, and consideration for integration with existing NRC financial and asset management systems where applicable.
3. Strengthen real property service delivery and align resources to needs by:
 - Reconfirming and documenting service boundaries and accountabilities of existing real property assets and infrastructure that supports research.
 - Identifying client accommodation and real property service needs in a post-pandemic work environment.
 - Finalizing and formalizing Real Property Planning and Management Branch service offerings; service standards; service tiers where applicable; and associated accountabilities and responsibilities.
4. Strengthen real property decision-making and stewardship by formalizing in policy the following:
 - A maximum length of time between building condition assessments based on building type or use.
 - The NRC's desired Facility Condition Index level, for the entire NRC portfolio, for individual buildings based on type or use, and for major building components.
5. Review Payments-In-Lieu-of-Taxes (PILT) obligations, ensuring they are net of third-party occupied space and that data provided to PILT assessment authorities are reflective of third-party occupied space on an annual basis.
6. Strengthen support to real property service providers and users with:
 - Standards on applying NRC real property planning approaches and assumptions to life cycle management applicable to investment and asset planning.
 - Guidance on defining strategic and operational real property needs to feed RPPM planning.

*Recommendations are listed in order of importance taking into consideration their impact on subsequent recommendations and the ability to reduce the risk of events that may adversely affect the integrity of the NRC's governance, risk management and control processes.

INTRODUCTION •
**NRC REAL PROPERTY PLANNING
AND MANAGEMENT**

Government of Canada real property management

Key legislation and policies

Federal Real Property and Federal Immovables Act

▶ The legal instrument that provides Ministers with the authority to administer real property. The Act also defines what is considered real property – lands, including mines and minerals, and buildings, structures, improvements, fixtures on, above, or below the surface of the land and includes an interest therein – within and outside of Canada.

Financial Administration Act

▶ The instrument that authorizes TB to act on all matters in the management and development of lands by departments. TB serves as a focal point of specific departmental real property management activities including approval of the departmental investment plan and assessment of performance and cost of assets and acquired services from government, horizontal, portfolio, departmental, and program perspectives.

NRC Act

▶ The legal instrument that provides the National Research Council of Canada, “...power to acquire, hold, sell or otherwise dispose of and loan or lease real...property for the purposes of and subject to this Act.”

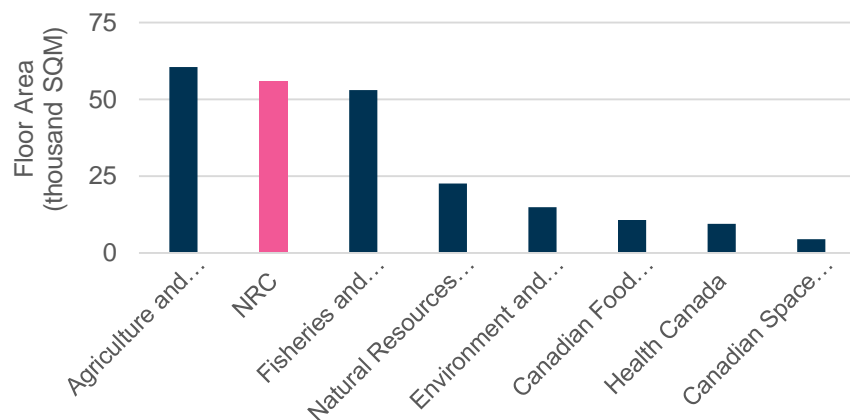


Figure 1: Custodial real property responsibility of Science-Based Departments and Agencies (SBDAs) by floor area – from the Directory of Federal Real Property (DFRP)

The instrument designating the NRC President for the sustainable and financially responsible management of real property to deliver government programs. The Policy requires the creation of a departmental Real Property Management Framework (RPMF).

TB Policy on Management of Real Property

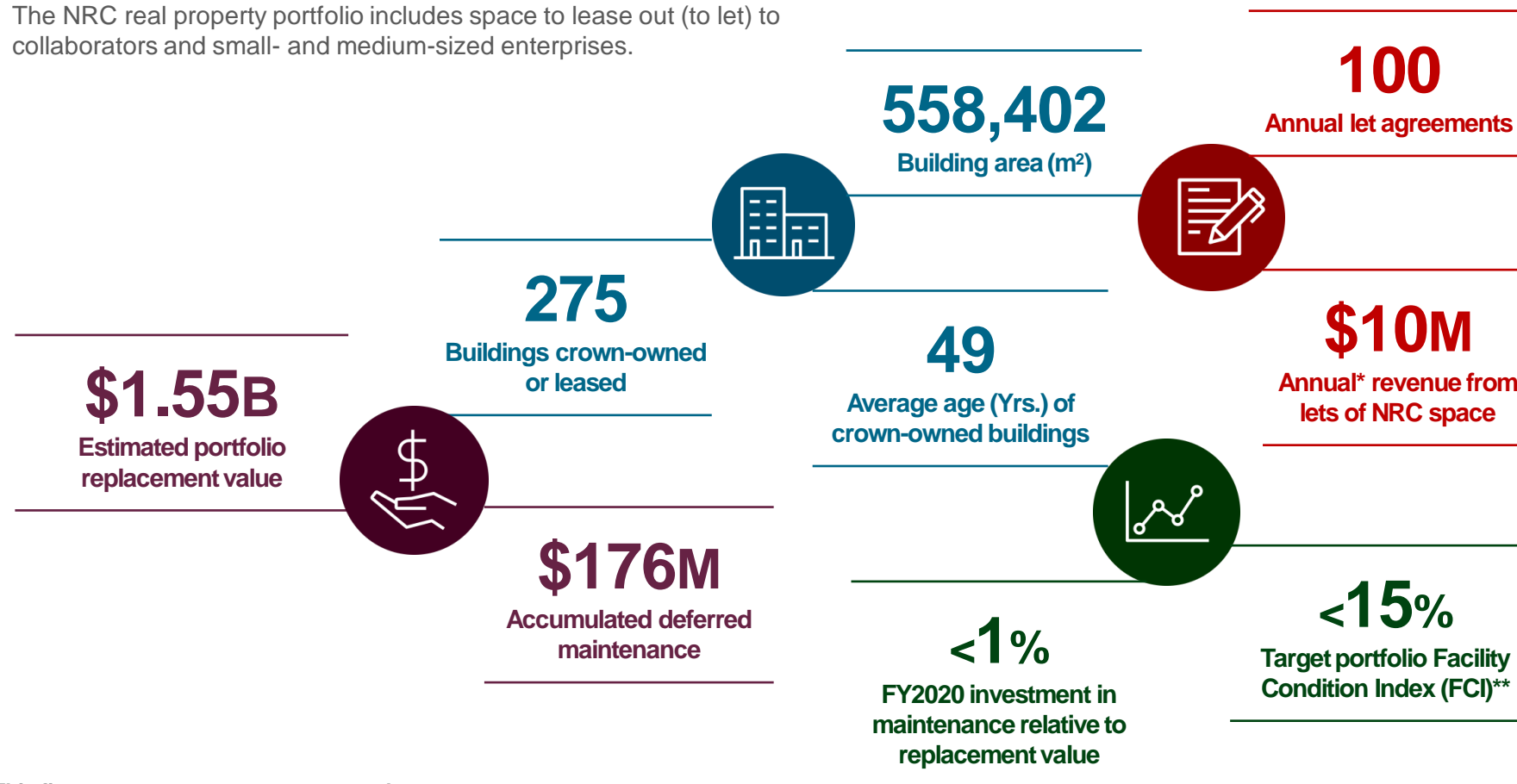
The key policy document defining the NRC-specific roles, responsibilities, accountabilities, policies, processes, and practices to operationalize the TB *Policy on Management of Real Property*. It also designates RPPM as the NRC real property custodian.

NRC Real Property Management Framework

The NRC real property portfolio at a glance

The NRC real property portfolio stretches across Canada with its largest site located in the National Capital Region. The portfolio represents a mix of Crown-owned and leased properties, some located within the campuses of higher education institutions. From general office buildings and warehouses to small- and large-scale simulation environments, the NRC has a diverse range of real property holdings.

The NRC real property portfolio includes space to lease out (to let) to collaborators and small- and medium-sized enterprises.



*This figure represents an average over three years.

**Facility Condition Index (FCI) is a measure, expressed as a percentage, of accumulated repair / renewal needs relative to current replacement value. The benchmark provides an objective means to compare conditions across buildings and assess funding needs and gaps.

The FCI is divided into four ratings = 0-5% Good // 6-10% Fair // 11-30% Poor // 31%+ Critical

The NRC real property portfolio

TB guidance on real property management and industry best practices recommend an investment rate of 4% of replacement value (2% for repairs and maintenance and 2% for renewal) for a typical real property asset. This does not include operating costs (i.e. utilities or property taxes).

With an estimated portfolio replacement value of \$1.55B, a 4% benchmark would require an investment of \$62M. In Fiscal Year (FY) 2018-19, the NRC’s repair and maintenance budget for base-building real property was \$30M, equivalent to 48% of the TB recommended level. Historically, the NRC has not had sufficient funds nor invested enough available funds to maintain its real property portfolio at a consistent FCI level.

Common across Government, the underfunding of real property represents a continuous tension between managing real property assets effectively and efficiently while meeting program needs.

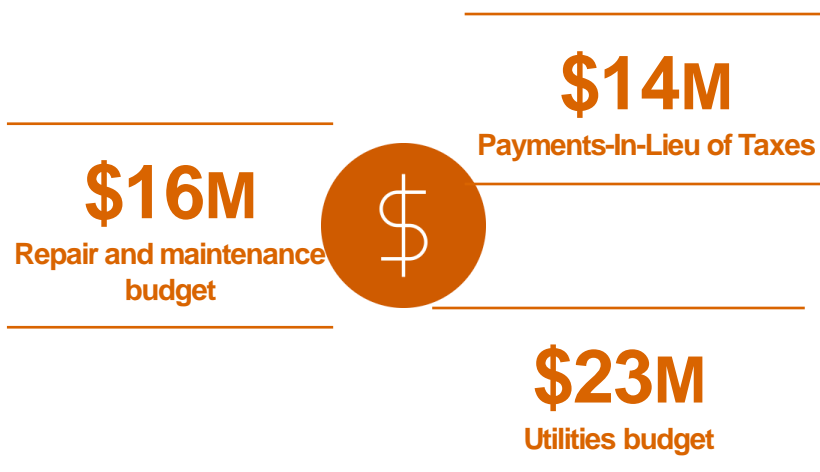
Figure 2: NRC FY2018-19 real property investment (budget vs benchmark)



Under a centralized management model, RPPM manages various common real property functions on behalf of the NRC’s various Centres, Branches, and IRAP (CBI).

In general, a large component of the RPPM operational budget is non-discretionary (i.e. utilities or payments-in-lieu-of-taxes). In the face of limited resources, non-health and safety related preventive and corrective maintenance have been reduced, adding to the deferred maintenance backlog while reducing the intended lifespan of assets.

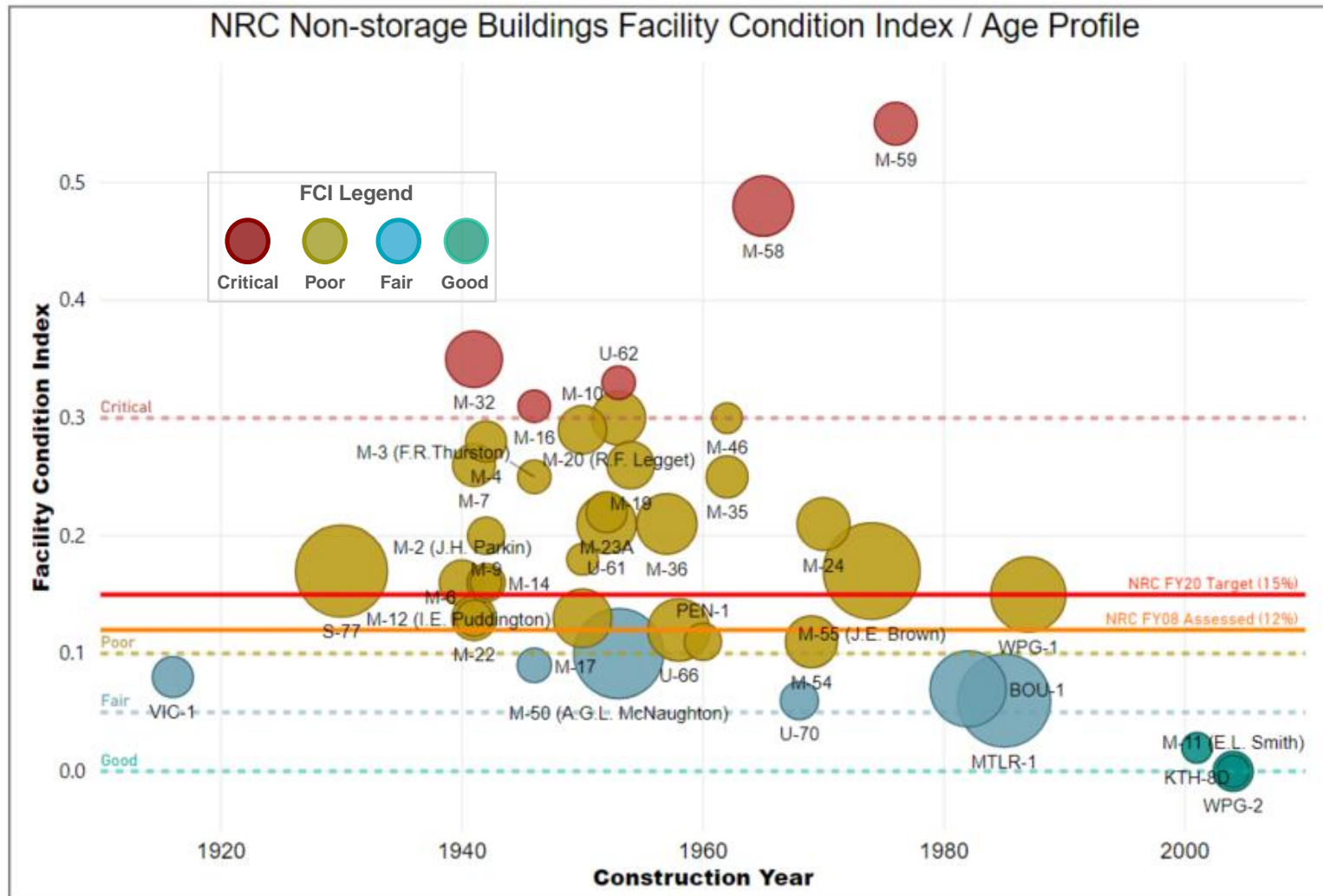
Since FY2012-13, the NRC has dedicated capital funding for the renewal of real property. While below the level necessary to maintain the NRC’s portfolio FCI at the time, a dedicated stream of funding for real property provided consistency and the ability to plan and prioritize.



*Deferred maintenance is defined as the “backlog of unfunded major maintenance and renewal projects that have been deferred to future budgets. It results either from an accumulation of neglected routine maintenance items which evolve into more serious concerns or from failure to carry out major or restoration projects on facilities which have reached the end of their life cycle or have become obsolete.” – per the Standing Senate Committee on National Finance report titled *The role of the government in the financing of deferred maintenance costs in Canada’s post-secondary institutions*.

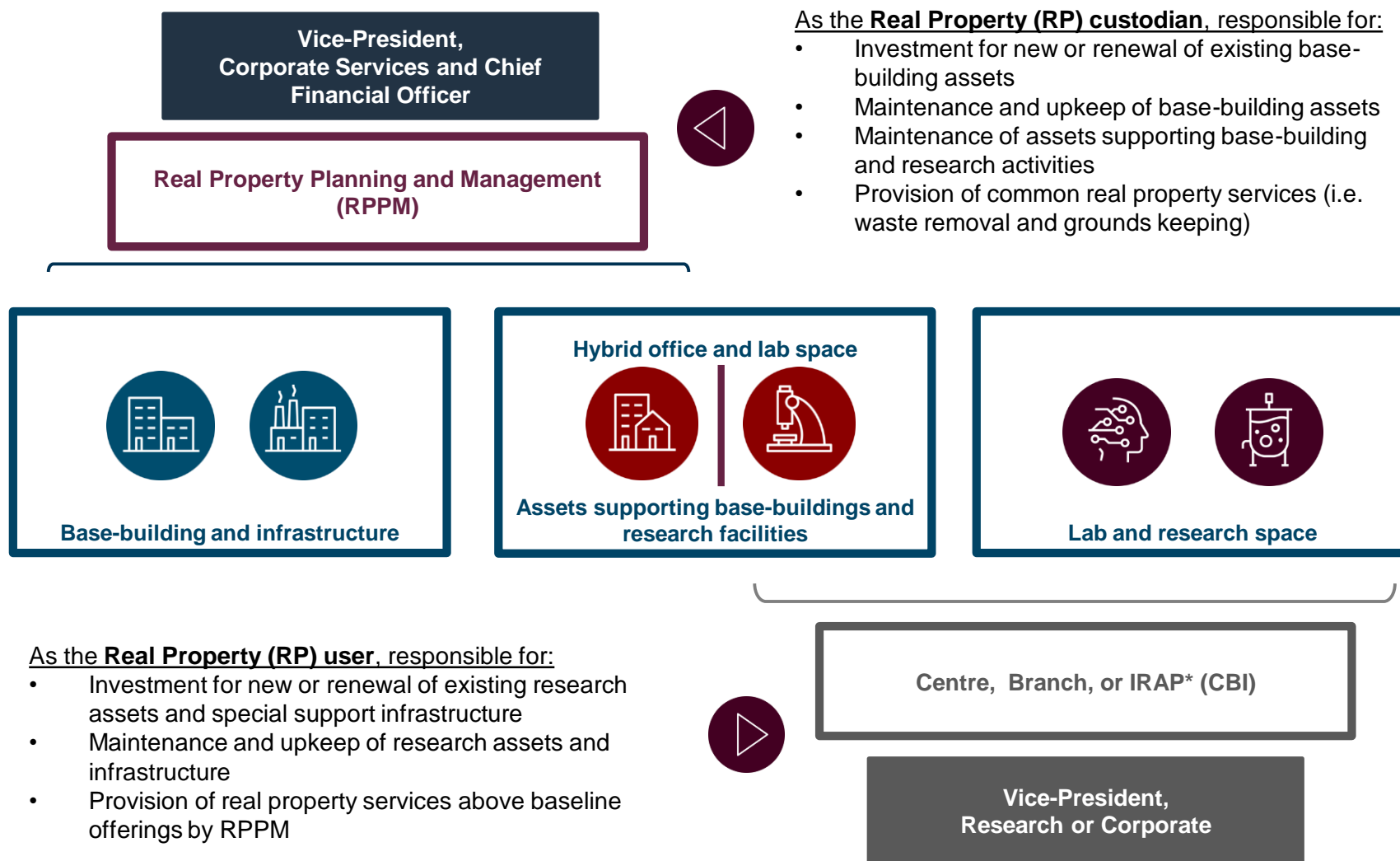
The NRC real property portfolio

Figure 3: NRC Non-storage Buildings Facility Condition Index / Age Profile



The majority of the NRC’s non-storage real property was acquired in the early to mid-twentieth century. The large proportion of buildings with an FCI above 15% further illustrates the fiscal challenge of “catching up” on deferred maintenance. The solid coloured lines above identify the NRC portfolio FCI rating in FY2008 (12.5%) and RPPM’s targeted portfolio FCI rating for FY2020. Data is based on extract of NRC real property records from the Directory of Federal Real Property (DFRP) and RPPM sources.

NRC real property governance model



*Industrial Research Assistance Program (IRAP)

About the Audit

Objective

Provide assurance that NRC's real property management framework demonstrates sound stewardship practices and aligns with the *TB Policy on Management of Real Property*.

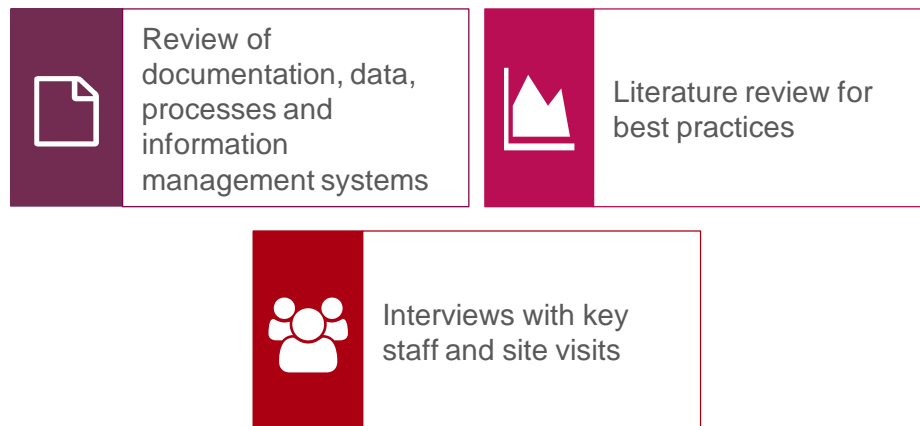
Scope

The audit scope focused on the NRC Real Property Management Framework and its implementation. The audit reviewed NRC operations and management of real property; the allocation of space; RP transactions; and the provision of complete, timely, and relevant information for decision-making needs between 1 April 2018 and 31 October 2019.

Scope exclusions:

- Compliance with applicable building code or provincial legislation
- Real property construction and related project management
- Environmental and contaminated sites management
- Safety and health
- Accessibility
- Heritage
- Research facility management
- Non-capital lease properties
- Capital asset accounting treatment

Methodology



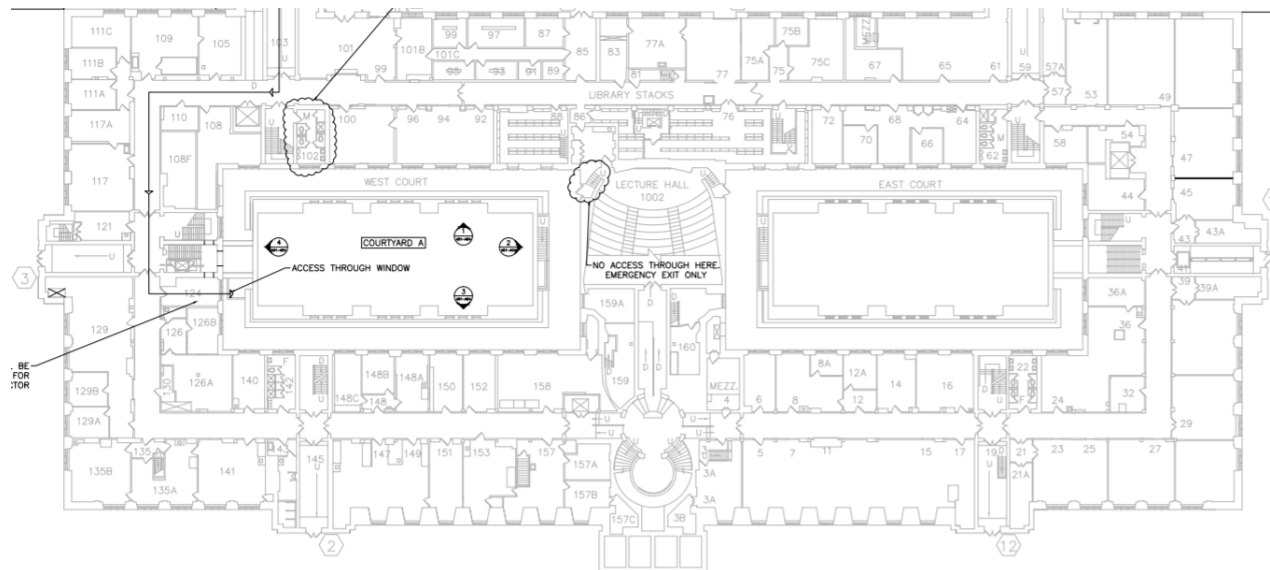
Importance of the audit

Various factors contributed to the inclusion of this audit on the NRC 2019 – 2022 Risk-based Audit Plan, including:

1. The NRC's legal authority under the *NRC Act* to manage its own real property;
2. The size of the NRC's real property portfolio with an estimated replacement value of \$1.55B in the context of limited funding for investment and renewal;
3. The changing and growing needs of the real property portfolio to support current and future research; and
4. The recognition that historical funding levels have contributed to sustainability challenges.

KEY FINDINGS

SUMMARY: While the NRC has defined and implemented a Real Property Management Framework that is generally aligned with TB Policy requirements, further action is necessary to strengthen the Framework to demonstrate real property stewardship.



Throughout the report, you will see the following symbols:



This symbol contextualizes the audit finding summary (theme) and its importance.



This symbol represents a finding or example that illustrates the audit finding summary.



This symbol represents processes or practices in place the audit team identified as working well.



This symbol describes the impact (“so what?”) of an audit finding.

1. Real property accountability model

The real property accountability model lacks incentives for users to manage their space needs, usage, and utility consumption.



Why it matters

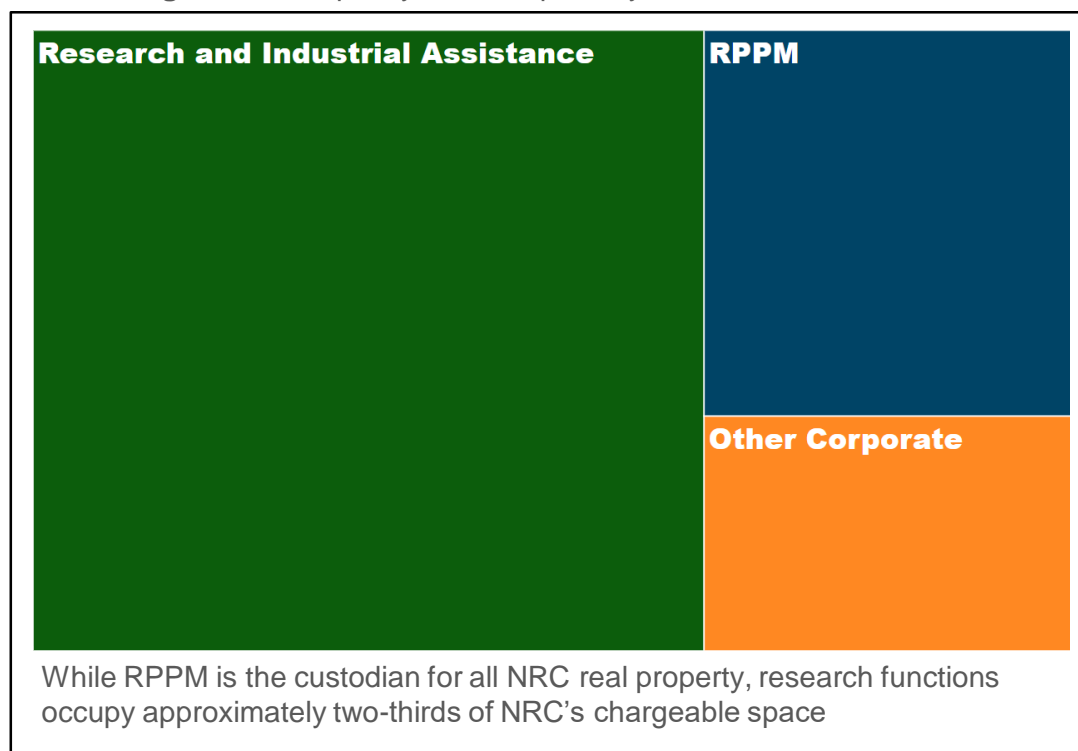
Aligning accountabilities of RP custodians and RP users ensures that all parties have a stake in managing the natural tension between efficient and economical use of RP resources and departmental program needs for space and RP services.



What is working

The centralization of real property management has enabled focus on the NRC's responsibilities as a real property custodian. Management recognizes the risks of an aging and underinvested RP portfolio and has committed some stable funding to address repair and maintenance needs. RPPM has done outreach activities to illustrate its fiscal pressures and priorities and has developed the *NRC Real Property Management Framework (2018)* to reaffirm high-level RP roles, responsibilities, and accountabilities.

Figure 4: Occupancy of NRC space by function and floor area





1. Real property accountability model

The real property accountability model lacks incentives for users to manage their space needs, usage, and utility consumption.

What can be improved

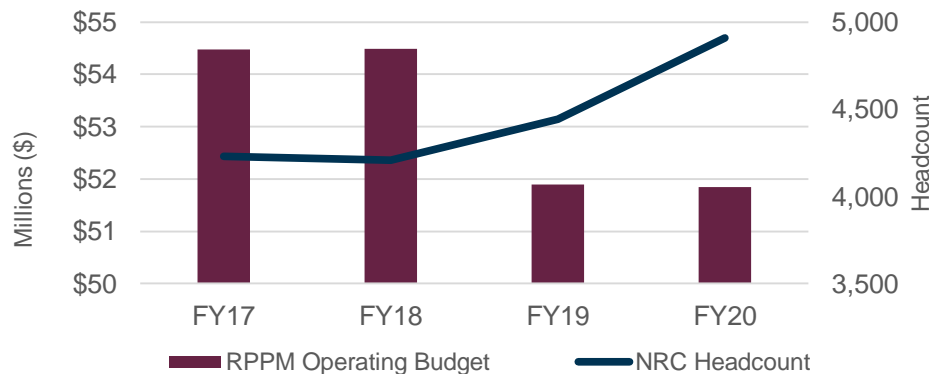


The accountability model does not encourage RP users to manage their RP needs, through increased space efficiency, divesting of unneeded space, or utility consumption management.

- RPPM has no resources to provide incentives to RP users to “right-size” their footprint or induce changes in space use and occupancy.
- RP users have little incentive to return unneeded space to RPPM or to renovate and modernize existing workspace. In some cases, modernizing workspace has financial disincentives to meet RPPM-designated fit-up standards with increased density requirements.

- RP users are estimated to consume at least 50% of the NRC’s utility expenses with limited processes in place to support charge-back or attribute costs to users as a means to manage consumption and reflect complete costs of research activities.
 - There are no standards in place to define a “large consumer” of utilities that would encourage sub-metering and direct chargeback of costs to RP users.
- The cost of storage space (both initial capital cost and ongoing maintenance) is not factored in investment decision-making contributing to life cycle cost and asset disposal challenges.
- RP users are allocated non-cash real property costs under the building cost assessment process that are not consistently reflected in CBI performance indicators.

Figure 5: NRC Headcount vs RPPM budget



Between FY2016-17 and FY2019-20, NRC’s headcount* grew by 16% while RPPM’s operational budget (excluding salary) contracted by 5%.

*Headcount includes visitors, volunteers, and contractors occupying NRC space.



Having accountability structures in place that encourage RP users to “only use what they need” helps balance investment in departmental program objectives with effective and economical management of RP assets and resources. This is doubly important in the NRC context as the custodian of its real property portfolio.

1. Real property accountability model

The real property accountability model lacks incentives for users to manage their space needs, usage, and utility consumption.

What can be improved



The RPPM performance measurement model includes measures that may not be realistic or achievable in the current operating context.

- RP users have financial and cultural incentives to maintain status quo in the absence of new or revised accommodation needs. For example, RP users are expected to fully fund fit-up for new and renovated space, while RPPM is accountable for real property occupancy targets and lacks any resources to proactively address occupancy needs.
- RPPM is accountable for carbon emissions targets while CBIs are estimated to be responsible for at least 50% of all NRC utility consumption. Outreach to RP users to support carbon management initiatives in the research domain or to leverage NRC research are inconsistent.



Proper performance measures that are achievable and aligned with strategic and operational objectives supports effective management and accountability of relevant parties.



RP users lack access to RP data to inform their plans and decisions.

- RP users lack visibility over their RP occupancy and utility consumption to support strategic investment or divestment analyses.
- RP users do not have access to information over available space for strategic planning of research facilities.



Increased access to information has challenges but also opportunities for increased self-service, strategic planning of research assets and capabilities, and awareness of footprint and consumption patterns.

2. Management framework implementation

The real property management model has not been fully defined while defined elements have not been consistently implemented and real property users are not consistently aware of their role within the model.



Why it matters

A comprehensive management approach that has been published and distributed to service delivery staff and users alike fosters consistency in approach and alignment of priorities towards desired NRC RP outcomes.

What is working



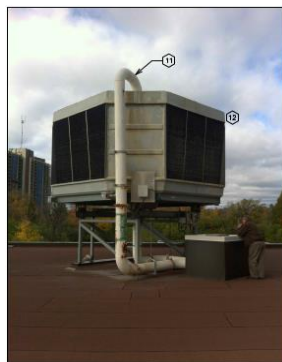
In general, NRC management recognizes and is actively monitoring RP risks and issues. The centralization of RP management in FY2013 has improved visibility over RP issues and committed consistent funding to the NRC's base-building assets.

- RP management is supported by some fit-for-purpose systems.
- Defined and documented processes and guidelines support the letting (license of occupation) process and let terms and conditions generally reflect provisions to protect NRC, the environment, and the taxpayer.
- Infrastructure is generally in place to attribute utility consumption at the building level to support monitoring and reporting needs.
- Funding from Laboratories Canada has facilitated the first updates to building condition assessments in more than a decade.

Figure 6: Infrastructure supporting base-building and research activities



Cooling towers supporting NRC buildings



Real property maintenance and renewal responsibilities are complicated by historical (and undocumented) roles and dual purpose equipment supporting both research and base-building functions. Furthermore, less visible supporting infrastructure complicates ownership and responsibility discussions between stakeholders as items are *“out of sight, out of mind”*.



Cooling tower pipes in NRC building



2. Management framework implementation

The real property management model has not been fully defined while defined elements have not been consistently implemented and real property users are not consistently aware of their role within the model.

What can be improved



Roles and responsibilities require clarification within RPPM, and between RPPM and RP users.

- As defined in the NRC RPMF, RPPM operates as the NRC landlord and serves as the NRC's real property expert. In practice, numerous examples highlight decentralized real property management activities under a centralized management model.
 - RPPM involvement and engagement in the set-up of the NRC's collaboration centres and international offices was inconsistent, and in one case, had no RPPM involvement.
 - RPPM does not have consistent access to all NRC buildings or the maintenance rooms within them.
- The service boundaries, and thus responsibilities, between base-building components and research facilities is not consistently clear, especially as they relate to less visible elements of supporting infrastructure and assets that support both base-building and research activities. This includes a lack of clarity over the degree of maintenance, upkeep, and associated financial commitments to maintain research infrastructure that may impact the life-span and operations of base-building components.
- In the National Capital Region, there is no position responsible for engaging with RP users to identify, coordinate, and address their immediate and future real property and research facility support needs.



Clarity over roles and responsibilities between custodian and RP users supports effective stewardship of taxpayer assets and resources.

Furthermore, strengthened clarity between base-building and research infrastructure boundaries is important as the NRC moves toward increased collaboration with GC partners (i.e. Other Government Departments [OGD]) and academia that include co-location or sharing of research and lab space.



Implementation of the NRC RPMF is inconsistent due to poor awareness by the user community of updated and new requirements and uncoordinated change management. This includes a lack of clarity over accommodation / fit-up standards for employees based on role and seniority.




Inconsistent awareness and knowledge of RP expectations hinders the implementation of the NRC RP Management Framework and the achievement of outlined RP outcomes.

2. Management framework implementation

The real property management model has not been fully defined while defined elements have not been consistently implemented and real property users are not consistently aware of their role within the model.

What can be improved

-  Life cycle management of the NRC’s real property portfolio is not supported by sustainable financial practices or funding mechanisms.
 - Real property projects (e.g. new buildings or major renovations / additions) do not consistently consider total life cycle costs (i.e. utilities, PILT, repairs, and renewal) in their financial projections.
 - New build real property projects did not request operational funds in their funding submissions and no additional funds were provided to RPPM from NRC’s regular appropriations requiring new costs to be absorbed by existing budgets.
 - New build real property projects do not have funded accounts or dedicated reserves in place to maintain base-building components in a state-of-good-repair.


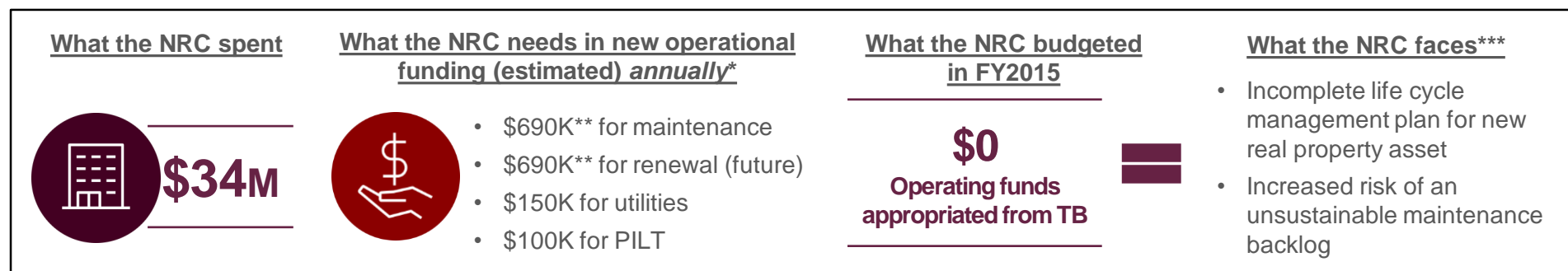
 Committing a consistent level of funding for new base-building needs maximizes the intended life of the asset, supports the management of NRC’s maintenance backlog, and puts into practice the principles outlined in the TB *Policy on Real Property Management* for sustainability and stewardship of real property assets.

Figure 7: Example of the operational challenge of an NRC real property asset planned and budgeted for in FY2015 and to be commissioned in FY2021



*Estimated life cycle cost with inflation excluding human resources of \$59M based on undiscounted cash flow and 3% inflation rate over the 25 year life planning horizon.

**Based on TB / Industry guidance of 2% of replacement value invested annually on repairs and maintenance and another 2% for renewal (in this case, to be reserved for future needs).

***In FY2020, NRC management reallocated \$8M in annual operating funds to support the commissioning and operations of new real property assets. Further reallocations are planned to support scale up.



2. Management framework implementation

The real property management model has not been fully defined while defined elements have not been consistently implemented and real property users are not consistently aware of their role within the model.



Lets (NRC space leased out to third-parties) do not consistently incorporate security deposit requirements in general terms and conditions.



As a government entity, the NRC self-insures and has limited recourse should a licensee damage their occupied space and vacate it prior to remediation.



The NRC has not designated a senior official as the Departmental Fire Protection Coordinator (DFPC), as required in the TB *Policy on Management of Real Property*.

While NRC has not designated a DFPC, the audit team noted that the RPPM Construction and Engineering Team is responsible for implementing the fire protection design standards in renovations and upgrades of existing RP assets.



Clear and formalized roles in the NRC governance structure strengthens accountabilities and supports the adequate protection of real property occupants with respect to the requirements outlined in the TB *Fire Protection Standard*.



There is no policy requirement or guidance on the frequency of RP asset reviews to assess their physical performance, utilization, financial performance, or functionality. A base-building condition assessment of all NRC real property was completed in FY2007-08 and has not been revisited with updated information since.



Industry best practice is to conduct a building condition assessment every five years to assess the current state of a real property asset including identifying signs of unexpected deterioration and estimating future maintenance and repair needs. This ensures information is available to revise assumptions and support investment and operations planning.

3. Service menu, levels, and standards

There is no comprehensive service menu with defined service level standards to illustrate the scope and depth of RPPM’s responsibilities and accountabilities.



Why it matters

A detailed and defined service menu clarifies roles and responsibilities between real property users and service providers while managing expectations and prioritizing the intake of service requests.

What can be improved



RPPM has not published and distributed standards to support RP users in asset management, accommodation planning, or space management. RP standards and expectations are communicated informally and, at times, inconsistently across RPPM service touchpoints (i.e. service agents, building coordinators, etc.).

- CBIs lack visibility over the availability of space to inform strategic and operational plans.
- Users have no visibility over the value, to the NRC as a whole, of the Montreal Road Campus facilities management contract for maintenance and minor construction services.
- Accommodation standards and practices are not widely distributed creating misconceptions regarding modern fit-up motivations.

Furthermore, RPPM practices are not consistently documented, contributing to inconsistent service delivery and increasing business continuity risk.



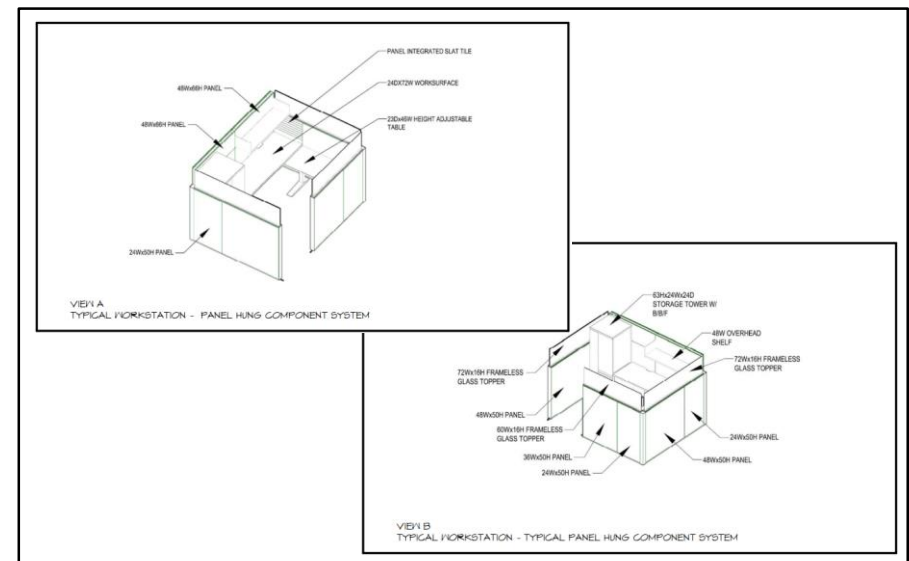
Clear, consistent, and accessible RP expectations and standards support demand management and clarify responsibilities between RPPM and RP users. Ensuring clarity between mandatory elements and guidelines would also support consistent service delivery and role definition.



What is working

Systems are in place to support the in-take, tracking, and reporting of service requests. RPPM has defined high level service offerings that are posted to NRC’s intranet.

Figure 8: Typical NRC office fit-up standards



3. Service menu, levels, and standards

There is no comprehensive service menu with defined service level standards to illustrate the scope and depth of RPPM's responsibilities and accountabilities.

What can be improved



Roles and responsibilities related to the maintenance and recapitalization of lab and supporting research infrastructure are unclear and not consistently documented.

- There are variations (by CBI and by building) in the breadth, depth, and scope of infrastructure support (i.e. utility service and utility delivery, gas monitoring, etc.) and ongoing maintenance based on “hand-shake” agreements and discussions.
- New or renovated asset requests do not consistently include a request for a comparable growth or reallocation of resources for maintenance and support.
- The universal applicability of NRC accommodation standards and practices is not documented and reinforced.



Clear, consistent, and accessible RP expectations and standards support demand management and clarify responsibilities between RPPM and RP users.

Ensuring clarity between mandatory elements and guidelines strengthens accountability of service delivery and understanding of roles.



Service delivery between buildings on Montreal Road Campus and between the National Capital Region and the rest of Canada is inconsistent, creating differing expectations and outcomes which in turn is fostering conflict between RP service delivery providers and RP users.

- The proximity of building coordinators impacts their knowledge of, and level of support provided to, RP users.
- Multi-building and multi-site CBIs have different touchpoints that provide different levels (breadth and depth) of service.
 - In some cases, CBIs pay for specific space that they occupy (i.e. commercial leases) while others do not.
 - Regional site supervisors take on more roles and responsibilities than their counterparts in the National Capital Region (i.e. shipping and receiving, security, liaising with service providers if on a university campus, etc.).
 - Building workloads vary based on the age and condition of the building and the number of stakeholders.
- Conference service support is not listed on any draft or approved service menu even though some staff are involved in such activities.
- There is no strategic liaison to manage demand and assess changing needs within or across CBIs.



Consistency in service delivery manages expectations, and aligns and directs resources to mandated and priority areas.

4. Data and information management

Real property data is not consistently collected and managed for planning, monitoring, and decision-making.

Why it matters



Consistent data management supports integration of data across the NRC's real property systems to develop insight into service needs and support risk-based decisions in the context of competing departmental priorities and finite resources. Consistent data management supports consistent reporting and informed decision-making.

What is working



RPPM has a system in place to manage and track service calls that represents an opportunity for service delivery trend analysis.

RPPM has a defined review process for quality assurance of data uploaded to the Directory of Federal Real Property (DFRP).

Under the Laboratories Canada, funding has been made available to perform Building Condition Assessments (BCA) to review and assess the current physical condition of real property assets and required maintenance and repair needs. The process integrates the condition assessment with a review of building functionality, building performance, and Government of Canada (GC) priority areas (i.e. sustainability, accessibility, etc.).

What can be improved



NRC's Real Property Information Management System (RPIMS) system lacks dedicated resources to use and support it. In the absence of an RPIMS administrator, the NRC does not have a dedicated technical expert to support real property portfolio management including monitoring and reporting on real property performance (i.e. occupancy and cost). Management is unable to report on occupancy of space by type (i.e. office, lab, support space, etc.) or by occupants (i.e. CBIs or employees) due to dated information.



As noted in the NRC RPF, an integrated RPIMS is an essential contributor to the performance management structure required to support portfolio management and the capability to maintain and access accurate RP records. This is especially important when assessing existing needs, gaps, and the effectiveness and economical performance of real property relative to program needs.

RP information feeds into the NRC's costing of research facility and equipment. Inadequate RP information increases the risk of incomplete cost considerations that impact financial assessments of research activity and reporting of collaborative research agreement obligations.

Furthermore, as the NRC increases collaborative efforts with OGDs, including co-location and or research space sharing, a functioning and resourced RPIMS is vital for proper oversight of occupancy and user cost attribution.

4. Data and information management

Real property data is not consistently collected and managed for planning, monitoring, and decision-making.

What can be improved

! Asset data is not organized in a manner that supports clear identification of ownership (and thus responsibility) between RPPM and research centres or other branches, especially for older real property assets and components.

▶ Clarity of accountability over assets supports effective stewardship of resources including lines of responsibility between custodian and RP users.

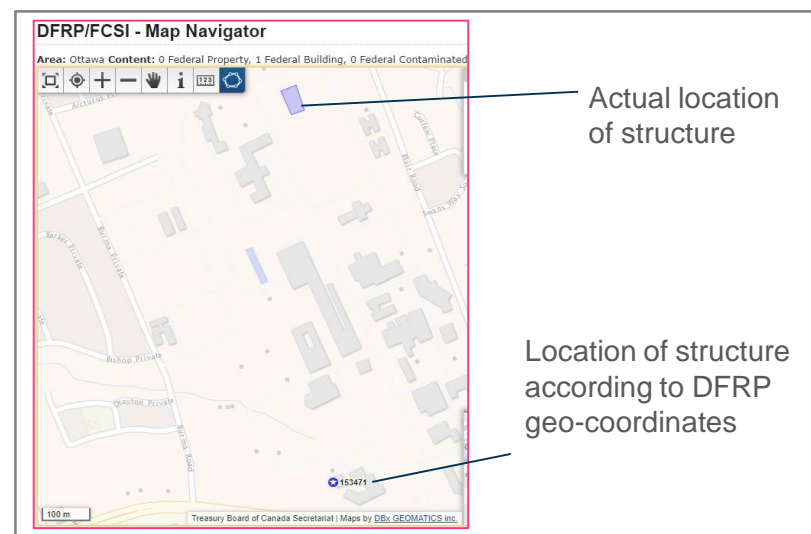
! The NRC has limited capabilities in place to track, monitor, and map invested funds to base-building needs, down to the component level (defined from building condition assessments) and to prioritize resources to address deferred maintenance.

▶ Demonstrating the impact of invested funds on the NRC real property portfolio illustrates to taxpayers and decision-makers the value of consistent funding and provides oversight of the NRC deferred maintenance backlog. This also improves the information used to assess facility condition indices.

! There is no master inventory of NRC real property maintained by RPPM to reconcile real property data and assess its accuracy and completeness before being uploaded to the DFRP. While we noted that RPPM has a review process in place for the annual updating of data to the DFRP, the process is manual and reliant on staff memory.

▶ It is the responsibility of NRC as a RP custodian to provide complete and accurate information to the DFRP under the *TB Policy on the Management of Real Property*.

Figure 9: Incorrect geo-location of NRC building in DFRP





4. Data and information management

Real property data is not consistently collected and managed for planning, monitoring, and decision-making.

What can be improved



Overall data management for lets across the NRC's financial and RP systems is inconsistent, hampering reconciliation of rent collected and owed.

- There was no evidence of tracking of occupancy conditions (e.g. security deposit and insurance requirements) or the fulfilment of landlord obligations (e.g. provision of safety protocols).
- Reconciling occupied space is manual and performed across various tools and systems, increasing the risk of insufficient or incomplete information when assessing PILT obligations.

The master let spreadsheet is an “evergreen” document so no historical central record of license terms and special conditions is maintained to support PILT assessments or reassessments.



As the real property custodian and landlord, RPPM is responsible for the collection of rent owed and to demonstrate stewardship and protect taxpayer assets as outlined in let terms and conditions.

As a RP custodian, the NRC is responsible for the completeness and accuracy of data provided to assess Payments-In-Lieu of Taxes (PILT).



Assessing the financial performance of real property is hampered by dated information and an inconsistent methodology.

- The costing methodology is not consistent with RPPM defined practices as it relates to:
 - Attributing common space occupied by RP users, and
 - Weighting costs allocated to research space where sub-metering is not available nor cost-effective.
- The allocation of PILT obligations to Montreal Road Campus buildings does not reflect the PILT assessment approach.



Proper and consistent allocation of real property costs is key to assessing the performance of real property assets. Furthermore, real property costs are a key component in the financial management of research facilities for RP users.

Accurate allocation of PILT to buildings is important to ensure that investment analyses and financial projections reflect complete and correct information, especially as they relate to multi-decade projections over the expected life of a real property asset.

5. Alignment of workforce to objectives

The workforce plan has not documented key competencies or skills to define the optimal operating structure and to identify gaps to address current and future real property service needs.

Why it matters



The NRC's greatest resource is its people who, from a corporate perspective, enable scientists, engineers, and technical experts to achieve their cutting-edge work.

What can be improved



The existing workforce plan has not been fully defined to help mitigate workforce risks and to align the workforce to service model needs.

- No dedicated resources are on strength to support the implementation and ongoing management of NRC's real property information management system.
- Regional staff have more and growing responsibilities that challenge the ability to devote time for professional development.
- Growth in volume and complexity of accommodation requests, and the absence of a working RPIMS, has the accommodation team operating reactively to RP user needs.
- In the National Capital Region, there is no equivalent site operations manager position to distribute the workload and responsibilities to support CBIs in meeting their immediate and future building and research facility needs.
- No dedicated change management resources are on strength or have been designated to help the NRC transition from its current state to a Laboratories Canada and post-pandemic work environment.
- The workforce plan has not documented the key competencies or skills required, based on a changing RP portfolio.

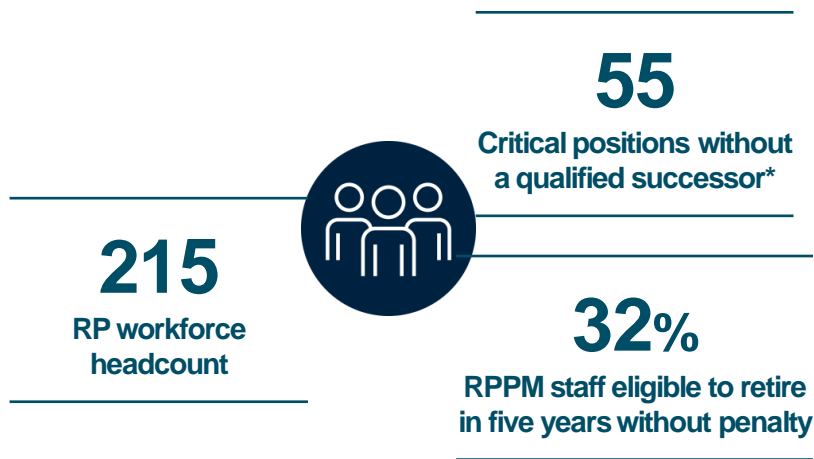
What is working



RPPM is using elements of the Human Resource (HR) Branch workforce planning template to define its HR strategies. Training is generally available to staff to support professionalization of the workforce.



Delivering the needs of RP users across Canada requires a diverse and skilled workforce that must meet current and future real property management needs in light of the increasing complexity of supporting infrastructure for research purposes and the soft skills necessary to build and maintain relationships in a service delivery oriented workforce.



*Defined as individuals in-progress of completing training and acquiring job experience to become qualified as a potential successor for various RPPM positions.

6. National portfolio strategy and policy integration

Real property planning lacks a national portfolio strategy to guide NRC real property decision-making and to integrate Government of Canada policy priority areas.

Why it matters



Master planning provides a long term roadmap (i.e. parameters, policies, and direction) to manage the physical infrastructure and changes to real property needed to support the achievement of NRC's strategic objectives.

Addressing the general location and size of real property across Canada for departmental program needs while bringing together various NRC and GC policy priorities (e.g. collaboration with OGDs and academia, low carbon environment, accessibility, healthy and active workforce, etc.) provides decision-makers with options for strategic alignment and visibility over funding needs.

What can be improved



No policy document or definitive guidance exists to provide RP decision-makers, RP planners, and stakeholders with a desired empirical state of upkeep for individual buildings within NRC's real property portfolio (i.e. a desired FCI) that can translate into a funding need or gap to support decision-making and a sustainable portfolio.

Furthermore, without consistent facility operating (maintenance) standards or defined building level FCI targets, it is difficult for the NRC to prioritize and focus investment. For example, the technical nature of specific research or sensitivity of the research space may require continual investment and renewal in lieu of replacement (i.e. it is not possible to simply move a lab even if renewal costs exceed replacement cost).



A clear end state for a portfolio of real property, expressed empirically, illustrates to decision-makers the current funding need or gap to achieve desired strategic real property outcomes and the risk-benefit trade-off when deciding to defer real property investment.

Prioritized investment criteria or targeted maintenance standards supports decision-makers on funding decisions, weighing financial, strategic, and technical considerations to achieve sustainable financial and asset management plans. For example, designating a building as a "showpiece facility" may entail long-term financial commitments to maintain its leading technical edge based on defined strategic outcomes.

What is working



Work is underway to develop a master campus plan for the National Capital Region and various initiatives are in-progress to support the NRC in meeting low-carbon and greening government policy requirements.

RPPM has staffed a Real Property & Science Strategic Advisor as a translator of research needs in the real property context.

6. National portfolio strategy and policy integration

Real property planning lacks a national portfolio strategy to guide NRC real property decision-making and to integrate Government of Canada policy priority areas.

What can be improved



There is no integrated plan in place to operationalize GC priorities impacting real property management, including but not limited to, greening government and a low-carbon environment, accessibility, collaboration with OGDs, and bring them together with the NRC's strategic objective for an economical and enabling real property portfolio that meets program needs.



Aligning the various GC and NRC policy priorities supports decision-making in the face of limited resources and illustrates funding gaps or operational impediments.



The NRC RPFM and the NRC Human Resource Manual are not aligned to encourage the adoption of modern workplace practices (i.e. alternative and flexible work arrangements) that could translate into increased adoption of NRC workspace accommodation standards.



Flexible working arrangements and modern people management strategies are integral to the success of implementing modern workplace accommodations and the delivery of effective and economical RP outcomes.

7. Consistent planning approach

Real property planning lacks consistency to make risk-based, data-driven decisions.

Why it matters



Common assumptions and standards for data collection support “apples-to-apples” decision-making to balance competing priorities based on risk and to maximize limited funding for best value for CBIs as real property users, RPPM as custodian, and NRC and taxpayers as a whole.

What is working



Annual operational planning workshops coordinated by the NRC Policy, Strategy & Performance Branch support RPPM engagement with RP users, facilitating a dialogue of RP resource supply and demand.

What can be improved



Real property investment business cases do not incorporate GC guidance on life cycle management approaches and do not provide sufficient nor consistent projections of ongoing base-building repair, maintenance, or capital needs.

Incomplete life cycle cost projections have, in historical examples, required financially-driven project scope reductions adversely impacting program delivery. Those examples contributed to current real property challenges in the absence of fulsome operational cost projections and dedicated funding for repairs and renewal.



Adequately defining upfront capital investment needs as well as ongoing repair and maintenance needs, and mid-life and future capital needs provides decision-makers with complete life cycle costs and supports refined budgeting and financial projections.

Fulsome consideration of life cycle costs respects the principles outlined in the *TB Policy on Management of Real Property* to ensure sustainable operating and capital budgets and manageable maintenance backlogs.



Research centre and branch strategic and operational planning does not provide sufficient detail on timing and scale of real property resource needs.



Increased detail and timing of RP demand informs RPPM resource planning and effective space management.

RECOMMENDATIONS



Recommendations

Audit findings themes

The audit findings were organized under the following themes

- 1. Real property accountability model 
- 2. Management framework implementation 
- 3. Service menu, levels, and standards 
- 4. Data and information management 
- 5. Alignment of workforce to objectives 
- 6. Portfolio strategy and policy integration 
- 7. Consistent planning approach 

Priority of recommendations

Recommendations are listed in order of importance taking into consideration their impact on subsequent recommendations and the ability to reduce the risk of events that may adversely affect the integrity of the NRC's governance, risk management and control processes.

Recommendations

Recommendation 1

With the support of the Senior Executive Committee, revise the real property management accountability model and update the supporting financial model to strengthen the alignment of NRC priorities and real property user needs.

- The review of the financial model should consider the adoption of service tiers (i.e. baseline, cost-share, charge-back, self-funded) to align service offerings to resources.

Risk(s) of not implementing recommendation:

- The unsustainable (financial and environmental) growth of the NRC real property portfolio and the inability to realize the full useful life of its assets from reduced preventive maintenance and investment
- The inability to meet departmental objectives due to unavailable, unfit, and or unsafe infrastructure

Responsible: Vice-President, Corporate Services and Chief Financial Officer

Link to finding theme(s):



Recommendation 2

Define the key information technology system functionalities to support NRC real property management and adequately resource a plan to implement the tool(s) required to achieve defined capabilities.

- The plan should include user training and needs, and consideration for integration with existing NRC financial and asset management systems where applicable.

Risk(s) of not implementing recommendation:

- The inability to demonstrate life cycle management principles and provide timely information for decision-making as per TB Policy requirements.
- Missed opportunities to streamline work processes and automate activities enabling redeployment of limited resources

Responsible: Vice-President, Corporate Services and Chief Financial Officer

Link to finding theme(s):



Recommendations

Recommendation 3

Strengthen real property service delivery and align resources to needs by:

- Reconfirming and documenting service boundaries and accountabilities of existing real property assets and infrastructure that supports research.
- Identifying client accommodation and real property service needs in a post-pandemic work environment.
- Finalizing and formalizing Real Property Planning and Management Branch service offerings; service standards; service tiers where applicable; and associated accountabilities and responsibilities.

Risk(s) of not implementing recommendation:

- Continued lack of clarity over service offerings and related planning and financial related roles, responsibilities, and accountabilities
- Unpalatable reductions in service offerings due to budget constraints

Responsible: Vice-President, Corporate Services and Chief Financial Officer

Link to finding theme(s):



Recommendation 4

Strengthen real property decision-making and stewardship by formalizing in policy the following:

- A maximum length of time between building condition assessments based on building type or use.
- The NRC's desired Facility Condition Index level, for the entire NRC portfolio, for individual buildings based on type or use, and for major building components.

Risk(s) of not implementing recommendation:

- No “guidepost” to support consistent investment decision-making
- Insufficient information for decision-making to support investment or disposal

Responsible: Vice-President, Corporate Services and Chief Financial Officer

Link to finding theme(s):



Recommendations

Recommendation 5

Review Payments-In-Lieu-of-Taxes (PILT) obligations, ensuring they are net of third-party occupied space and that data provided to PILT assessment authorities are reflective of third-party occupied space on an annual basis.

Risk(s) of not implementing recommendation:

- Non-compliance with custodial responsibility to manage PILT obligations through the provision of accurate and timely information to assessing authorities
- Funds paid out in excess of assessed obligations

Responsible: Vice-President, Corporate Services and Chief Financial Officer

Link to finding theme(s):



Recommendation 6

Strengthen support to real property service providers and users with:

- Standards on applying NRC real property planning approaches and assumptions to life cycle management applicable to investment and asset planning.
- Guidance on defining strategic and operational real property needs to feed RPPM planning.

Risk(s) of not implementing recommendation:

- Inconsistent and incomplete information to support investment decision-making
- Non-compliance with TB Policy principles related to life cycle management
- Inability for Real Property and Planning Branch to plan and scale resources relative to demand

Responsible: Vice-President, Corporate Services and Chief Financial Officer

Link to finding theme(s):



APPENDICES •

Audit of Real Property Management

Appendix A – Audit criteria

Line of Enquiry 1: A consistent and national approach governs real property management.

- A real property management framework is documented, communicated, and maintained, that aligns with the *TB Policy on Management of Real Property*.
- Roles, responsibilities, and accountabilities for real property management are defined, communicated, understood, and accepted.



Line of Enquiry 2: Real property is managed in a financially responsible and sustainable manner.

- Real property plans integrate CBI needs with life cycle management principles.
- Resources are available to support the achievement of real property outcomes.
- Occupancy terms and conditions are formalized reflecting NRC financial and sustainability objectives.



Line of Enquiry 3: Information is available to support real property planning, decision-making, monitoring and management.

- Controls are in place to support the integrity and consistency of real property data.
- Real property plans and operational activities are supported by accurate, relevant, complete, and timely information.



Appendix B – Management Action Plan

Recommendation 1	Responsible
<p>With the support of the Senior Executive Committee, revise the real property management accountability model and update the supporting financial model to strengthen the alignment of NRC priorities and real property user needs.</p> <ul style="list-style-type: none"> The review of the financial model should consider the adoption of service tiers (i.e. baseline, cost-share, charge-back, self-funded) to align service offerings to resources. 	<p>Vice-President, Corporate Services and Chief Financial Officer</p>
Management Action Plan	Expected Completion Date
<p>RPPM will develop proposals to enhance the real property management framework including accountabilities, roles and responsibilities and align the financial and funding model to support with the strengthened accountability framework. Specifically, RPPM in full consultation with stakeholders will:</p> <ol style="list-style-type: none"> Finalize Base Science Building Framework (BSBF) model as a foundation to better delineate the accountabilities of RPPM as custodian and users for all aspects of asset planning, use and maintenance including facility systems, components and related services. As a prudent steward of real property assets and within the context of the overall need to optimize the NRC portfolio to meet future program requirements of the NRC within a sustainable and affordable envelope, the RPPM will assess the operational and financial impact of a transition from the existing model to the accountability framework as identified within the BSBF and ensure that a proposed resourcing framework and the supporting funding model provides appropriate mechanisms to ensure that the provision of centrally managed services by RPPM as well as the planning and use of facilities by the science and research program branches and facility users demonstrates value for money, appropriate incentives (and disincentives) and strengthened performance reporting. Engage operational and senior management stakeholders throughout the development of the framework, the impact analysis and the implementation strategy. 	<p>30 September 2021</p> <p>31 March 2023</p> <p>31 March 2023</p>

Appendix B – Management Action Plan

Recommendation 2	Responsible
<p>Define the key information technology system functionalities to support NRC real property management and adequately resource a plan to implement the tool(s) required to achieve defined capabilities.</p> <ul style="list-style-type: none"> The plan should include user training and needs, and consideration for integration with existing NRC financial and asset management systems where applicable. 	<p>Vice-President, Corporate Services and Chief Financial Officer</p>
Management Action Plan	Expected Completion Date
<p>a) RPPM will develop and implement a comprehensive Information Management/Information Technology (IM/IT) strategy to more effectively and efficiently create, capture and report on core information to better support informed decision-making. The strategy will include plans and processes to ensure accurate, complete and timely capture of core information on NRC assets and their use. Included are performance assessments based on indicators in the areas: functional (how assets support the programs and people of NRC), operational (facility condition including building systems and components), economic (highest and best use of assets including utilization and opportunities for optimization), financial (costs of operations) and, legal/environmental (due diligence, health and safety and policy obligations such as greening, accessibility, etc.). As appropriate, the indicators will be adapted to recognize the unique attributes of the different classes of NRC assets to support comparability and trend analysis within the asset class.</p> <p>b) The strategy will consider the adoption of improved business intelligence and data analytic tools to better leverage information within the existing financial and real property systems. Peer organizations and partners will be engaged to benefit from their lessons learned and capitalize on opportunities that appear.</p> <p>c) The strategy will include an assessment of the business and technical competency and capacity requirements to effectively support the real property information management system. Included will be change management and training requirements for system users throughout each stage of the information management life-cycle.</p>	<p>31 March 2024</p>

Appendix B – Management Action Plan

Recommendation 3	Responsible
<p>Strengthen real property service delivery and align resources to needs by:</p> <ul style="list-style-type: none"> • Reconfirming and documenting service boundaries and accountabilities of existing real property assets and infrastructure that supports research. • Identifying client accommodation and real property service needs in a post-pandemic work environment. • Finalizing and formalizing Real Property Planning and Management Branch service offerings; service standards; service tiers where applicable; and associated accountabilities and responsibilities. 	<p>Vice-President, Corporate Services and Chief Financial Officer</p>
Management Action Plan	Expected Completion Date
<p>In conjunction with the initiative to strengthen the NRC accountability framework and financial model as outlined at action item 1 of this Plan, RPPM will:</p> <ol style="list-style-type: none"> Develop an outreach and change management strategy to ensure a more consistent understanding and application of the core roles and responsibilities for base building and common services for the NRC portfolio per the Base Science Building Framework (BSBF). As appropriate, responsibilities and service levels for facilities with specific or unique operational requirements will be documented and formalized through facility occupancy agreements. Develop service levels, roles, responsibilities and funding requirements that will fully consider new operational requirements and up-to-date accommodation needs, while ensuring the health and safety and productivity of NRC employees in the future workspace environment, including cleaning, building system/HVAC operations, protocols on health and safety. In parallel with the BSBF, RPPM will update and promulgate a detailed Service Offering catalogue which identifies a full range of real property services to identify, to the extent possible, normative service levels and business processes to better facilitate access to RPPM services. An integral part of these actions will be a communication strategy to ensure that senior management and facility users are aware of their responsibilities, the menu of RPPM services and related processes. To this end, RPPM will consider surveys to assess user awareness of roles and responsibilities and user satisfaction with service levels. Based on the feedback from this information gathering process, further improve the understanding and application of the BSBF and menu of service offerings. 	<p>31 December 2021</p> <p>31 March 2022</p> <p>30 September 2022</p> <p>31 March 2023</p>

Appendix B – Management Action Plan

Recommendation 4	Responsible
<p>Strengthen real property decision-making and stewardship by formalizing in policy the following:</p> <ul style="list-style-type: none"> • A maximum length of time between building condition assessments based on building type or use. • The NRC’s desired Facility Condition Index level, for the entire NRC portfolio, for individual buildings based on type or use, and for major building components. 	<p>Vice-President, Corporate Services and Chief Financial Officer</p>
Management Action Plan	Expected Completion Date
<p>In alignment with TB and NRC policy:</p> <ol style="list-style-type: none"> RPPM will establish an improved management approach based on a cyclical conduct of building condition assessments based on industry best practice and ensuring that all strategic assets of NRC are assessed on a maximum five year rotational basis. RPPM will leverage the building condition assessments of 35 major NRC assets that will be completed in 2021 via special funding from the Laboratories Canada initiative. Specifically, RPPM will develop a schedule and resourcing strategy to ensure that all strategic assets are assessed using a standard methodology by 2025 and that effective 2022, any major projects will be supported by a building condition assessment completed within the preceding 18 months. As a first priority and recognizing financial parameters, the RPPM will complete the assessments of secondary assets such as storage and service buildings. As an element of the Real Property Information Management system enhancement initiative, RPPM will assess options for better capture information on building condition/facility component information and maintenance requirements including consideration of the VFA capital planning application should funding be available through Laboratories Canada. RPPM will ensure that valuations to determine the replacement cost of the facility and estimates of the deferred maintenance are included in the assessment of the facility to support the development of long term asset management strategies and the determination of the Facility Condition Index. RPPM will develop targets for the desired FCI based on an approved NRC real property portfolio and investment strategy fully considering the long-term importance of the facility in supporting NRC’s programs, the facility condition and funding strategy. 	<p>31 December 2021</p> <p>31 March 2022</p> <p>30 September 2022</p> <p>31 March 2023</p> <p>31 March 2023</p>

Appendix B – Management Action Plan

Recommendation 5	Responsible
Review Payments-In-Lieu-of-Taxes (PILT) obligations, ensuring they are net of third-party occupied space and that data provided to PILT assessment authorities are reflective of third-party occupied space on an annual basis.	Vice-President, Corporate Services and Chief Financial Officer
Management Action Plan	Expected Completion Date
<ul style="list-style-type: none"> a) As required, RPPM will continue to engage experts in the application of the government's Payments in Lieu of Taxes program to determine best practices and ensure that licensing agreements with third parties continue to clearly stipulate the responsibilities of all parties for the remittance of PILT/taxes. b) RPPM will continue to verify that all PILT payments are adjusted and net of third party payments to the municipal tax authorities. 	31 March 2022

Appendix B – Management Action Plan

Recommendation 6	Responsible
<p>Strengthen support to real property service providers and users with:</p> <ul style="list-style-type: none"> Standards on applying NRC real property planning approaches and assumptions to life cycle management applicable to investment and asset planning. Guidance on defining strategic and operational real property needs to feed RPPM planning. 	<p>Vice-President, Corporate Services and Chief Financial Officer</p>
Management Action Plan	Expected Completion Date
<p>a) In conjunction with the development of the NRC Real Property Portfolio Plan will be the Portfolio Strategy which will provide an improved context for asset and investment operational plans. The Portfolio Plan will provide a strategic ten year outlook of the NRC assets as a basis for investment planning considering the remaining functional, operational and economic life of assets and the ability of these assets to respond to evolving NRC requirement and broader government initiatives such as Laboratories Canada, greening as well as new work patterns arising from increased collaboration, use of technology and post-pandemics health and safety protocols. The Portfolio Strategy will be tabled with the Senior Executive Committee and will shape NRC approaches to improved asset life-cycle management through the establishment of organizational priorities and resourcing strategies to support building recapitalization and site revitalization, carbon reduction, asbestos abatement, accessibility upgrades, seismic protection, resiliency improvements and refrigerant migration.</p> <p>b) RPPM will assess the effectiveness of its 2020/2021 Operational Planning templates with stakeholders to identify opportunities improve its strategic and operational planning process as an input to the NRC OPF. To the extent possible, the enhanced RPPM framework will support the identification of the best estimates of total cost of ownership and total cost of occupancy to support improved life-cycle management. The framework will also include clearly defined return on investment analysis to support improved asset and investment planning on projects to be included in the NRC Integrated Investment Plan.</p> <p>c) RPPM will continue to refine its information and business intelligence processes to better support operational and strategic planning to assess long-term demand scenarios within the context of the NRC's strategic priorities. Specifically, RPPM will engage the NRC management community in structured strategic planning sessions to better identify the impact of broad government as well as NRC-specific drivers of change and emerging program requirements. These future-oriented program requirements will be integrated with an assessment of the capability and affordability of the real property portfolio to best support these requirements and the determination of funding priorities.</p>	<p>31 March 2023</p> <p>31 December 2021</p> <p>31 March 2023</p>