



Government's Estate Strategy



Delivering a Modern Estate



June 2013

Our vision is to create an efficient, fit-for-purpose and sustainable estate that delivers value for money and facilitates flexible working.

Cover images

First Row (left to right)

Holbrook House, Swindon
Carlyon House, St Austell
Hartshead Square, Sheffield
Horse Guards Parade, London

Second Row (left to right)

Vulcan House, Sheffield
Admiralty Arch, London
The Axis, Nottingham
Ash House, Exeter

Third Row (left to right)

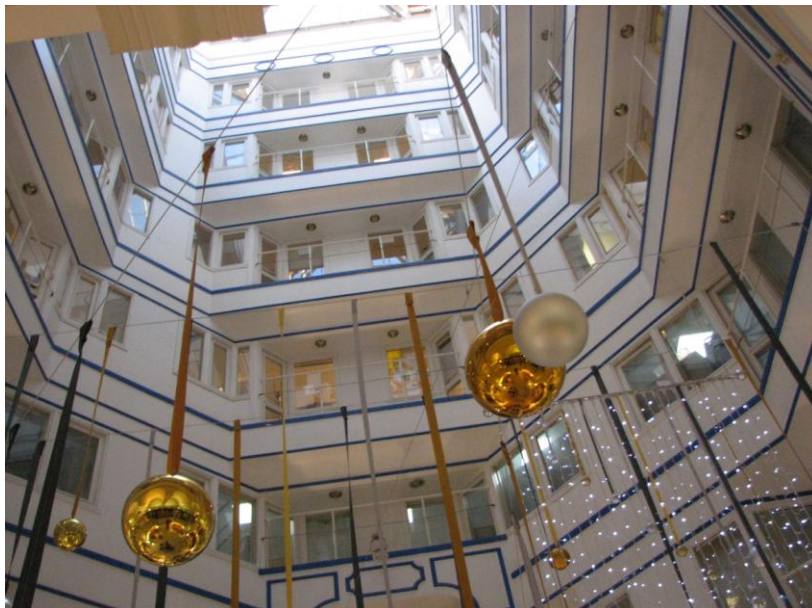
King Edward Court, Nottingham
The Axis, Nottingham
Custom House, Felixstowe
Bridge House, Wakefield

Fourth Row (left to right)

East Street, Leicester
Brunel Business Park, St Austell
Tomlinson House, Blackpool

Contents

1. Introduction	4
2. Strategic Framework	7
3. Strategic Objective 1: Rationalisation	8
4. Strategic Objective 2: Modernisation	11
5. Strategic Objective 3: Growth	14
6. Leadership	18
7. Controls	22
8. Property Asset Management (PAM)	23
9. Management Information	24



Cavern Court, Liverpool

1. Introduction

The Government is committed to creating an effective and efficient government estate, which provides value for money for the taxpayer, reduces our environmental impact, transforms the way civil servants work and contributes to the growth agenda. This document, developed by the Government Property Unit in collaboration with estate teams from across Whitehall, sets out the ways of accelerating savings and driving better performance from the central civil estate and examines plans for better co-ordination across the whole of the public sector estate.

Context

Improving the performance of the estate involves several factors:

- **Scale:** the estate is extensive – central and local government together own property worth £370 billion, with annual running costs of over £20 billion¹.
- **Diversity:** properties range from offices to laboratories, prisons, courts, hospitals and airfields, reflecting the wide spread of functions the government supports.

¹ Operational Efficiency Programme, 2009

- **Management** is delegated across departments and Arm's Length Bodies (ALBs). There are over 1,000 property management organisations within government.
- **Management Information** on the public sector estate, generally collected using local bespoke systems, is of varying standard and can be difficult to compare.

Drivers for Change

Cutting Cost and Excess Capacity:

property is the second highest administrative cost within government after salaries, and is a key source of efficiency savings.

Changing Requirements: when government changes its business model, there are often estate consequences. Changes set out in the [Civil Service Reform Plan](#) as well as reforms such as digitisation will have a major impact on the government's footprint.

Growth: improving government's property stock and exploiting surplus government land and buildings can help stimulate growth. To maximise these opportunities policy-makers across the public sector need to coordinate their approach.

Commercial: 40% of the UK's annual construction costs fall to the public sector.

Disaggregated management of the estate has meant government has not always acted in a joined up, intelligent client manner when dealing with the private sector.

Government Property Unit's role

Government Property Unit (GPU) was established in 2010 to strengthen central coordination of efficiency savings on property and to improve the management and performance of the government estate.

To date, GPU has focused its efforts on the central civil estate, which costs around £3billion per annum to run and represents 15% of the public sector estate².

In future, GPU intends to help facilitate broader coordination across the public sector, given that responsibility for property asset management is likely to remain devolved to certain bodies such as Foundation Trusts, local authorities and some ALBs.



Apex Court, Nottingham

² Operational Efficiency Programme, 2009



Above: Temple Quay House, Bristol

Below: Rivers House, Taunton

2. Strategic Framework

Government's Vision for the Estate:

Our vision is to create an efficient, fit-for-purpose and sustainable estate that delivers value for money and facilitates flexible working.

GPU has a leadership role in bringing together various estates teams from across the public sector and ensuring that we all work together towards a common purpose.

Priorities for the Government Estate	
What we want to achieve	Rationalisation Maximise savings through rapid rationalisation of the estate.
	Modernisation A fit-for-purpose and efficient core estate, which provides value for money for the taxpayer, increases sustainability and facilitates flexible working.
	Growth Use the process of delivering the core estate and rationalisation to support economic growth.
How we want to achieve it	Leadership Ensure clear direction and coordination for the central government estate management community on property policy and strategy.
	Controls The centre must have sufficient tools and targets to drive change where collaboration alone is insufficient.
	Property Asset Management Estate management is organised to optimise performance and our property profession is skilled to perform its role.
	Management Information Government understands the cost of its estate and accurate, complete and comparable MI underpins all estate-related decision-making.

3. Strategic Objective 1: Rationalisation

Maximise savings through rapid rationalisation of the estate.

Introduction

The Government's primary aim is to ensure that the estate it occupies is fit for purpose and meets departmental business needs whilst delivering efficiency savings.

Current Approach

From May 2010 to GPU has recorded savings on annual running costs from early exits from leasehold, PFIs or disposals of freehold property of £454 million per annum. The government also recorded space reduction of almost 1.5million sq m (14%) on its mandated estate. In addition over £1billion has been received in proceeds from the sale of land and buildings.

This was achieved using a two-pronged approach:

- **National Property Controls (NPCs):** via central Cabinet Office controls enforcing lease break options and expiries, where it gives best value for money.
- **Place-Based Strategies:** departments working together to deliver rationalisation strategies for central office estate, leading to higher levels of multi-occupancy.

There has been less central intervention on operational or specialist estate. Most

departments are rationalising their estates, but savings are not centrally captured.

Challenges

- **Space Usage:** The amount of office space occupied per employee across the estate showed little change for the third successive year at 13sqm/FTE³.
- **Barriers to co-location:** mainly security concerns, culture and ICT.
- **Contractual Liabilities:** lease surrenders or sub-lets depend on market conditions; the last resort is mothballing, where the savings are limited. In portfolio PFIs there are typically provisions allowing for the return of some estate each year.
- **Vacant Space:** due to depressed state of the commercial property market outside London, sale or sub-let of vacant space is challenging and empty property can contribute to urban blight.
- **Departmental Accounting and Finance:** some move chains require agreement on sharing of costs, risks and benefits on a case-by-case basis, and some moves require upfront funding, which is not always available at departmental level.
- There are few financial incentives for departments to improve space usage in freeholds. As such, they tend to be less efficiently occupied than leaseholds.

³ 2012 State of the Estate report

- **Aligning Intent:** aligning business needs of various departments in a way which allows them to make the best use of the estate, without increasing costs to one or more departments involved in a move.

Future Steps and What Good Looks Like

Acceleration: The Government's strategy is to accelerate rationalisation and concomitant savings where possible. Ministers have agreed a space standard of no more than 10sqm/FTE by the end of 2015 on all occupied office space, together with a requirement to adopt flexible working.

Successful implementation of a fully flexible working environment could reduce space occupation by 25-30% and reducing the amount of space from the current 13sqm/FTE to the target 10sqm/FTE could potentially release up to 2million sqm of office space. Although this will increase amount of vacant space in the short term, it is important that we are ready to market excess capacity as market conditions improve. The new standard will also help to drive run-rate savings of around £600million by 2015/16, with disposals of around £1,150million.

Reducing the Cost and Increasing Use of Vacant Space:

GPU is examining options, including leasetail portfolios and alternative uses for space that cannot be sold or sublet

and will agree a cross government Vacant Space strategy by the end of 2013.

PFI contracts allow for limited annual rationalisation. Work is underway to explore: the scope to rationalise the contracts; making better use of buildings which perform poorly on space usage; and which buildings we should retain as core estate. The government will develop a post PFI strategy by mid-2014, linking with work on a 2030 asset location strategy (see below) proposing the locations that departments could cluster post-PFI contracts.

Closer co-operation with the Wider Public Sector:

GPU is leading on the One Public Estate initiative – GPU and the Local Government Association have identified 12 local authority pilot areas to work with during 2013/14 where the surplus assets of central government and the wider public sector can be brought together into a programme to deliver value and economic growth. These pilots will work closely with Community Budgets and City Deals already in place and enjoy the extended benefits of Local Enterprise Partnerships.

Moving to Cheaper Locations:

Departments have already moved a range of posts to less expensive locations. In addition GPU is exploring the scope for relocating

staff from more expensive city centre locations to cheaper peripheral locations and reviewing where departments need to be by 2030. The Unit will report on its findings by autumn 2014.

benchmarking by mid-2014, with an ambition to pilot a similar approach with a few local authorities by April 2015.

Better Central Reporting: we will extend performance measurement and benchmarking across the public sector to identify more rationalisation opportunities. The first step would be to pilot non-office



4. Strategic objective 2: Modernisation

A modern, fit-for-purpose and efficient core estate, which provides value for money for the taxpayer, increases sustainability and enables improvements in the way we work.

Introduction

The core estate must meet changing business requirements. Good workplace design, better IT, more coherent security, better HR processes and, crucially, good leadership can drive change and improve productivity.

Current Approach

On the central government office estate, we are already shaping the long term core estate through place-based strategies in major metropolitan areas. On the operational estates, departments themselves are determining their core estate.

Challenges

Long-term estate planning needs to reflect changing government business delivery models (especially digital by default) and staffing levels.

Despite decision-making being constrained by tenure mix, lease terms and PFI contracts, we need to ensure that the estate is fit-for-

purpose and that we are not just left with properties we cannot get rid of.

Future Steps and What Good Looks Like

By 2020, the estate should look very different from now – it will be much smaller and more concentrated in freehold properties.

In Central London and in the ten regions covered by the place-based strategies the size of the estate will reduce by approximately 38% by end March 2015 and 46% by end March 2020.

The target for space usage of not more than 10sqm/FTE by the end of 2015 on occupied office estate should be regarded as a first step. The Government will expect Departments and ALBs to continue to improve and match best practice in the private sector on space usage across the whole estate.

Improving Long Term Demand

Forecasting: we are improving our ability to estimate future demand at least up to 2020 and plan for a range of scenarios. Modelling is crucial to ensure government delivers an adaptable supply model to balance core and flexible supply.

Determining Core Estate: a range of factors need to be appropriately weighed to deliver value for money for the taxpayer, including:

- **Business requirement:** property should be configured to optimise the way an organisation works, bearing in mind cost.
- **Aggregated local demand:** working collaboratively at local level.
- **Adaptability of supply:** a shrinking civil service highlights the need to adjust supply quickly. This may influence the balance of tenure mix and length of leases.
- **Affordability and VFM:** government property should perform well against private sector benchmarks. Many departments may be able to operate just as effectively from a cheaper peripheral location as from the city centre.
- **Optimised workspace:** government buildings are often not configured optimally. The Civil Service Reform Plan envisages workplaces which enable greater co-location and flexible working. More properties will move to a multi-occupancy footing with flexible working.
- **Sustainability:** as highlighted in the [Greening Government Commitments](#), the government estate will produce less greenhouse gases and waste, be more energy efficient and use less water in property construction and building maintenance.
- **Marketability:** in determining which estate we wish to retain, we need to

assess the marketability of properties so as to maximise savings.

Departments are working together to ensure that decision-making on long term core estate requirements takes account of these factors.

Workplace Transformation: we need to work proactively to transform our current workspace. Some departments are already making good progress.

In December 2012 Ministers agreed a new workplace standard for central government office estate designed to encourage more flexible working by December 2015 at the latest. This represents a step change in Government's ambition both for rationalisation and for workplace transformation.

The Workplace Standard

Space is allocated at not more than 10sqm/FTE (8sqm for new space inc. major refurbishments) for occupied office estate

A **variety** of work settings are available to employees – HQ, hub, home or host (four Hs)

Fewer desks are allocated than FTEs

Staff are encouraged to work **flexibly**

Workplace transformation is being tested in various pilots:

in departmental headquarters in London such as the Home Office building in Marsham Street, and creating the hub concept in Temple Quay House in Bristol.

Improving Sustainability: up to 10% of government estate costs go on energy, i.e. over £2billion a year. Aggregated purchasing through the Government Procurement Service is delivering savings, but government must also reduce consumption. On the office estate, government already benchmarks performance on energy, waste and water use. The target for Display Energy Certificates is to have all buildings scoring A-D by 2018.



Arndale Tower, Manchester

Efficient FM: to deliver long term value for money, we must improve the way we procure FM. In central government, departments and their ALBs have procured FM in isolation; there were over 5,000 contracts in place in FY10/11. This hampers the government's ability to act as an intelligent customer, which suppliers exploit.

A new central FM contracting model will come online from September 2014; with departments joining as their current contracts expire. Under the model a central contracting team will manage the procurement and performance of FM contracts on behalf of departments and ALBs, which will retain budgets and a thin client function. Savings of at least 15% (in addition to savings from rationalisation) should be delivered through consistent standards, monitoring of costs, benchmarking and economies of scale. GPU will work to encourage the wider public sector to take up the new model.

Improving construction: the quality of construction has a strong bearing on whole life costs of the building. From 2016 there will be a mandatory requirement for bidders for construction contracts to use Government Soft Landings and Building Information Modelling, which will help drive cost out of the lifecycle.

5. Strategic objective 3: Growth

Use the process of delivering the core estate and rationalisation to support economic growth.

Introduction

The economic benefits of public sector construction are set out in the government's [construction strategy](#). Rationalisation also provides an opportunity to stimulate regeneration and economic activity through transferring assets to the private sector. There has been over £1billion of disposal proceeds since May 2010. In January 2013 Knight Frank published a report⁴ showing that, in London, rationalisation of the government estate reverberated through the property and construction sector to stimulate the London economy by around £3billion.

Current Approach

Since 2010, rationalisation has been driven by savings, but it is also being used to support key government policy initiatives:

- Accelerated Release of Surplus Public Sector Land for new housing – led by HCA
- Free Schools – departments are working together to find space for free schools
- Government space for growth – GPU is leading an initiative to find space to

support small business and voluntary sector start-ups

Large amounts of freehold property continue to be sold. We are also, where possible, exiting leaseholds early and sub-letting or returning them to landlords. Given subdued market conditions outside London this is difficult, and has led some departments to be unenthusiastic about vacating property. But we are optimistic about the property market in the medium term and we are putting ourselves in the best possible position to dispose of property when an upturn in the property market outside London occurs.

Challenges

The public sector controls large amounts of surplus land, buildings and vacant space in buildings, which are not being put to good economic use.

- In 2008, the public sector controlled some 40% of development land with planning consents⁵ and over 20% of brownfield land in most English regions. In 2012, e-PIMS records showed that, excluding HCA holdings, central government alone held in aggregate over 3,000 hectares of surplus land; the actual figure is likely to be higher.

⁴ Knight Frank “Civil Estate – rationalisation impact” – January 2013

⁵ Savills/OFT data

- On 1 January 2013 only 3% (274,119sqm) of the government's mandated estate (offices over 500sqm) was vacant compared with the national average (public and private sector) of 10.1%⁶.

To support more efficient marketing of vacant and surplus space to developers, GPU launched the "Find Me Some Government Space" portal in January 2013.

The public sector, to date, has not coordinated its rationalisation efforts and has therefore had a poor collective grasp of the opportunities that might arise from coherent release of estate and land to support regeneration.

Future Steps

Supporting Regeneration: we need to look at greater coordination of surplus land and buildings, including:

- Central collation of management information to form a cross-public sector view of surplus land and buildings to enable an exploitation strategy, consistent with the Heseltine Review
- Local engagement to develop place-based solutions
- Identifying options for packaging central and local assets together to get a better

outcome. GPU and the Local Government Association have identified 12 local authority pilot areas to work with during 2013/14 where the surplus assets of central government and the wider public sector can be brought together into a programme to deliver value and economic growth. These pilots will work closely with Community Budgets and City Deals already in place and enjoy the extended benefits of Local Enterprise Partnerships. A central body will be established to set strategy, align the approach with relevant central government policies on efficiency, growth, housing, and free schools. The Government intends to learn the lessons from these pilots and to pursue collaboration opportunities with the wider public sector further, where considerable benefits can be shown, including value for money for the taxpayer.



Clyst House, Exeter

⁶ 2012 State of the Estate Report



Department of Health

The Department of Health (DH) merged its Estates and Information Services (E&IS) functions in October 2011 under a concept of developing an “enabled estate” to drive the changes needed to establish the new Health & Social Care System and to seek coordinated efficiencies. E&IS also exercises control over the ALBs’ estate through its Property and Asset Management Board. At the same time, the NHS Estate was moved under the control of the newly formed NHS Property Services.

The E&IS then embarked upon the largest modernisation and office re-stack programme for the past 20 years across both DH and a number of new ALBs. In 2012/13 the Department has significantly reconfigured approximately 8,000sqm of HQ space in London and Leeds to provide over 900 extra desks for new ALBs formed as part of the new Health & Social Care System.

This new workspace meets Government’s guidelines and contributed towards the Department as a whole being on course to fully meet Government’s space utilisation target of no more than 10sqm/FTE by 2014, one year ahead of schedule. In addition the Department’s net expenditure on estates and facilities management fell by over £2.5million and the merged E&IS function reduced its staff numbers by 20%.

The team is also rolling out the next generation of collaborative shared service ICT to DH and its ALBs which will enable anyone to log-in at any equipped workstation across the whole estate as well as providing Instant Messenger and other collaboration tools to facilitate remote and flexible working.

The plan is still in delivery and will see DH further reducing its London footprint and continuing to decrease and consolidate the overall estate nationwide.

The Department has also fully participated in cross-government initiatives including harmonising security passes, providing touchdown and “meet me” space for other government departments (established for the Olympic period and now being developed further) and offered space for the “Government space for growth” initiative.

In addition the department continues to make good progress on the Greening Government Commitments with the implementation of an energy management system on its London estate contributing towards a 20% fall in greenhouse gas emissions over the past three years.

Over the same period DH have reduced its business travel by 35%; water consumption by 12% and are trialling waste reduction/recycling options. As part of continuous improvement the FM contract has been increased in scope and reduced in cost through 2012/13 and again going into 2013/14.



Richmond House, London

6. Leadership

Ensure clear direction and coordination is provided to the government estate management community on property policy and strategy.

Introduction

In the light of the fragmented management structure across the public sector, GPU will set clear direction and coordination to achieve the Government's objectives and ensure that:

- individual Departmental property teams are aligned to the overall strategy
- there is a framework for engagement and performance monitoring
- communication mechanisms facilitate discussion on evolving policy and strategy
- support from the centre can be provided to enable delivery of objectives, and
- there is engagement with suppliers, professional bodies, and other governments

Challenges

Lack of Clarity on Role and Strategy: since 2010, GPU has primarily focussed on rationalisation of the office estate, which delivered savings on annual running costs of £454 million per annum (March 2010 – May 2013). However, in order to maintain the savings momentum, the government plans to adopt a more pro-active stance to promote

the best use of space in government offices and to provide greater central co-ordination and direction whilst leaving Departments with the necessary freedom to run their estates in line with the needs of their business.

Interdependencies with other strategies:

delivering a robust property strategy requires coherence with a multitude of other strategies. So, for example, in moving towards more modern ways of working requires co-ordination with a new vision and strategy for IT, with common security systems and more flexible HR policies.

Stakeholder engagement: GPU will invest more time in its relationships with departments to deliver an effective central coordinating role.



Polaris House, Swindon

Limited Central Reporting: central reporting is limited to the mandated central civil estate. There is no central reporting of performance on the wider estate. Without this it is difficult to share best practice, develop benchmarking and track progress.

Categorisation: there is no agreed classification of types of property beyond the office estate, so it is difficult to benchmark property outside of the office estate.

Future Steps

Strategic Alignment and Delivery: this strategy sets out the broad objectives for improved performance of the estate. From now on property teams will share their Property Asset Management (PAM) plans with colleagues and align them with the central strategy. And all departments will be required to undertake at least one Property Asset Management Capability Assessment Model review by April 2015.

Categorisation and Benchmarking: if benefits of extending benchmarking to non-office estate are proved to be compelling, we should be able to deliver comparative performance assessment across a greater range of properties than just the office estate. The first step would be to pilot non-office benchmarking by mid-2014, with an ambition

to pilot a similar approach with a few local authorities by April 2015.

Working with HMT on Resources: resource allocations for estate are currently agreed as part of wider administrative cost settlements, but this is not underpinned by should-cost modelling or estate plans. GPU will work with departments and HMT to ensure that opportunities for savings are taken into account in reaching spending settlements.

Expanding Central Reporting and

Transparency: to provide greater central visibility on the overall performance of the estate we will expand central reporting to cover performance data on the whole of the central government estate by the end of 2014.

Head of Profession: the Head of the PAM Profession is responsible for raising the performance and skill levels of the workforce, talent management and succession planning.



Mowden Hall, Darlington



Department for Business Innovation & Skills

The driving force for the programme:

The Commercial Strategy Programme is a collaborative BIS and BIS Partner initiative to protect front-line services from budget cuts through the current SR period. With a reduction in admin budgets of at least 33% over the period, this effectively means reducing running costs in support operations.

The Estates Transition Programme (ETP) will deliver the estates and facilities management objectives of the Commercial Strategy Programme – and specifically achieve at least £100million of savings over the SR period through reducing the size and associated spend across the collective BIS and BIS Partner estate.

Aims of the Programme:

The ETP is structured into 3 interrelated projects;

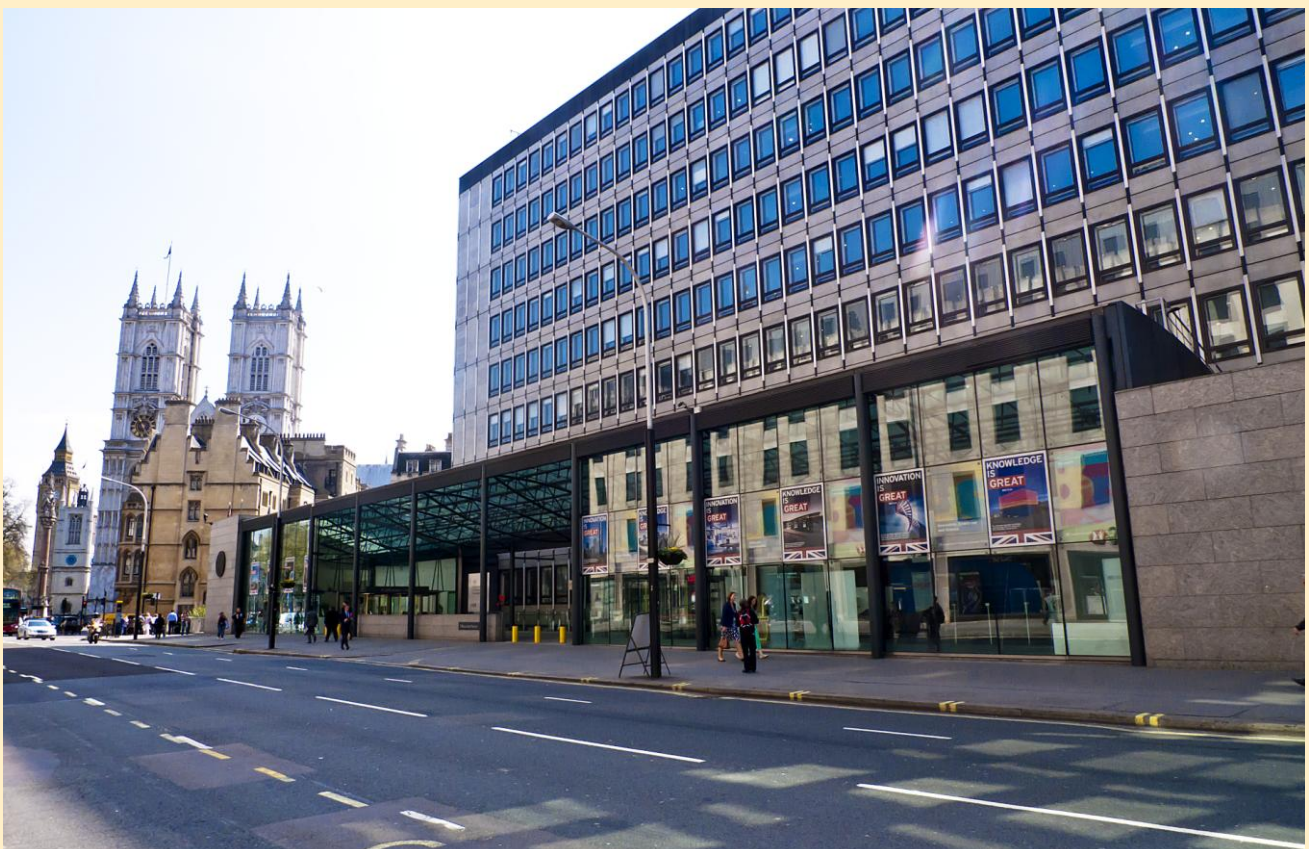
- **Estate Rationalisation** – to reduce the estate from approximately 200 occupations to approximately 50, accruing at least £85million savings in the Spending Review (SR) period to the end of March 2015;
- Implementation of a **Total Facilities Management (TFM) contract** serving seven BIS organisations and two legacy estates, generating savings of £16million; and
- Establishing a **Single Property Asset Management Team** from an agreed network of seven partners to manage the TFM contract as a single 'lean client' and to use the single team approach to lever further efficiencies and savings from the estate and other estate services. This will be established in UK Shared Business Services a services company owned by BIS. The team will also assume responsibility for the Company's property assets.

These projects will:

- Leverage the buying power of the whole network to generate significant savings;
- Reduce duplication of activity within both BIS and the partner network;
- Reduce waste and inefficiency;
- Make the best use of specialist capability within the partner network to improve operating models elsewhere in the network; and
- Provide an efficient, modern and sustainable working environment;

The procurement/delivery status:

- The Programme's new TFM contract became effective in March 2012 after a competitive procurement process.
- Proposals for the development of Single Property Asset Management Team are now well advanced to ensure that the team will be in place later this year
- Professional services to project manage rationalisation across the remainder of the estate have been procured, and mobilised.
- After a tender process, external professional advisers have also recently appointed to advise on a portfolio leasehold disposal.
- 61 property occupations have already been disposed of through the programme up to the 31st March 2013
- Total savings to the end of the current financial year are estimated to be £28-£30million



Victoria Street, London

7. Controls

The centre must have sufficient tools and targets to drive change where collaboration alone is insufficient.

Introduction

NPCs have been very successful so far in assisting Departments to achieve savings.

Current approach

GPU enforces existing NPCs to ensure that departments do not retain leases if there is an opportunity to break or exit them and where that gives better value for money. Formal applications for exceptions are rare because negotiations with departments conclude successfully in advance.

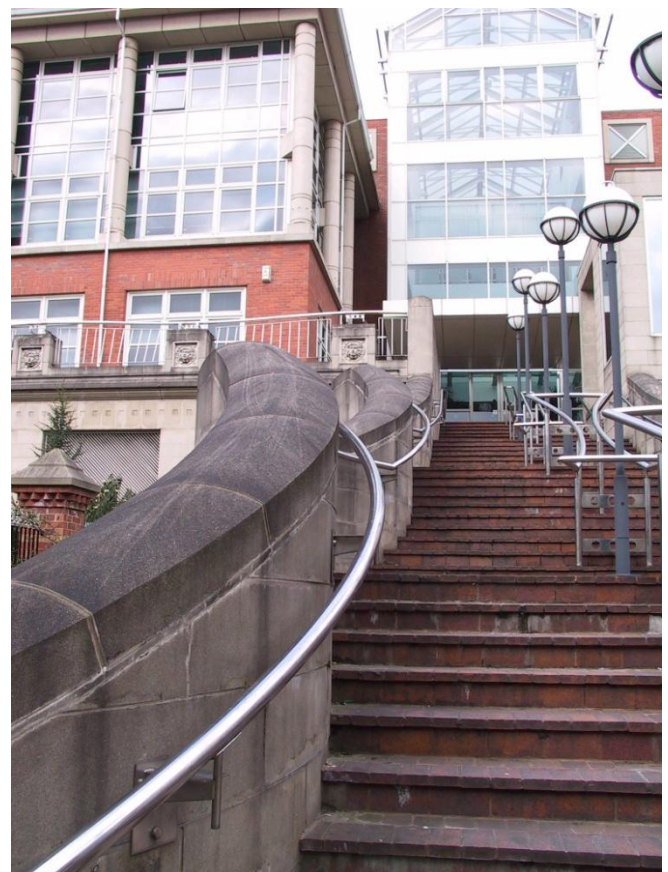
Challenges

NPCs work well and have supported significant savings, but they are only useful for leaseholds when a lease event is coming up. They do not help with under-utilised freeholds or PFIs or with public sector bodies moving into expensive buildings.

Future steps

Estate teams have a new tool to drive progress – the new workplace standard which includes flexible working and a 10sqm/FTE average for the occupied office estate by end

of 2015. Other controls may be needed to prevent behaviour by organisations which is not in the wider public interest, or to ensure more efficient occupation of freehold buildings.



Mowden Hall, Darlington

8. Property Asset Management (PAM)

Management of estate is organised to optimise performance and the property asset management community is appropriately skilled to perform its role.

Introduction

The PAM Skills Group, chaired by the Head of Profession, is responsible for supporting the professional community, setting standards and raising capability.

Current Approach

The PAM Skills Group comprises representatives from across central civil government and the Ministry of Defence and meets four times a year. The PAM Action Plan is based on six workstreams: Governance; Talent management; Building Professional Skills; Civil Service Reform; Learning & Development and Building Partnerships.

Challenges

The 2010 PAM survey showed that only 34% of respondents had a relevant professional qualification. It is the aspiration of the PAM Skills Group to increase this to 60% by April 2015.

Future Steps

Alternative Management Models: GPU, working closely with departments, examined

possible changes to the current management structure of central government and will report back to the Public Accounts Committee on its findings in first half of 2013.

Some departments have already undertaken initiatives to unify their property teams, for example Ministry of Justice and Department for Business, Innovation and Skills. Home Office adopted shared services for estates in 2008 and Department for Communities and Local Government and Department for Education now have a single estate team.

Developing the PAM Profession:

The PAM Skills Group has published its action plan in June 2013, which will:

- Define the purpose and responsibilities of the profession
- Set requirements for professional standards and competences
- Ensure suitable learning and development opportunities are available

Online Access to Guidance, Best Practice and Lessons Learned:

The PAM Skills Group will support the GPU in providing on-line access for policy guidance, best practice and specialist information for the PAM community by October 2013.

9. Management Information

Government understands the cost of its estate and accurate, comprehensive and comparable management information underpins estate-related decision-making.

Introduction

Comprehensive and reliable MI is a fundamental requirement for effective asset planning and management.

Current Approach

Property data is held on various disparate systems. Departments have to enter some information on e-PIMS, but most also maintain their own separate property MI systems and financial systems. Departments decide for themselves what information they require to manage their estates.

Central performance reporting is limited to high-level cost information on the mandated estate and more detailed benchmarking information on the central government office estate over 500sqm. The office estate is the only systematically benchmarked estate in government and represents less than 5% of the total annual public sector estate cost. There is no requirement for information on non-mandated estates. Wider public sector organisations are not required to input information on e-PIMS at all. GPU has to

undertake bespoke data collection exercises whenever it coordinates activity centrally, such as on FM.

Challenges

As a result of data collection constraints, providing a complete picture to Ministers and the public of total public sector estate costs and savings is difficult. It also inhibits identification of opportunities to improve performance.

Future Steps

GPU wants to focus on strategic level monitoring of departmental performance, benchmarking, performance targeting and opportunity analysis and plans to extend the collection of high-level comparable data on the estate to facilitate transparency.

Historic Financial Data: estates data recorded in Departmental financial systems should be the same as those used in the estate management information systems, and should form the basis on which savings are tracked. During 2013 and 2014 GPU is will explore whether it might be possible under the new government financial system (OSCAR) to feed financial information direct to estate management systems and e-PIMS.

Comprehensive Estate Planning:

information for forward planning needs to be

collated centrally. This would support standardisation of information collection and benchmarking, but will only work if departments want to use a single system. GPU is exploring solution redesign to improve departmental buy-in by mid-2014.

Estate Reporting: we intend to provide better data on overall estate expenditure and performance by March 2015, including actual and forecast cost by organisation and category of property. The underlying premise is that the information that is reported should be as useful within the organisation as it is to the centre, and the measures used should be the same ones used to track the progress of delivery plans. While detailed reporting to the centre will not be required, individual organisations should be able to interrogate cost and performance information to understand what drives the indicators.

PAM plans, as a minimum, should include:

- Future contractual liabilities, and when contract break points arise
- Long-term demand forecasting by property type
- Commercial case for the retained estate
- Potential capital investment required to fund plans
- Details of how departments are planning on implementing workspace

transformation, including how they would meet workspace standard

- Exceptions, where the space standard cannot be met
- Forecast surplus estate for disposal or alternative use, and estimated receipt value
- Forecast vacant space in properties for which the organisation remains liable

This information will not only support the department's own planning, but will also help the centre understand and plan the aggregate, strategic position.

Increased transparency: the State of the Estate Report provides analysis of the performance of the mandated central civil estate. GPU also releases e-PIMS data quarterly, and as the scope of data collected improves, more will be provided in the quarterly releases.

Wider Public Sector: property asset management in the wider public sector would benefit from access to the facilities that e-PIMS provides. Centralised estate MIS would promote the joining up of strategies on matters such as vacant space and rationalisation and, with a sufficient level of take-up, offer central government a lever to begin to impose efficiency strategies such as benchmarking, and KPI targeting.



Ministry of Justice

As part of the *Ministry of Justice's* 'Transforming Justice' change portfolio, the Department is committed to transforming the way the Ministry uses buildings to provide better accommodation at lower cost. This Programme began in earnest in 2010, and focused on the Ministry's administrative estate.

The key aim is to reduce the administrative estate by 50% and to reduce the overall operation cost of running the estate by at least £47million a year by 2014/15. This has been achieved to date through an aggressive approach to the disposal of leases and freehold property and by moving the Ministry to adopt a flexible desking approach (i.e. 7 desks for every 10 people). The Ministry has already saved £30million pa in building costs alone through this approach and continues to work closely with the Government Property Unit to consider and explore cross Government opportunities for rationalisation to enable better value for money and improvements in the Ministry's sustainability objectives.



Petty France, London