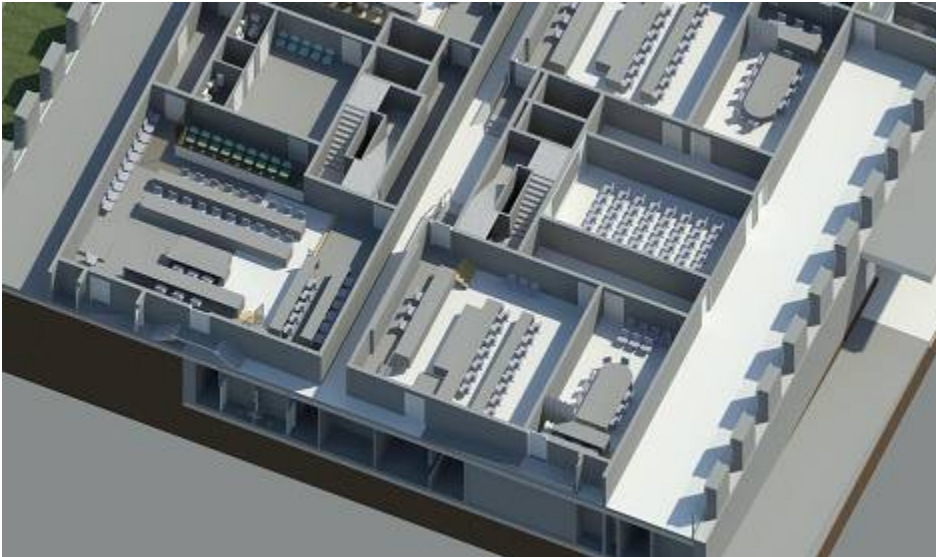




Ministry
of Justice

Estate Directorate

Five Year Rolling Estate Strategy



A professional, ambitious and dynamic team, working in partnership with our customers and suppliers to deliver a sustainable, fit-for-purpose and efficient Justice Estate

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1. Introduction

The Government is committed to creating an effective and efficient estate which provides value for money for the taxpayer, reduces our environmental impact, enables transformation to the way civil servants work and contributes to the growth agenda. The Ministry of Justice (MoJ) will contribute to this commitment by providing an effective and efficient estate which meets business and operational requirements as well as sustainability targets. The services delivered by the MoJ will be carried out by an increasingly flexible workforce, in a smaller number of properties that will use space efficiently and demonstrate value for money.

Context

- **Scale:** The MoJ estate is one of the largest in government comprising around 1,500 property holdings with a total area of almost six million m², across England, Wales and parts of Scotland and Northern Ireland¹.
- **Diversity:** property holdings include courts, tribunals, prisons, probation offices, approved premises and related

administrative properties. They are held on a mixture of tenures; freehold, leasehold and licence.

- **Condition:** the condition of our assets varies considerably, as often the buildings were not designed for their current function. Many properties are historically or architecturally important, are protected by English Heritage, or are near sites of Special Scientific Interest (SSSIs)².

MoJ Estate Directorate

The MoJ Estate Directorate sits in the MoJ's Corporate Services Business Group which comprises Technology, Digital, HR, Shared Services and Estates. Corporate Services Group focuses on three guiding principles:

1. Providing support to the front-line;
2. Finding further savings; and
3. Seeking improvements as well as raising engagement levels internally and externally.

The Estate Directorate operates as a corporate service function for the whole of MoJ and is responsible for one of the largest estates across Government, with a

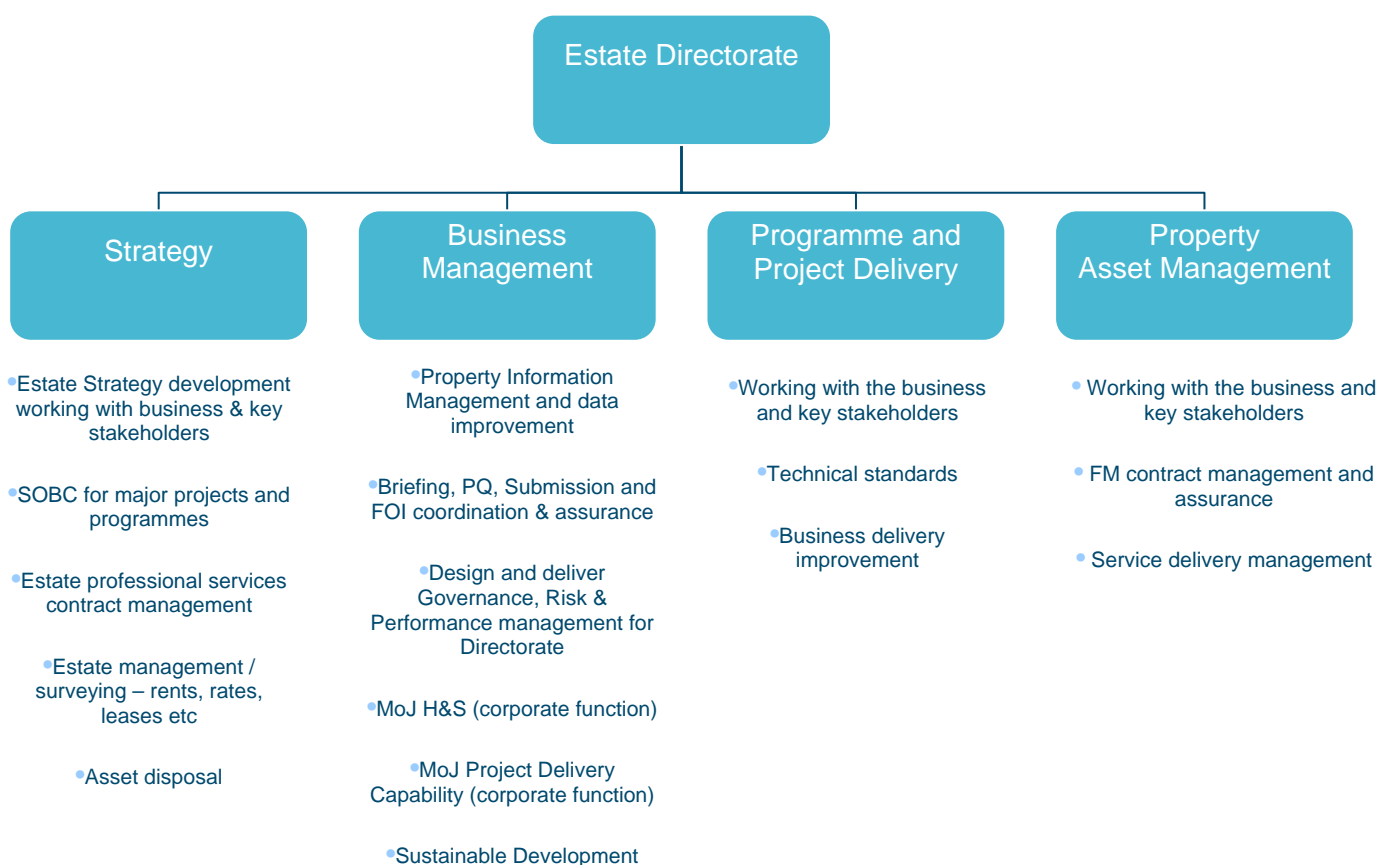
¹ Annex A details MoJ Property holdings and geographic locations.

² SSSIs conserve and protect the best wildlife, geological and physiographical heritage for the benefit of present and future generations. There are over 4,000 SSSIs in England, covering around 8% of the country.

replacement value of around £8.5bn. Overall resource spending on the MoJ estate including depreciation, utilities, maintenance, rent and rates is in excess of £1bn per year. In addition, capital investment in the MoJ estate totals around £250m each year, dependent on investment and maintenance requirements. Estate Directorate is directly responsible for a substantial element of the expenditure including the central capital budget for HMCTS, prison, probation and HQ properties.

This five year rolling strategy identifies the key activities that will enable us to meet our vision for the MoJ Estate and deliver against three key strategic objectives:

1. Reducing the cost of everything we do;
2. Providing estate solutions to support wider business, MoJ and Government policy; and
3. Continuing to develop professional capacity.



2. Strategic Framework

The Estate Directorate's delivery agenda aligns with both the Secretary of State's five key priorities for criminal justice reform as well as wider Government strategic drivers. These emphasise the need to reduce costs across Government and reform public services. All public services should be better utilised and capable of reacting to the demands placed on them.

Ministerial Priorities

In October 2012 the Secretary of State for Justice set out his vision for criminal justice reform:

- Deliver a rehabilitation revolution to help transform the lives of offenders;
- Reducing the cost of prisons and the prison system;
- Reforming youth justice to ensure young offenders are given appropriate and cost effective support and accommodation;
- Reforming the Criminal Justice System; and
- Reforming Legal Aid.

We will work with the business areas (NOMS³, YJB⁴ and HMCTS⁵) to provide estate solutions to support four of the five

priorities (there are no estates requirements for the reforming legal aid priority). The MoJ has developed its estate strategy within the context of the **Civil Service Reform Plan**. For estates, this means working with GPU as part of a cluster of other Government departments to share estate functions to realise further running cost savings.

Government Estates Strategy

The Government Property Unit (GPU) provides a strategic leadership role in bringing together various estates teams from across the public sector to provide guidance on how Departments should manage, invest and rationalise their property holdings. We are meeting these challenges through the following activities;

- Rationalisation: maximising savings through asset realisation from the disposal of surplus assets and by increasing co-location;
- Modernisation: provision of a fit for purpose, efficient estate, which provides value for money for the tax payer, is more sustainable and enables improvements in the way we work; and
- Growth: using the processes of delivering the core estate and rationalisation to support economic growth, particularly through the release of surplus assets for economic growth including house building.

³ National Offender Management Service

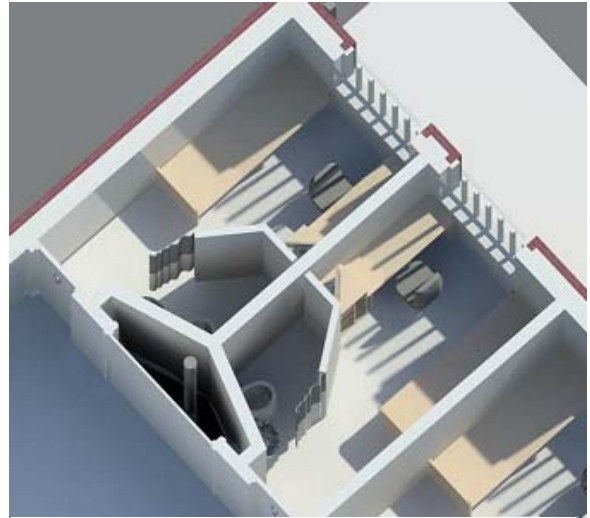
⁴ Youth Justice Board

⁵ Her Majesty's Courts and Tribunals Service

Government Construction Strategy

The Government Construction Strategy ensures that the public sector becomes an intelligent client – more informed and better coordinated when its requirements are specified, designed and procured. It embraces industry best practise models and demands cost reduction and innovation within the supply chain. We are implementing the Construction Strategy by;

- Using Government’s purchasing power to drive industry change and providing transparency about the forward pipeline of contract opportunities;
- Driving the Government’s agenda to implement Building Information Modelling (BIM). BIM is a computer generated model containing all graphical and tabular information about the design, construction and operation of an asset on all construction projects across the Government estate.
- Procurement reform (trailing of new models of procurement and streamlining the process); and
- More effective use of data and management to equip the Government to function as an ‘intelligent client’.



BIM model showing internal layout of prison cells

3. MoJ Business and Estate

The MoJ has existed as a Government department since 2007. It is made up of a range of agencies, a corporate centre and a number of associated Arms Length Bodies (ALBs). The demands on the MoJ estate vary through the significant differences in the nature of services required from the different client groups as well as fluctuations in the number of estate users such as offenders, those using probation services or court users.

Historically, elements of the MoJ estate were distinct and separate. The core principle of this estate strategy is that our estate is more efficient and cost effective when managed as a single MoJ estate. In addition we will look to utilise our expertise to potentially consolidate and manage other Government departments' estates.



102 Petty France, London

The MoJ estate is one of the largest in government. The estate is dispersed throughout England, Wales and parts of Scotland and Northern Ireland. It consists primarily of courts, tribunal centres, prisons, probation offices, approved premises and associated administrative properties. There are also a small number of residential properties, which originally provided accommodation for staff as part of their employment. Our properties are held on a mixture of tenures; freehold, leasehold and licence.

The MoJ estate mainly comprises of operational properties, together with a relatively small number of administrative properties. As a proportion of the number of properties held, the number of prisons is relatively small, but in area and value terms they make up the biggest proportion of the MoJ estate. In contrast the probation estate comprises a large number of small properties, but with a low aggregate value.

The condition of properties within the MoJ's estate varies considerably; many of the buildings were not originally designed for the purpose for which they are now used. The MoJ has properties that are historically, culturally or architecturally important, protected by English Heritage, or located near to Sites of Special Scientific Interest.

Administrative Estate

As the Civil Service reduces in size, so the need for an extensive administrative estate similarly reduces. We have already undertaken work to reduce the size of the current estate and have identified areas

within the estate where there are possibilities for rationalisation or efficiencies (through increased co-location, lease breaks etc). This involves exploring options for transforming the way we work including greater use of shared services, improved space utilisation and increasing opportunities for staff to work flexibly.

Business areas

NOMS Custodial

We work closely with the National Offender Management Service (NOMS) to support the delivery of a custodial estate that is more efficiently configured by delivering a smaller number of larger prisons that better meet geographical and functional requirements and have the flexibility to address the needs of the diverse population groups it accommodates.

The custodial estate will remain largely freehold and there is a clear strategic need to provide property management services in the most cost effective manner including the delivery of non-core services such as facilities management and property management services.

We will ensure that investment in maintenance works is appropriately prioritised and aligned with the long-term strategic vision for the custodial estate. Where decisions are taken to close establishments, we will work with NOMS to decommission and manage their disposal in a way which provides best value for money

for the tax payer (HM Treasury Managing Public Money).

HM Courts and Tribunals (HMCTS)

We support HMCTS to continue to improve the way that courts are run, while ensuring that cases are managed as well as they can be, and that victims are put first in the system.

The following activities will be supported to deliver business objectives;

- separation of administration & hearing functions;
- aligning the estate to match the workload;
- challenging design principles to ensure they provide value for money and exploring opportunities to share facilities;
- exploring alternative ways of delivering services; and
- increasing utilisation of hearing rooms.



Hearing room at Kingston-upon-Thames Crown

Close working with stakeholders in HMCTS will ensure that all major maintenance is prioritised and that investment in properties is aligned with the HMCTS strategic vision for the delivery of justice and that Government sustainable development targets are met. We will manage the disposal of any surplus properties, for example, those closed under the Court Estate Reform Programme. We will continue to contribute to developing proposals for any new investment and to ensure that an efficient and cost effective approach is followed for design, construction and project management using established LEAN techniques.

Youth Custodial Estate

MoJ is seeking a transformation of the youth custodial estate. This transformation envisages a move from the existing mixed estate of Young Offender Institutions, Secure Training Centres and Secure Children's Homes which cater for different age groups and needs, towards an estate underpinned by a network of Secure Colleges.

It is essential that the youth estate provides safe and secure accommodation, configured to appropriately meet the specific and unique requirements of the population, whilst also ensuring that any recognised underutilisation or inefficiencies are addressed. We will work alongside the commissioners, the Youth Justice Board, NOMS and policy stakeholders to consider opportunities for investment, reconfiguration or decommissioning as appropriate.

Probation and Rehabilitation

Probation services are delivered through a diverse mix of providers for all but the most dangerous offenders (where it is essential that rehabilitation is supervised by the public sector). We work with stakeholders to consider where the public sector services will be located to better enable both the public sector and contracted services to manage the flow of offenders through the gate and into the community.

We will respond to probation's changing requirements through the following measures;

- ensure probation services provided by the National Probation Service (NPS) are accommodated in suitable locations which facilitate the delivery of effective rehabilitative services;
- provide other suppliers with appropriate property to allow them to run an efficient probation service, co-locating these where appropriate with the NPS;
- rationalise assets that are surplus and not required by the public sector or suppliers; and
- continue to provide a facilities management service that responds to the needs of the business while ensuring limited resources are spent strategically.

Transforming our workplace

As well as taking steps to transform the estate, we are leading the transformation of the MoJ workplace to make it more flexible,

agile and mobile through a project called 'Transforming the Way we Work' (TW3). This is a Cabinet Office driven initiative that sets out the vision for the development of modern workplaces in line with the Civil Service Reform Plan. This includes encouraging the large scale application of more agile forms of working, changes in culture, technology and layout as well as providing more choice of work locations. In practice, this means:

- desk-sharing and good workplace design to increase capacity and reduce costs;
- IT that allows staff to work efficiently, in any location;
- security and access arrangements that make it easy, yet safe, to work in a variety of settings; and
- behavioural and managerial changes that support flexibility, productivity and effectiveness in all work settings.

4. Strategic Objective 1: Reducing the cost of everything we do.

Through the consolidation of the MoJ estate to an optimum size, we will ensure the continued provision of an estate with the appropriate resources and capacity to meet the business need. This consolidated estate will be LEAN, and surplus or under-utilised assets will be assessed for disposal. The estate will be cost effective, provide value for money for the taxpayer and be more sustainable.

Rationalisation and co-location

The cost of our estate is directly linked to the size of our land and property holdings. Since the start of the Spending Review (SR10) the size of our estate has been reduced by around 600 properties. As a result, lower business as usual costs have been achieved. The Directorate actively seeks opportunities for co-location from within the MoJ and associated Arms Length Bodies (ALBs) or with other government departments in conjunction with GPU.

Asset realisation

MoJ's target is to raise £300m in capital receipts from sale of operationally surplus properties over the SR period (2010-15).

MoJ will actively pursue the disposal of assets that are costly to maintain and which are no longer strategically required. This will be done either through exiting leases as the opportunity arises, or by maximising the available capital receipt. By working with agencies and core MoJ functions, sites are identified that have the potential for a high capital receipt, which have expensive operating costs or which are of little strategic value. Where a valuable asset is identified, we explore whether capital investment elsewhere in the estate would allow the asset to become surplus and therefore disposable.

Efficient management

We will efficiently manage its property assets to ensure MoJ retains a cost effective estate with the required flexibility to meet business requirements through:

- Driving best practice in maintenance and investment activities. Strategically prioritising the spend of limited resources in the most critical areas;
- Use of efficient Facilities Management contracts with close contract management to ensure that agreed KPIs and SLAs are met; and
- Close management of suppliers to ensure service delivery meets agreed objectives.

Sustainability

The MoJ is committed to reducing greenhouse gas emissions, waste, water consumption and use of paper in line with

Government targets, as far as resources allow. To achieve this sustainability needs to be mainstreamed throughout our estate and operations, and reported on to demonstrate progress. The delivery of a sustainably managed estate with low energy usage buildings and the principles of SD embedded into working practices will cut across many issues. These will include, but are not limited to water, energy waste, procurement, new buildings and biodiversity and will require culture change amongst our staff and contractors



BIM model showing the inside of a prison houseblock

Efficiencies through construction

We have reduced construction costs through reprocurement of the Strategic Alliance (our construction partners) and embedding Lean processes and Building Information Modelling (BIM) in the construction process. BIM allows us to streamline the design process and identify potential issues early on.

Renegotiating existing contracts

To date we have reprocured Property Services and Works (Total Facilities Management, Minor Works, Estate Professional Services) – leading to savings of £20m per annum and re-procured the Strategic Alliance Framework (the MoJ's major construction providers) saving £50m.

Meeting delivery objectives

The Directorate has been restructured into functional teams to provide a sustainable organisation with the right capacity and capability to deliver against the MoJ's and the Directorate's priorities in a way that best provides value for money. The structure enables us to effectively respond to changing business and government priorities.

5. Strategic Objective 2: Providing estate solutions to support wider business, MoJ and government policy.

On 22nd October, 2012, the Secretary of State Chris Grayling MP announced five new Ministerial priorities, the delivery of which will build a justice system in which the public can have confidence. These priorities, which will be delivered through the Transforming Justice Portfolio, are:

- **Transforming Rehabilitation:** Driving down re-offending rates and improving value for the tax payer by opening up rehabilitation services for offenders to a more diverse market of providers; extending our rehabilitative approach to offenders sentenced for to 12 months; and introducing payment by results
- **Protecting the public and punishing offenders as part of a more effective and cost efficient custodial system:** Reforming the prison system to drive down cost across the estate and make every penny of public money count. Ensuring that the sentencing framework operates as efficiently and effectively as possible, to deliver appropriate punishment of offenders, without compromising on public safety
- **Transforming Youth Custody:** Reforming youth custody to create a more efficient system which ensures that young people are appropriately punished, while

at the same time receiving the support and education required to turn them away from a life of crime

- **Transforming our courts and tribunals and the Criminal Justice System:** Continuing to improve the way our courts are run, while ensuring that cases are managed as well as they can be, and that victims are put first in the system
- **Transforming legal aid:** Reforming the legal aid system to reduce the cost to the taxpayer and ensure that the system commands the confidence of the public

[We will respond effectively to strategic changes from wider government and business.](#)

By keeping up to date with all strategic developments at a governmental, corporate or business level that affects our estate, we will;

- respond appropriately to operational requirements made by the business; and
- provide solutions that are appropriate, prioritised and cost effective.

[Work with the business areas](#) to ensure the estate remains strategically and operationally aligned to support the delivery of an effective justice system.

This involves providing courts, prisons, probation properties and administration buildings with appropriate capacity to meet demand.

[Working with the business areas](#) to identify potential rationalisation opportunities across the estate, by understanding their current and future capacity and operational requirements.

Professional Capability

The two strategic objectives are underpinned by the requirement for us to further develop a professional capability, which is reflected in the third CSG guiding principle. This is achieved through an emphasis on leadership skills and property asset management, including a British Institute for Facilities Management (BIFM) learning programme, and ensuring that innovative customer service approaches are developed and employed. There will continue to be a strong focus on programme and project management skills, which are important to their effective delivery of the MoJ's projects and programmes and these will continue to be developed within the Directorate.

Continuous improvement is an integral part of the way we operate. We regularly commission staff and customer feedback to further refine our services.

Use of Professional Services

Where we do not have the appropriate level of professional capability for an identified task then professional services are employed. They are appointed directly through a tendered framework of professional 'lots' (i.e. a mechanical and electrical engineering lot,)

with the assistance of the MoJ procurement services.

Outsourcing as a consideration

We continue to identify cheaper and more responsive ways to run their estate. Where appropriate, we consider outsourcing as an option for any projects or works. Outsourcing is utilised where it is logistically possible and assists us in achieving our business objectives.

Joint intervention using GPU and wider Government networks

Due to the nature of services provided by MoJ there are often requirements for cross-departmental working on MoJ property. We will work with other Government departments to design a brief, agree resources and finalise a budget. We will then begin the project using the methods of direct management and 'Project Development' outlined above. The project will reach completion when both us and the other government department are satisfied with the output and spend.

Where appropriate, we will work with GPU to identify assets which require development. GPU provides assistance throughout the project and advice on how the works align with overarching government construction priorities.

6. Controls

The overall success of the strategy is measured by the Directorate's performance against its two key objectives. These objectives will be achieved as we successfully meet our;

- specific deliverable targets;
- key metrics measuring the performance of the estate; and
- monthly monitoring of performance.

Progress towards delivery of the key objectives will be measured after each reporting year to ensure continuing alignment with strategic objectives. Where appropriate, changes will be made for the following reporting years that enable us to remain responsive to its objectives and needs of the business.

Key programmes in the Directorate will measure their success against an agreed set of milestones.

Management of the estate

The public sector custodial estate is managed directly by us with regional assistance from NOMS. When estate management issues arise (e.g. an acquisition) a decision on the action required is made within the Directorate through the

relevant governance structures, where NOMS will have senior representation. The issue will then normally be dealt with either directly by us (prison closure and decommissioning) or outsourced through a consultant providing specialist services (planners, lawyers, ratings etc). The appropriate actions are outlined below for when the management issue requires asset maintenance, modernisation or disposal.

Estate Professional Services are contracted to provide management services to the courts and other buildings in the non-custodial estate. They provide an overview of the current estate and if any issues arise then we are informed through the regional teams. We then escalate the issue through the appropriate estate governance Board.

If there is a requirement for further external resources, these can be obtained through framework arrangements.

Maintenance of the estate

Custodial capital and resource maintenance works are identified through operational business requirements or tools to plan maintenance programmes (Custodial Asset Investment Planning (CAIP)). A maintenance programme plan is developed and approved by the relevant governance board, and remains subject to regular review to check its continued alignment with strategic and operational priorities.

The identification and implementation of the maintenance of the non-custodial estate (court, probation and administrative properties) is assigned to Total Facilities

Management (TFM) contractors. They provide the buildings with all FM services. The TFM contracts are managed by regional teams with robust auditing processes in place.

The maintenance function for the whole non-custodial estate is as follows and all projects require the appropriate approval through MoJED governance structures;

- resource maintenance is bid for by regional teams with the budget held by MoJED (in the case of HMCTS, the budget is delegated to us by the HMCTS Chief Executive); and
- capital maintenance is managed on a regional basis and/or is identified by the use of asset planning tools.

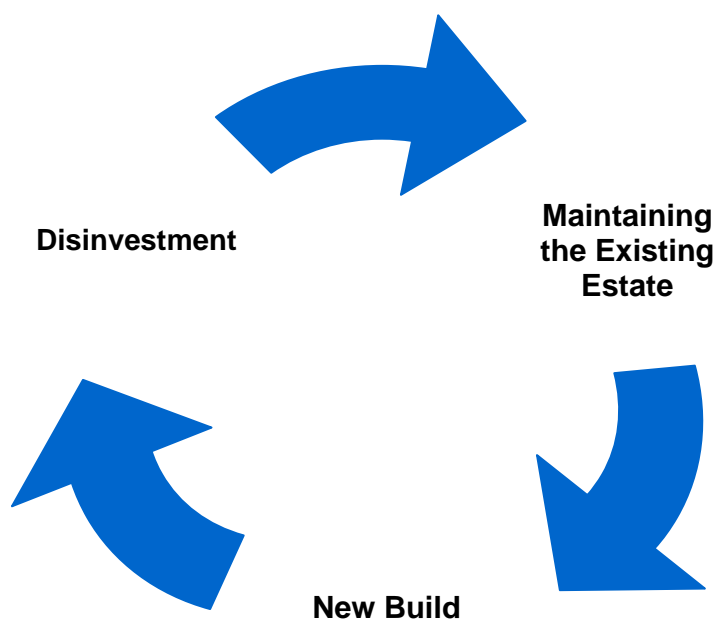
Investment in /modernisation of the estate

Modernisation of the entire estate is undertaken in a similar manner. The potential for investment is identified through either maintenance or strategic programmes following the production of a business case and appropriate governance. If accepted, MoJED will act in a project sponsor role and recruit a professional services team and constructors through a tendering process. Depending on resource available, the internal project sponsor role may extend into a project management role with greater control over the design and brief. Once the works are completed the asset is released back for business as usual.

Disposal of surplus assets

NOMS take the operational decisions regarding the closure of prisons and work with us to decommission surplus prisons. Once a prison has been fully decommissioned, we will seek to dispose of the site. Additionally, we work with NOMS to identify surplus areas of establishment land for disposal. Inefficient, unsustainable assets are sought where capital investment elsewhere in the estate will make them surplus. Disposals are managed through contractors.

HMCTS disposals have been identified by the business through the Court Estate Reform Programme or through integrations which are managed by business as usual. Regional teams assist the business with estate information on which to base their decision. Once instructed, we will release the asset for disposal with assistance of contractors (legal, selling agents etc). GPU direct that MoJ exit all administration buildings on lease expiry or lease break and consolidate into a vacant property in the civil (or other MoJ) estate. However, exemptions to remain in property can be requested through a business case to GPU.



7. Governance

The activities of the estate function are governed through four routes;

- the MoJED Senior Management Team (SMT) – responsible for the ongoing management and performance of the Directorate;
- portfolio management - ongoing activities which are continually changing and aligning to strategic priorities, e.g. maintenance programmes;
- programmes - temporary activities to bring about specific outcomes; and
- projects - temporary and relatively short activities designed to deliver specific outputs e.g. a new prison or court.

We have a governance structure that allows effective decision making aligned with the Directorate's key objectives. The governance structures emphasise its position as a shared service. The overall objective of sound and robust governance arrangements is to ensure decisions are made in a transparent, appropriate, documented and fair way. Structures will evolve over time in line with the organisation of estate functions, the budgets and corporate objectives.

The principal governance bodies within the Directorate are:

Estate Strategy and Investment Board (ESIB): responsible for managing strategic estate issues for MoJ. It ensures the MoJ's strategic estate needs are planned and delivered to support the Ministry's overall objectives, whilst ensuring good value for money is obtained. It takes account of the 5 year rolling Estate Strategy and directs estate investment and the disposal of property identified as surplus to requirements. It has authority to approve projects up to £30m, within agreed programme budgets. Key stakeholders including NOMS, HMCTS, YJB and the Probation Association are represented on this board in order to ensure that the 'business need' is fully represented.

Estate Delivery Board (EDB): responsible for ensuring that the MoJ Estate is effectively developed, maintained and asset risk is managed to enable the continued operations of the MoJ. It reports to the Estate Strategy and Investment Board on the delivery of Programmes and Projects initiated to develop and maintain estate to meet the strategic objectives of the MoJ. The Estate Delivery Board holds delegated authority from the Estate Strategy and Investment Board manage programmes and projects resulting from an approved SOBC and for initiating and managing projects within mandated programmes. The Estate Delivery Board's approval limit on individual projects is £20m. Key stakeholders from NOMS, HMCTS and Probation are represented on this Board in

order to ensure that the 'business need' is represented.

Asset Disposal Board: responsible for identifying and directing the strategy for disposing of surplus estate, ensuring that best value for the taxpayer is achieved in any disposals; it operates within the parameters delegated to it by the Estate Strategy and Investment Board to which it is accountable.

Estate Executive Committee: The Directorate SMT is the principal management body for the Directorate and governs delivery of the current year's Business Plan, structures for the Directorate, design and general performance metrics including HR and Finance. It has a key role in tracking the Directorate's capability and therefore its ability to deliver the five year rolling strategy.

TW3 Estate Programme Board: acts as the Programme Board to provide governance for the The Way we Work (TW3) programme to rationalise the administrative estate.

Additionally, Project Boards can be established by the ESIB, where the size of the investment or the complexity of the project warrants it.

All capital budgets for estates are managed by the Directorate.

