

Department for Work & Pensions (DWP)

Key Statistics

- **total estate budget allocation** (annual, gross) = £594.1 million
- **holdings** (number) = 808¹; (Jobcentres and Medical Examination Centres) = 687 (85%); (offices) = 121 (15%)
- **floorspace** (total) = 1.433 million sq.m; (Jobcentres and Medical Examination Centres) = 850 thousand- sq.m (60%); (offices) = 583 thousand sq.m (40%)
- **staff number** (headcount) = 74,000 (at March 2018)
- **locations** = UK Nationwide

Our Business

The Department for Work & Pensions (DWP) is responsible for welfare, pensions and child maintenance policy. As the UK's biggest public service department it administers the State Pension and a range of working age, disability and ill health benefits to around 18 million claimants and customers.

DWP is a ministerial department, supported by 14 agencies and public bodies, including the Health and Safety Executive, The Pensions Regulator and the Pension Protection Fund.

Our business priorities include dealing with automatic enrolment in workplace pensions, use of European funds, and work on household energy, poverty and social justice, care for older people, and reforms to state pension age, child maintenance, employment, health and safety, and welfare².

Our Estate

During 2017-18 the DWP estate has been undergoing a major transformation. The department does not own any of the property it occupies. Almost all of its buildings were occupied for twenty years under the Private Sector Resource Initiative for Management of the Estate (PRIME contract), a PFI arrangement, with Telereal Trillium (TT), which came to an end in March 2018. Exit from the contract has required a large commitment of resources, setting up new tenure and occupation arrangements across the entire estate of 808 buildings, along with a new internal estates management structure and contracts for facilities management, security, Landlord & Lease Management, Capital Projects framework and furniture supply management.

As part of this change, a significant consolidation and rationalisation of the estate was also undertaken, in line with reform of the departmental workforce, under a combined People and Locations Programme (PLP). Our priority has been to continue the services provided by the department throughout the estate transformation programme and this has been delivered successfully. However some of the property solutions that were necessary to maintain continuity are less than ideal. We plan to address these over the next five years and to follow through some of the interim arrangements that have been adopted in 2018. This programme ended in June 2018. The newly restructured Estates and Estates Category Management

¹ net of 52 contingency sites that will have been divested of by the end of Sept 2018

² Further information is available at:

<https://www.gov.uk/government/publications/department-for-work-and-pensions-single-departmental-plan>

teams are now responsible for all DWP estate related activity which includes further rationalisation of the estate over the next five years.

Of the 808 buildings in the estate over 75% are customer-facing Jobcentres, the remainder are a mixture of back office, support and corporate sites. The vast majority of Jobcentres and other buildings are now held on very flexible new commercial leases. DWP has also increased the number of Jobcentres that are co-located with local authorities; 75 at March 2018, rising to 88 at the end of June 2018 and increasing to 93 through 2019. Approximately 5% of total floorspace is occupied under Memorandum of Terms for Occupation with other government departments.

In moving out of the PRIME contract the estate has been reduced in size by vacating 149 operational buildings. This opportunity has been significant and, as a result, DWP has improved the efficiency across the whole portfolio. Better utilisation of our buildings means that the department's 'footprint' is now more closely matched to its requirements although as previously mentioned, there remains more to achieve in terms of further rationalisation.

Some of the directions of change adopted for the PLP will continue in coming years: for example:

- DWP will continue to review opportunities to improve the Jobcentre network through investment, rationalisation, location analysis and further colocations within local government premises. A lessons-learned review has been instigated relative to co-locations and other estate management choices, and future decisions will utilise the review findings, as well as the needs of emerging policy and cross-Government strategies.
- DWP is also participating in the move towards Government Hubs by relocating some of its corporate and back office centres into multi-occupancy buildings with other departments in certain key regional UK cities.
- Digitisation is also likely to play a significant role in the balance between front of house and back of house functions and may change the footprint requirement over the longer term.

As a department DWP is less London-centric than many others, with a larger percentage of its workforce in the regions. In this respect it is well placed to contribute to the Government's priority in its Places for Growth programme, and will take account of other policies set out in the new Government Estate Strategy. Our workforce has been reducing, but still comprises the largest number of civil servants in any central department.

Smarter Working initiatives are being introduced to deliver an office estate that is flexible and able to meet changing demand. As we continue to work smarter and more flexibly with better technology and changes to organisational design, the requirement for desks, meeting facilities and working space continues to evolve.

The directional profile of the estate is forecast as follows over the next 5 years, linked to "in plan" further rationalisation:

- Current number of buildings – 808 (1.4 million sq.m)
- Anticipated number of buildings by March 2021 – 781 (1.3 million sq.m)
- Anticipated number of buildings by March 2023 – 770 (1.2 million sq.m)
- Within these figures are included a number of acquisitions and co-locations as well as a number of divestments (the net impact is cited)

Our Capability

All of our property holdings have been mobilised into the new supply chain as part of our Target Operating Model, which was procured and mobilised in 2017 before going live on 1 April 2018. The supply chain comprises Sodexo (Integrator), Cushman & Wakefield (LLM), Interserve (FM), G4S (Security), Furniture (Triumph) and a multi panel Capital Projects framework.

We now have new leases or Terms of Occupation agreements in place for our locations, with a small residue of agreements in the final stages of the legal process.

Our new structure provides for all options relative to any potential future transfer of our office portfolio and its' management to the GPA after 2023. The Jobcentre portfolio will remain within DWP.

We are placing particular emphasis on the development of our intelligent client function to ensure that our business needs are anticipated, captured and articulated clearly. A new Strategy & Planning capability has been set up within the new Estates function to facilitate this and to ensure that the portfolio continues to align to DWP strategy and business plans into the future. A new Policy and Compliance capability has also been set up within the new Estates function to ensure that we operate to the required policies and standards into the future ensuring property risk is managed.

Over this Parliamentary period we aim to continue the development of our capability to provide the department with a strategic, high performing real estate function, aligned to our business, and delivering operational excellence.

Our full SAMP will be revised in the latter part of 2018 as the Estates function emerges from the current transitional period brought about by the closure of the People and Location programme, bedding in of the new supply chain and final stages of transitioning our internal organisation (people and processes) to reflect the new operating environment post-PRIME exit. The full SAMP will provide more detailed summaries of our new estate management priorities.

This executive summary does not cover the department's arm's length bodies estate matters. The full SAMP will include coverage of ALBs within the DWP family.