

HM Revenue & Customs (HMRC)

Key Statistics

- **total estate running cost** (annual, net) = £240 million
- **holdings** (offices) = 117
- **floor space** (total) = 907,000 sq.m
- **staff number** (FTE) = 59,905
- **locations** = whole UK

Our Business

HMRC is the UK's tax, payments and customs authority. We collect the money that pays for the UK's public services and help families and individuals with targeted financial support. We help the honest majority to get their tax right and make it hard for the dishonest minority to cheat the system.

HMRC is a non-ministerial department, supported by two agencies and public bodies¹.

HMRC's Estates Strategy and Strategic Asset Management Plan are designed to underpin HMRC's Strategy for the delivery of its objectives. The plan sets out how we will deliver the estate platform from which the department can maximise revenues due, and transform tax and payments for our customers. The estate is also a vital enabler for the professional, efficient and engaged organisation that we aspire to be.

Our Estate

As of the end of March 2018, HMRC's estate covers 907,000 sq.m, dispersed across the UK (including 117 offices), which is reduced from 170 offices and 980,000 sq.m in November 2015. HMRC manages assets of 166,000 sq.m on behalf of other government departments (OGDs), including the Valuation Office Agency. In 2016/17 the net running cost of this estate after recoveries from OGDs was £240 million.

Over the period between now and 2022 we plan to invest £340 million in transforming our estate, open 11 new Regional Centres (further to the first that opened last year in Croydon) and close around 90 legacy offices reducing the estate to around 450,000 sq.m. We will be progressively moving our operations into Regional Centres enabling HMRC staff to work more effectively, benefiting from co-location of teams and better technology, while improving staff recruitment and retention. This directly aligns with the aspiration to support a Brilliant Civil Service. Smart Working will support us to transform our culture and reconfigure working practices, physical environments and behaviours. We are committed to improving the wellbeing of our staff, through enhancing the work-life balance, engagement and productivity of our most valuable assets: our people. We hope to create an attractive organisation that allows us to access and retain the talent needed to ensure we deliver for our customers and the country.

Our Strategic Asset Management Plan seeks to ensure that, throughout the lifecycle of our buildings, we provide a good experience for HMRC staff at the best possible whole-life cost. This includes managing the final years of our legacy estate and planning ahead for when our

¹ Further information is available at:

<https://www.gov.uk/government/publications/hm-revenue-and-customs-single-departmental-plan/single-departmental-plan>

Regional Centres become operational and in time require lifecycle replacement works themselves.

A key element of our current asset management work is our preparation for the expiry of the STEPS PFI Contract which currently supports some 60% of our estate. The contract expires in April 2021, and negotiations between HMRC and Mapeley have commenced. We are also well advanced in preparations for new facilities management contracts which will be rolled out over the next year.

We are also transforming our use of property data to drive efficiency. We are rolling out an asset management tool, MERLIN, and adopting Building Information Modelling (BIM) to improve design and operational management.

The asset management plan is also fully aligned with the Government Estates Strategy and the Locations Programme is delivering the first phase of the Government Hubs Programme. The Programme supports the aim of using the government estate as an enabler to deliver better outcomes for the public. Moving some of our work to the regions and reducing the numbers of our people in London and the south east supports the Government's Places for Growth agenda. Moving to fewer, more modern offices with high speed digital connectivity in city centre locations will make more efficient use of space and reduce costs. We are working closely with the Government Property Agency and plan to transfer our regional centre assets to the Agency after the closure of the STEPS Contract.

While we roll out the Locations Programme, our plans need to be flexible in order to be able to respond to new demands from fiscal events and other drivers. Autumn Budget '17 and EU Exit have recently led to the need to recruit additional staff, meaning we are changing our plans.

Our Capability

Over this parliamentary period HMRC aims to become the world's most digitally advanced tax authority, and to do that, it is modernising across the board. It will become a smaller, more digital and more highly-skilled organisation, bringing people together in 13 large Regional Centres, 5 Specialist Sites and, until 2027, 7 Transitional Sites. HMRC's Locations Programme is delivering these better working environments, bringing in savings of £300 million up to 2025, and delivering annual cash savings of £74 million in 2025/26, rising to £90 million per annum by 2028.

We will continue to support our legacy estate until it is no longer needed, ensuring that our people based in these locations continue to get a high level of support. We will also support our staff in their moves to their new workplaces. Our aspiration is to provide first class buildings and excellent services for the people who work in our buildings. We can only achieve this aim through committed estates professionals.

Our Property Profession Capability Plan sets out how we will develop the capability and capacity we need to deliver excellence, and establish our performance at the cutting edge of property change across government. This includes investing in our people, providing them with professional training, whether as facilities managers, project managers or property professionals, and growing digital capability and commercial awareness. We are also rolling out an apprenticeship strategy for both existing and new staff.