

Her Majesty's Revenue & Customs (HMRC)

Strategic Asset Management Plan - Executive Summary

Key Statistics

	Outturn for FY 18/19
Total estate running cost (annual, gross)	£307 million
Holdings (number)	103
Floor space (office buildings) sq.m	775,000
Land area (ha)	0
Staff number (headcount/ FTE)	58,800
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 VOA and public bodies. Further information is available in our Single Departmental Plan¹.

Over this parliamentary period HMRC is transforming into a modern tax authority, equipped for the future needs of our customers. It will become a smaller, more digital and more highly-skilled organisation bringing people together in 13 large Regional Centres, 5 Specialist Sites, Head Office in Westminster and, until 2027, 8 Transitional Sites. HMRC's Locations Programme is a key enabler of this change, delivering better working environments, bringing in savings of around £300 million up to 2025, and delivering annual cash savings of £74 million in 2025/26, rising to £90 million per annum from 2028.

Our Estate

As of the end of March 2019 HMRC's estate covers 920,000m², dispersed across the UK. This includes 775,000m² within 103 offices, which has reduced from 170 offices and 980,000m² in November 2015. HMRC also manages assets of 166,000m² for Other Government Departments. In 2018/19 the net running cost of this estate after recoveries from OGDs was £307 million. Over the period between now and 2022 we plan to invest £185 million in transforming our estate, open 11 further new Regional Centres and close 94 legacy offices reducing the estate to 445,000m².

¹ Available at:

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

As 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 plans for EU Exit have recently led to the need to recruit additional staff, meaning that in 2018-19 we have secured 13,091m² additional temporary space as well as making space available in existing offices. As a result of these new requirements and changes to the delivery of Universal Credit, we are also retaining some of our existing offices for a little longer than planned.

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 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 59% of our estate. The Contract expires in April 2021, and negotiations between HMRC and Mapeley are ongoing. HMRC submitted HMRC's Indicative Notice to Mapeley in March 2019 setting out those properties we will give up and those that we will retain.

We are also transforming our use of property data to drive efficiency. We have rolled out a strategic asset management tool, MERLIN, adopted Building Information Modelling (BIM) for our new estate, and we are developing a Digital Blueprint to direct and improve design and operational management.

HMRC's Estates Strategy and this 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 HMRC's wider transformation and is closely linked with the department's Smarter Working plans. By changing people's working environment, HMRC is helping to change how they work.

The Strategic Asset Management plan is also fully aligned with the Government Estates Strategy² and the Locations Programme in delivering the first phase of the Government Hubs Programme. The Programme supports the aim of using the government estate to support the Brilliant Civil Service aspiration and 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.

² Available at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738217/Government_Strategy_Final_AW_v2.pdf

Our Capability

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.

Over the period to 2022 we will be progressively moving our estates teams into Regional Centres. We are well advanced in moving to our Future Operating Model, and in establishing the collaborative commercial arrangements necessary to deliver maintenance, lifecycle and great services to our customers. We awarded new Hard Facilities Management contracts in Jan 2019 and Soft Facilities Management contracts in March 2019. We expect to award a new national Security Services contract soon.

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.