

Government Property Agency Business Plan 2020/21



# Foreword





The Government Property Agency is well into its second year of operation in supporting the creation of great places to work for civil servants.

I have been in post as the Agency's Chair since January 2020 and am committed to building on the excellent work of my predecessor Liz Peace as GPA looks to the future.

Planning for that future has taken on a new dimension since the COVID-19 outbreak. I am proud of the way in which the GPA team have worked across government to respond to the crisis. This business plan provides a strong foundation as we develop work with departments, local authorities and the private sector to support economic and social recovery.

Pat Ritchie Chair Government Property Agency



The Government Property Agency is an organisation that is changing the way the Civil Service works. We are at the forefront of the Government's transformation agenda and are well placed to help departments recover from the challenges of the Coronavirus outbreak.

We are still a young organisation so we are working hard at building our customer base, developing our capability, and responding to emerging client needs.

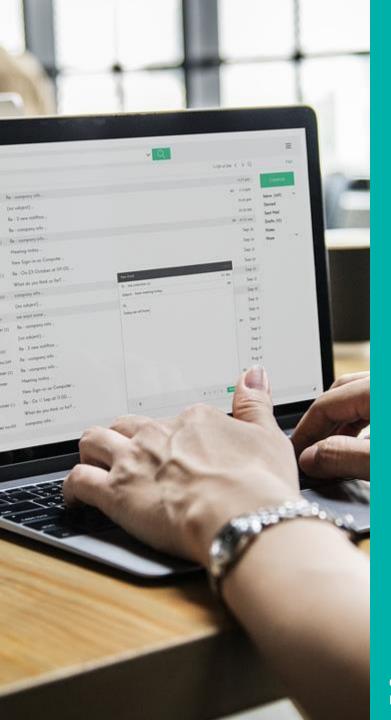
We are aware that well-laid plans prepared before the advent of COVID-19 will now need to be amended. But this plan provides a baseline to further develop our proposition for our clients, and provides a stepping stone to a revised offering.

Steven Boyd MBE CEO Government Property Agency



# Our mission

To create great places to work for civil servants, enabling them to deliver excellent public services, and to feel valued for the brilliant work they do on behalf of the public



# Our service offer





We use the government's covenant, our commercial expertise and financial flexibilities to deliver great value.

We deal with our clients' property matters professionally so they can focus on delivering great outcomes for the taxpayer.

We agree our services with each client to ensure that our work is fully aligned with their business strategy.

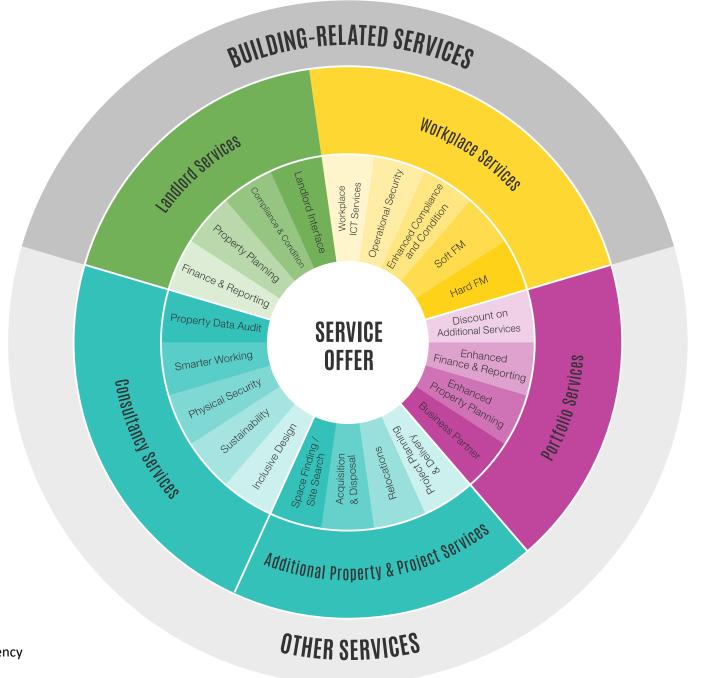
We support our clients in delivering their location strategies, helping to invest in all regions of the United Kingdom.

We help our clients create modern, inclusive workplaces so they can get the most from property.

We are building unmatched data and insight on government property to improve decision making and better support our clients.

We are building long-term, mutually beneficial commercial relationships to help secure even better value.

We are building relationships with local authorities to ensure that government buildings and the people who work from them contribute to a sense of place.





# About us





#### Our team

The Government Property Agency (GPA) is made up of 190 property, transformation and commercial professionals. External partners Montagu Evans, CBRE and Jones Lang Lasalle support us in managing assets and making property transactions. We are supported by Gowlings and Eversheds on legal issues. Faithful & Gould and AECOM are key parts of our construction team, and our facilities management providers deliver day-to-day building services.

Client solutions

Capital projects

Workplace services

Commercial

Finance and corporate

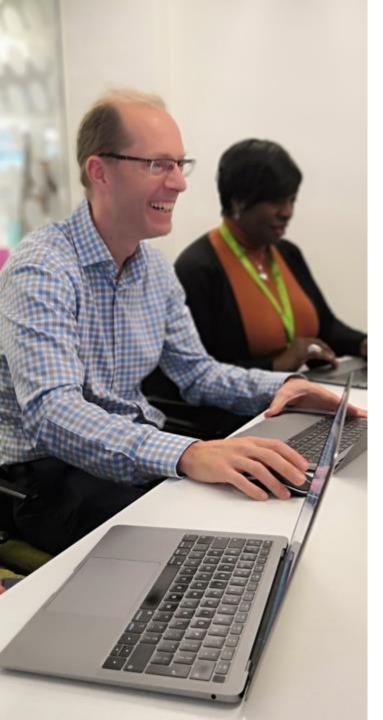
Government Property Agency Business Plan 2020-21 Responsible for securing new clients, engaging and informing current clients, and defining an integrated property requirement to satisfy their collective needs

Responsible for the design and construction of capital projects to create great places to work that meet the defined requirement and enhance client satisfaction - including government hubs and Whitehall Campus projects and projects commissioned by clients

Responsible for supporting customers in moving to and using our workplaces in a way that is popular with customers and enhances client satisfaction

Responsible for defining, procuring and managing commercial solutions in support of every part of GPA to deliver the defined requirement and enhance client satisfaction

Responsible for creating the business insight, planning ahead and providing the corporate services that every part of GPA needs to be successful



### Values and behaviours at GPA

We are proud to be part of the Civil Service tradition and consequently our core values are those of the <u>Civil Service Code</u>: integrity, honesty, objectivity and impartiality.

In addition, our people have defined the standards of behaviour that we are all measured against. These behaviours shape our culture, our relationships with colleagues and customers, and are at the heart of how we operate as an organisation.

Our seven behaviours are:

#### We treat everyone well

We are professional, respectful, empathetic and value diversity

#### We understand and support our clients

We understand what our clients and customers really want and respond to it

#### We value our commercial edge

We are commercially focussed and not afraid to take managed risks

#### We try new ideas and ways of working

We challenge existing processes and offer innovative solutions to make improvements

#### We support each other

We support each other to develop and reach our potential

#### We are open, honest and fair

We believe in transparency, fairness and ethical behaviour

#### We take responsibility

We take ownership, collaborate and deliver

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# Our successes





# Last financial year's progress

We have appointed a new, highly experienced top team: Chair, Pat Ritchie and Chief Executive Officer, Steven Boyd.

We have announced the creation of three new government hubs – in Peterborough, Birmingham and Croydon – bringing the number of hubs to 17, with more to follow.

There was an 80 % increase in the size of our portfolio and we now provide strategic support to seven government clients – including DfE, BEIS, Cabinet Office, DIT and MHCLG. We now have 330,000 m2 under management.

We have provided space for 88 public and private sector clients.

We have achieved significant savings on behalf of our clients through lease negotiation and regears across our portfolio. This equates to over £100m worth of gains and avoided cost through transactional activity.

We have secured and fitted out space at short notice for our clients to enable key government outcomes – including for the Grenfell Tower Inquiry, the Downing Street press lobby; and the Infected Blood Inquiry team.

We are working closely with 42 government clients to support them in embracing new ways of working. Smarter working engagement has commenced with 24 departments, with one already achieving smarter working maturity.

We have launched improved GPA health and safety and fire safety arrangements to provide better assurance for our clients.

Our internal change programme, GPA 2021, is moving at pace. Led by volunteers from across the agency, it is building our skills, commercial capability, and customer focus.

And at the end of the year, we responded at pace to provide support and advice to our clients and across the government office portfolio helping them to respond to the COVID-19 outbreak.



Strategic objectives

# **Growth across the UK**

'Levelling up' across the UK

**Strengthen the Union** 

**Regional investment** 

**Connection to place** 

Socio-economic value

# **Transform the Civil Service**

**Great places to work** 

**Smarter working** 

Interoperability

**Productivity and pride** 

**Talent attraction and retention** 



# **Contribute to Net Zero**

Improve energy efficiency

Use green energy

Reduce embodied carbon

**Generate and store locally** 

# **Better value**

Improve satisfaction with our service offer

Best value through commercial expertise

Manage estate as a single portfolio

New Property Model savings - £ 1.4bn



Delivery plan





# **COVID-19 – Risks and opportunities**

COVID-19 is affecting all of our work in the short-term, and the longer-term impact is not yet known. Our business plan provides a baseline which will enable us to review and manage risks, and to seek out and seize opportunities. is committed to supporting post COVID-19 economic recovery, and will provide a route for government-funded investment and job creation across the UK.

#### **Risks**

- Insufficient commercial partner staffing to provide services
- Safety and security of buildings during temporary closure
- Delay to construction and fit out schedules
- Urgent new property requirements for fall back / recovery
- Lack of capacity to meet agreed targets

# **Opportunities**

- Reinforce GPA's role with all departments across government
- Experience of remote working and exploiting smarter working tools
- Reduced need for space
- Accelerate adoption of shared space / co-worker space
- Accelerate GPA's adoption of a regional approach
- Provide route for government investment and job creation



#### **Growth across the UK**

Working with local authorities and government departments, we will help move Civil Service roles out of London. Investment in regions across the UK is likely to be key to rebuild the post COVID-19 economy.

#### Local authorities

Develop joint local authority - GPA plans for three cities

#### **Government Hubs Programme**

- Open the Birmingham Platform 21 hub
- Continue construction of Peterborough and Croydon hubs
- Announce two further hubs
- If required, provide temporary space to enable departments to recruit in the regions
- Secure funding for the Government Hubs Programme in SR 20 enabling investment and creating jobs in the regions

# **Whitehall Campus Programme**

- Develop a masterplan for the Whitehall Campus
- Open London, Old Admiralty Building
- Start work on two more Whitehall buildings
- Arrange the closure of eight further Central London buildings
- Secure funding for the Whitehall Campus Programme in SR 20



#### **Net Zero**

We will develop ambitious targets and carbon reduction plans to provide an example for the UK property industry.

## **Net Zero plans**

- Establish a programme delivery team
- Create a roadmap for Net Zero
- Secure funding for the Government Office Net Zero Programme in SR 20

# Improve energy efficiency

 Create routes to market for departments to draw down – creating work in the regions and saving energy

# Use green energy

Develop plans to move utilities to green energy suppliers

#### Reduce embodied carbon

 Begin measuring and and reporting on embodied carbon and develop plans for reducing emissions

# Generate and store renewable energy in our buildings

- Develop plans for renewable energy generation
- Evaluate options for energy storage



### **Transform the Civil Service**

We will deliver more great places to work to help improve productivity and pride in the Civil Service, and to help departments attract and retain talent.

## **Great places to work**

- Define and test workplace metrics
- Improve maintenance efficiency (predictive vs. reactive)
- Secure funding for a workplace service transformation programme in SR 20
- Invite tenders on new workplace service contracts

## **Smarter working**

- Support an increased level of remote working in response to COVID-19
- Support 50% of in-scope organisations achieve 'mature'
- Run the Smarter Working Live 2020 conference and awards

#### Interoperability

- Set ICT design standards
- Refine GPA ICT service catalogue
- Improve interoperability to support long-term productivity, and enable more effective working during the COVID-19 outbreak

# **Productivity and pride**

- Introduce measurement of customer satisfaction
- Begin benchmarking customer perception against the private sector



## **Better value**

We will grow our portfolio and use our commercial expertise to deliver better value and make progress towards the New Property Model savings - £ 1.4bn by 2027.

#### Satisfaction with our service offer

- Improve client satisfaction (20% improvement)
- Grow number of clients (10% growth)

#### Best value through commercial expertise

- Improve engagement with investors
- Develop and deliver against three-year transaction plan
- Secure gainshare on transactions (<£8m)</li>
- Develop improved terms of Agreement for Lease (AfL)
- Implement a revised inter-government occupancy agreement

# Manage estate as a single portfolio

- Encourage departments to share space in response to COVID-19
- Develop GPA strategic asset management plan (SAMP)
- Grow GPA portfolio (100 % growth)
- On-board up to 15 clients including HO, MoJ, FCO and HMT
- Reduce existing vacant space rate (by 20 %)
- Improve space utilisation (m2 / person) (by 10 %)
- Complete campus portfolio Plans (100 % of campuses)

Government Property Agency
Business Plan 2020-21



# **Building GPA capability for the future**

We will continue to build our capability so that we can improve our performance and grow for the future with confidence.

#### People

- Implement the GPA 2021 Programme
- Plan and deliver a GPA location strategy
- Implement our Capability Development Plan
- Begin work to achieve Customer Service Excellence accreditation

#### Service offer and pricing

- Refine service offer and pricing
- Develop GPA marketing material
- Improve the GPA website

#### **Assurance**

- Improve health and safety assurance and reporting
- Improve assurance in capital project design and delivery
- Carry out Independent Tailored Review of the agency

#### **Data**

- Define GPA data owners and master data sets
- Invest in digital tools to improve accuracy and availability of data

## **Design and engineering**

- Refine our Workplace Design Guide
- Introduce building information modelling (BIM)



Financial plan







#### GPA Expenditure FY2020/21 (£'000)



#### GPA Income FY2020/21 (£'000)



Government Property Agency Business Plan 2020-21

### GPA's financial plan for 2020/21 is to:

- Grow across the UK invest circa £100m in 2020/21 supporting levelling up the economy, improving efficiency and effectiveness and the quality of office accommodation. This investment is primarily funded by HMT with some funding from GPA clients¹.
- Contribute to Net Zero to make preparations for investment in future years.
- Transform the civil service invest circa £6m in interoperability primarily funded by HMT. Note that investment here earmarked for smarter working is being redirected to COVID-19.
- Achieve better value through economies of scale. We will continue to grow the GPA business in 2020/21, doubling our turnover to circa £600m and on-boarding £120m of assets<sup>2</sup>. This work is funded almost entirely through charges to clients plus some recycling of cashable benefits achieved by the GPA.

Collectively this plan continues the strategy set out in the New Property Model – to deliver £1.4bn of savings over 10 years (by 2026/27) equivalent to a return of £7 for every £1 invested in the GPA<sup>2</sup>.

<sup>&</sup>lt;sup>1</sup> The HMT funding is yet to be agreed by HMT.

<sup>&</sup>lt;sup>2</sup> There are risks to this notably COVID-19.



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