



Government  
Property  
Function



Cabinet Office

# State of the Estate

2021-2022



# State of the Estate 2021-22

Presented to Parliament pursuant to section 86 of  
the Climate Change Act 2008

HM Government

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# Contents

|  |           |
|--|-----------|
| <b>Joint Ministerial Foreword</b>                        | <b>2</b>  |
| <b>Purpose and scope</b>                                 | <b>4</b>  |
| <b>Chapter 1: Government estate overview</b>             | <b>6</b>  |
| 1.1 Summary statistics 2021-22                           | 7         |
| 1.1.1 Portfolio overview                                 | 8         |
| 1.2 Portfolio reports                                    | 9         |
| 1.2.1 Courts and Tribunals portfolio                     | 10        |
| 1.2.2 Cultural assets portfolio                          | 12        |
| 1.2.3 Defence portfolio                                  | 14        |
| 1.2.4 Health portfolio                                   | 16        |
| 1.2.5 Infrastructure portfolio                           | 21        |
| 1.2.6 Jobcentre portfolio                                | 23        |
| 1.2.7 Logistics and storage portfolio                    | 25        |
| 1.2.8 Office portfolio                                   | 26        |
| 1.2.9 Overseas portfolio                                 | 31        |
| 1.2.10 Prison portfolio                                  | 32        |
| 1.2.11 Probation portfolio                               | 34        |
| 1.2.12 School portfolio                                  | 37        |
| 1.2.13 Science portfolio                                 | 39        |
| 1.2.14 Remaining estate portfolio                        | 41        |
| 1.2.15 Land portfolio                                    | 42        |
| <b>Chapter 2: A Greener Government Estate</b>            | <b>46</b> |
| 2.1 Greening Government Commitments                      | 47        |
| 2.2 Energy Performance Certificates and New Acquisitions | 57        |
| <b>The Government Property Strategy 2022-2030</b>        | <b>60</b> |
| <b>Appendices</b>  | <b>62</b> |
| Appendix A: Climate Change Act 2008 (extract)            | 63        |
| Appendix B: Glossary                                     | 64        |
| Appendix C: Assumptions and Definitions                  | 67        |
| Appendix D: New Acquisitions                             | 69        |

# Joint Ministerial Foreword

The Government estate is – by some distance – the biggest, most diverse property portfolio in the UK. It is the platform from which almost all public services are provided. The State of The Estate report provides an overview of the physical assets which make up the public estate, showing their scale, cost and – where the data is available – their utilisation.

Crucially, the quality of this estate has a direct impact on the quality of public services which citizens rely on, and, as these public services are modernised, so too must we ensure the estate adapts and transforms.

Using this estate efficiently is therefore paramount. Where possible, property should be shared, rather than each government department occupying discrete offices.

As important as our office estate is, it is clear that the public estate is much more varied, diverse, and complex than just offices. Most indoor floor space is represented by schools, followed by buildings used in health, defence, and prisons. Land areas are dominated by forestry and the defence training estate, with the rest held for different purposes by government-sponsored organisations such as Network Rail, Environment Agency, Homes England, the Nuclear Decommissioning Agency and others.

More factors now inform how we manage the government estate. The Government Property Strategy, published in August 2022,<sup>1</sup> sets out our ambitions and objectives. These objectives are clear, and will involve capitalising on government property to: transform places and services; create a smaller, better, and greener estate; and improve professional excellence and insight. The Levelling Up and Regeneration Bill sits alongside our responses to the legacy of the Covid pandemic, new economic trends, changing international relations and improving technology.

These all require us to think creatively about what estate the Government needs. We therefore focus not only on its environmental impact but also value for money, efficiency and utilisation. All Government property portfolios are capable of change. Disposals of surplus assets can be expected to bring revenue back into Government, reduce the overall running costs of the estate, and reduce its carbon footprint.

The Environment Act 2021<sup>2</sup> now enshrines new environmental protections into law, and will enable improvements in air quality, water, biodiversity and waste reduction. We will soon be fulfilling our new statutory duties under the Environment Act to publish a revised 25 Year Environment Plan and publish legally binding environment targets.

Delivery of the new Greening Government Commitments Framework (2021-2025) is being built into plans across Government. The framework demonstrates how the UK government is leading by example to deliver our 25 Year Environment Plan commitments to improve the environment within a generation. We will continue to see and report on outcomes from this work over the next few crucial years as we take our journey to improve the natural environment for the next generation.

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1 Reports from subsequent years will record performance against the ambitions set by this strategy. This year's data for 2021-22 predates the strategy, but provides another baseline for year-on-year monitoring and guiding new decision-making.

2 <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>

We warmly endorse the holistic approach to strategic asset management set out in the Government Functional Standard for Property and the Government Property Strategy, which requires whole life-cycle assessments of value and environmental impact for property and projects. We celebrate the progress this State of the Estate report demonstrates. We look forward to seeing further progress in the next few crucial years as we work towards delivering the ambitions set out in the Government Property Strategy.



Parliamentary Secretary for the Cabinet Office  
**Alex Burghart MP**



Minister for the Environment  
**Rt Hon Trudy Harrison MP**

# Purpose and scope

The State of the Estate Report fulfils the requirement in the Climate Change Act 2008<sup>3</sup> to assess the progress made in the year towards improving the efficiency and contribution to sustainability of buildings that are part of the government's civil estate. As required under the Act, the report is laid before Parliament. This report covers the period from 1 April 2021 to 31 March 2022.

The report presents data that show different aspects of sustainability (such as carbon reduction and waste management) and also the overall cost, utilisation and approach to managing government property assets. Case studies illustrate the implementation of transformation programmes. In this way, the report provides more comprehensive information about one year's progress (2021-22) and – together with reports from previous years – enables monitoring of trends and changes.

The report covers a series of portfolios, some for the delivery of direct public services including schools, the health service (primary, secondary and community care), justice (courts and tribunals, the probation service, prisons), job centres and cultural assets; others support additional government activity in the public interest, including the defence estate, science, general purpose offices, logistics and storage and other land. Overseas and infrastructure property holdings are included this year, for the first time.

The focus of the report is on the central government estate and does not include local authority assets or the wider public estate, although data systems increasingly hold information relating to property held outside central government. There is growing collaboration between different parts of the public sector and this is highlighted throughout this report.

Most portfolios cover central government property throughout the United Kingdom. Estates managed by the Devolved Administrations are not included. Where coverage varies between different portfolios, this is indicated in the text or footnotes to relevant sections of the report.

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<sup>3</sup> Appendix A of this report gives an extract of requirements under the Act. The full Climate Change Act 2008 can be found at [www.legislation.gov.uk](http://www.legislation.gov.uk)



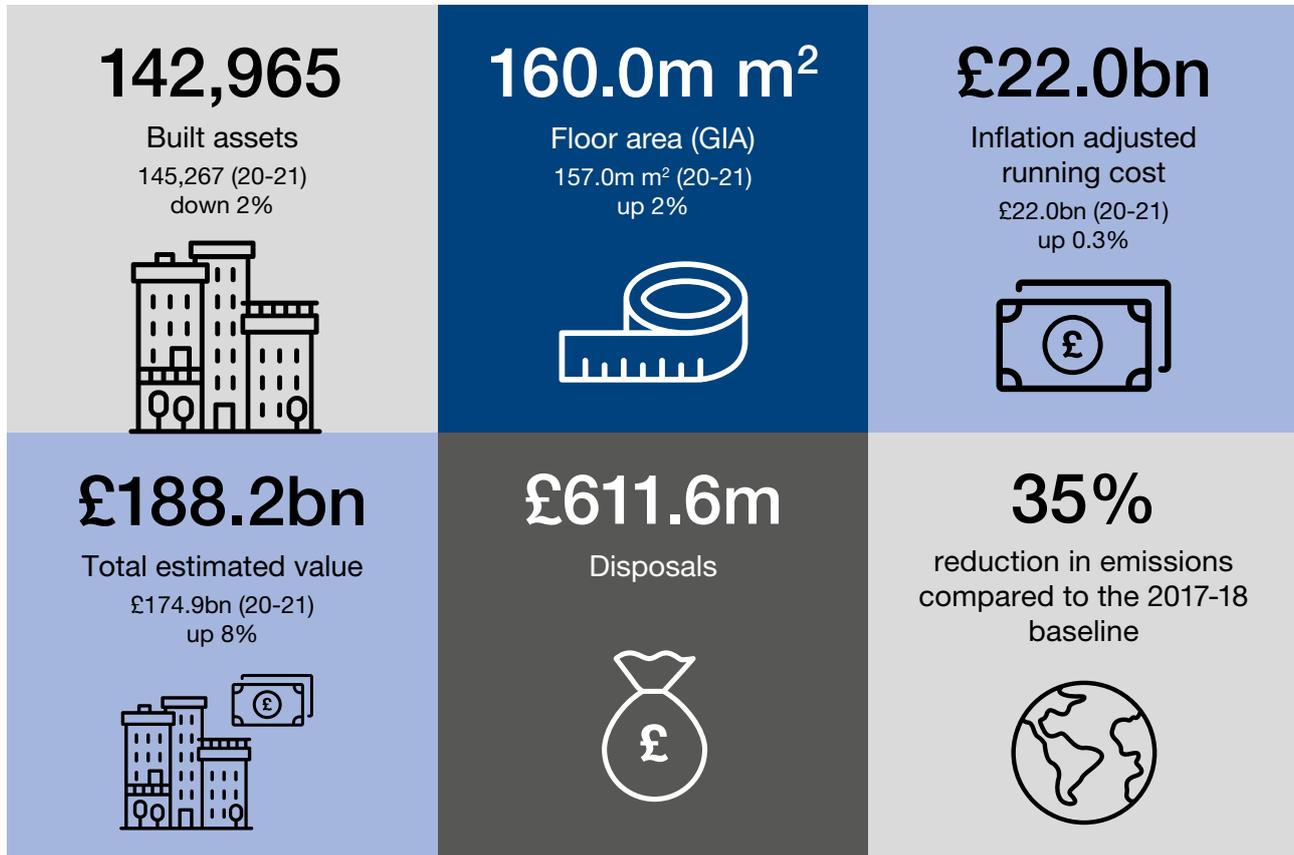
# Chapter 1: Government estate overview



Aggregate data is provided here for property portfolios managed by central government departments and their arm's length bodies, with the substantial addition of schools and hospitals – many of which are managed by independent but government-supported trusts.

## 1.1 Summary statistics 2021-22

Figure 1: Central government estate headline data



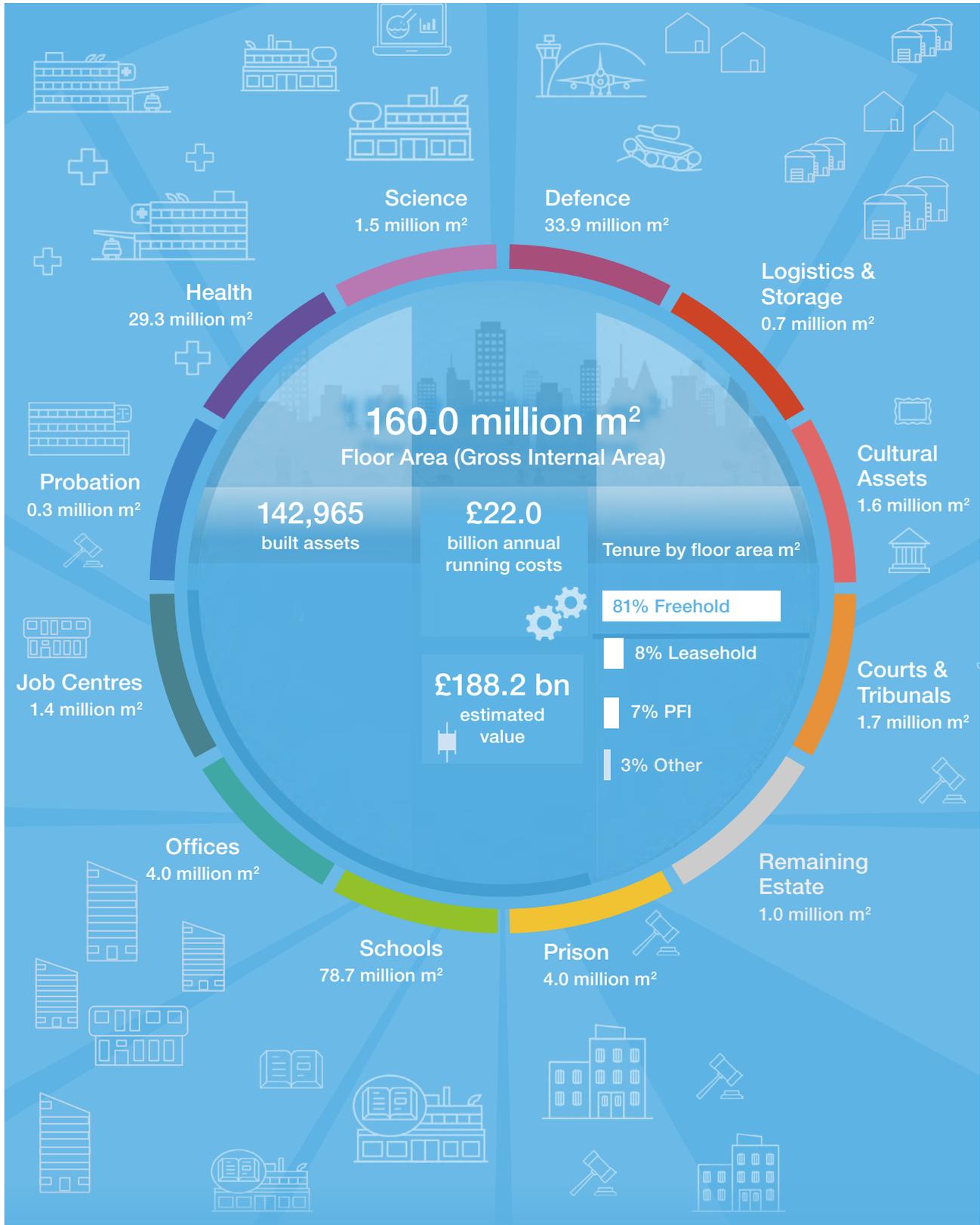
Note: for assumptions and definitions see Annexes.

The size and cost of the whole government estate has remained fairly static since 2020-21 with small increases in floor area (2%) and cost (0.3%). The main change in the overall portfolio relates to the estimated asset value which has risen by 8%. The main drivers of this change relate to the two largest portfolios – schools and defence. The schools estate has increased by 3%, which is a relatively small increase but has a large impact across the overall estate. The defence estate estimated value has increased by 9% due to them reporting on an expanded scope this year and a revised valuation of land and buildings as summarised within MOD's annual account.

## 1.1.1 Portfolio overview

The data for each portfolio is summarised to give an overview of total floor area, number of built assets, and total running cost per year.

Figure 2: Overview of UK portfolios<sup>4</sup>



<sup>4</sup> Table omits overseas and infrastructure portfolios.

## 1.2 Portfolio reports

Each portfolio section summarises the main characteristics of the relevant data. While some portfolios may take a different approach to one another in analysing data, they will take a consistent approach year to year.

All floor areas are Gross Internal Area (GIA) with the exception of job centres and offices which are Net Internal Area (NIA) and the defence portfolio which is Gross External Area (GEA).

It should be noted that floorspace or land area associated with ancillary activities will usually be included within the main portfolio, for example back of house workshops or offices associated with a museum are included within the cultural assets portfolio.

The new Government Property Data Standard recommends use of the International Property Measurement Standard (IPMS). All new surveys are expected to follow IPMS. Recording to the old standards (generally Com6 -Net Internal Area, Gross Internal Area, etc.) is still permitted, however it is recommended to move to IPMS as soon as is practicable. In the meantime, adjustments have to be made for the aggregation of different types of measurement data.

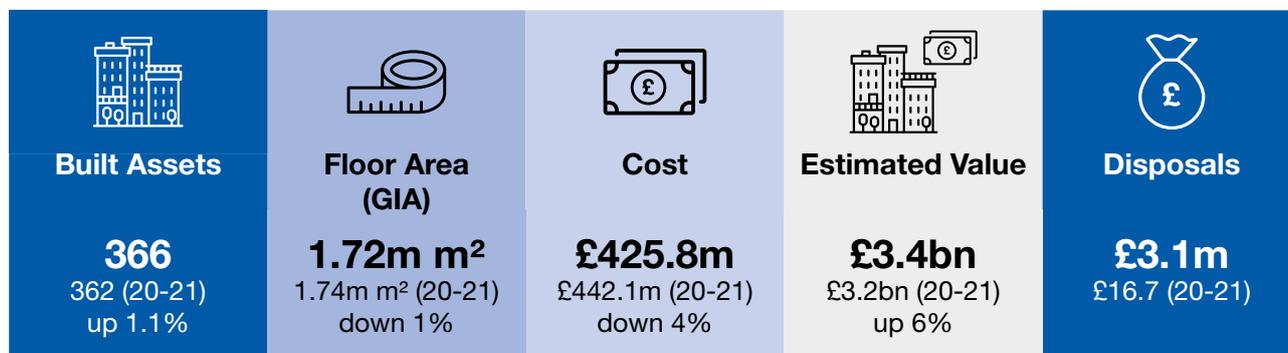
There have been a number of improvements to data collected from departments within the year. This results in a number of data revisions from our previous report, primarily the movement of assets between portfolios following further detail gathered by departments. There have also been a number of instances where departments were unable to report on some portfolios in the last year but are now able to do so.

To ensure the best like for like comparison there have been a number of revisions to the 2020-21 figures used in this report. In line with all previous State of the Estate reporting, the previous year running costs have been adjusted for inflation in line with HMT GDP deflators. Asset values have not been inflation adjusted.

## 1.2.1 Courts and Tribunals portfolio

**HM Courts and Tribunals Service (HMCTS)** is an executive agency of the Ministry of Justice, and is responsible for the administration of criminal, civil and family courts and tribunals in England and Wales. HMCTS is also responsible for non-devolved tribunals in Scotland and works with an independent judiciary to provide a fair, efficient and effective justice system.

Figure 3: Courts and Tribunals portfolio summary



The HMCTS estate is a mixed portfolio with a variety of building types. In general, buildings capable of hearing criminal cases have larger workloads than civil, family and tribunal buildings as courtroom sizes, ancillary space required for the administration of justice, and space needed to meet security requirements are greater.

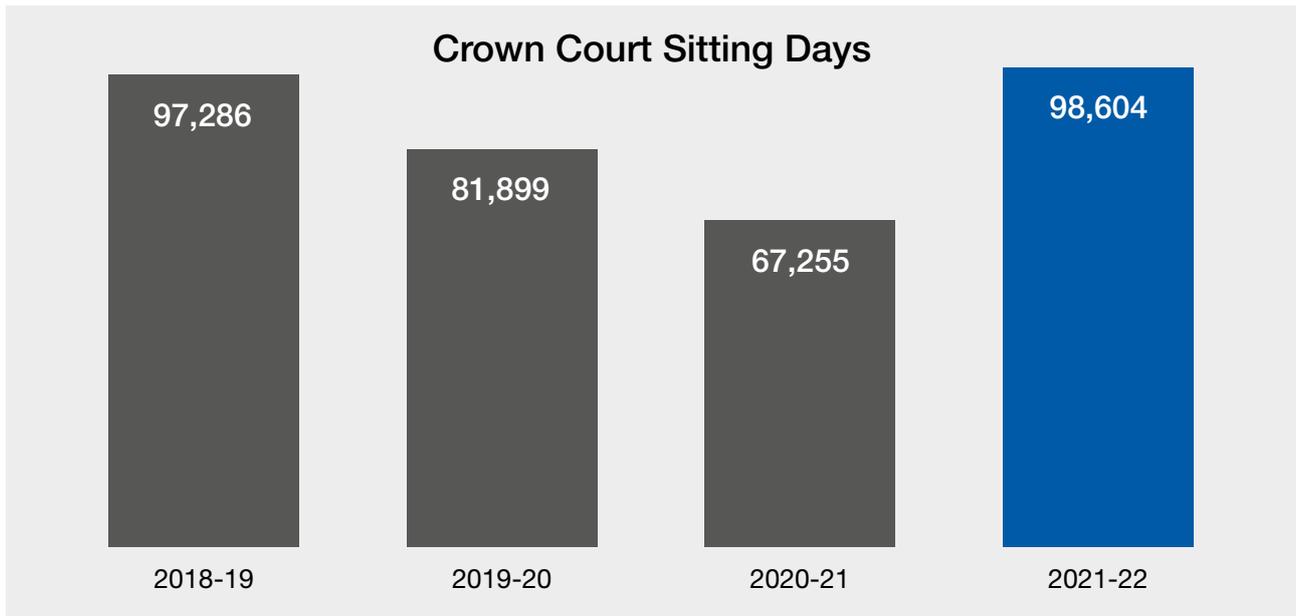
Criminal court buildings are often purpose built, due to their unique building requirements (e.g. cells in basements). They are also more likely to be freeholds or long-leaseholds. Security requirements for criminal courts also mean they are much less likely to occupy buildings with multiple lettings, when compared with civil, family and tribunal venues.

The distribution of tenure type across the portfolio has remained consistent, with freehold accounting for 1.2m m<sup>2</sup>, leasehold 0.4m m<sup>2</sup>, PFI 0.8m m<sup>2</sup> and 'other' 0.06m m<sup>2</sup>.

In addition to the established footprint, HMCTS has utilised temporary Nightingale courtroom venues, to provide the additional capacity required to recover from the Covid-19 pandemic. These have operated on a flexible basis, to meet location-based requirements as and when needed. On 31 March 2022, there were 23 live Nightingale court venues delivering 50 rooms, of which 32 were Crown Court jury trial rooms.

During 2021-22 HMCTS focused on maximising physical and judicial capacity for hearings, particularly for jury trials in the Crown Courts. This was part of the wider effort to maximise space across the justice system and tackle outstanding caseloads.

Such measures have allowed the estate to help aid recovery in the justice system, especially across the Crown court estate to address outstanding caseloads. During 2021-22, the Crown Court sat 98,604 days – a 47% increase from 2020-21 (67,255) and slightly above the pre-pandemic levels of 2018-19 (97,286/ +1%).



## Case study: Manchester Super Courtroom



**In September 2021, HMCTS opened the first new ‘super courtroom’ at Manchester Crown Court (Crown Square). The Crown Court has 15 courtrooms. Court 4 was refurbished and extended to create the ‘super courtroom’.**

- The refurbished courtroom is roughly three times the size of a usual courtroom – allowing for trials with up to 12 defendants, which usually involve gang-related crime such as county lines drug trafficking, murders, and money laundering.
- The super courtroom will create the space needed to get through these cases at speed, while preventing disruption to other cases in the respective buildings and regions. Prior to the expansion of court 4, a 12-defendant trial would have used up two or three courtrooms, sometimes for several weeks.
- The court will make best use of HM Courts and Tribunals Service’s rapid rollout of remote technology. This means that defendants can continue to appear remotely by video. More importantly, it also makes it possible for vulnerable witnesses and victims to relay their evidence from outside the courtroom, reducing the potential distress caused by being in the same room as the defendants.
- A second ‘super courtroom’ at Loughborough Magistrates’ Court opened in November 2021 and more are scheduled to follow.

## 1.2.2 Cultural assets portfolio

Over twenty arm's length bodies (ALBs) occupy and care for heritage and cultural assets that form part of the central government estate. The work of these organisations varies in scale from running museums based on one site comprising a heritage asset like the Museum of the Home to larger scale and multi-site institutions, such as the Science Museums Group, Victoria & Albert Museum and the Tate. The devolved administrations manage cultural assets in Northern Ireland, Scotland and Wales.

Figure 4: Cultural assets portfolio summary



Included within this portfolio are 15 organisations with museums and galleries sponsored by the Department of Digital, Culture, Media and Sport (DCMS), as well as the British Library, British Film Institute, British Council Arts Store, Bletchley Park, The National Archives, Bessie Surtees House, Old Burlington House and the National Nuclear Archive. Data covers both front of house and back office estate, including storage where relevant. Many are Grade I or II Listed Buildings.

In 2021-22 the overall floor area increased by 1% due to the transfer of three assets into this portfolio: Bessie Surtees House, Old Burlington House and the National Nuclear Archive. No vacant space is reported. Although the number of built assets appears to have increased by 12%, this is due to a reclassification by one organisation that previously reported whole sites and is now reporting individual buildings. The distribution of tenure type across the portfolio has remained consistent, with freehold accounting for 1.4 million m<sup>2</sup>, leasehold 0.2 million m<sup>2</sup> and 'other' 0.02 million m<sup>2</sup>.

Total running costs for 2021-22 were £119.3m. This represents a 4% increase, after adjustments for inflation, from the 2020-21 figure of £117m. This is due to the transfer of Bessie Surtees House and Old Burlington House into this portfolio, and the inclusion of the National Nuclear Archive for the first time.

There has been a 5% increase in the estimated value of the cultural assets estate for 2021-22. The increase in value can be attributed to the inclusion of three new buildings to the portfolio and recent valuations for The National Archives, Science Museum Group and the Tate Modern.

Managing building maintenance and improving the overall building condition of the museum estate is a challenge; many are heritage assets with statutory requirements to preserve collections. This was recognised in the 2017 Mendoza Review<sup>5</sup> and was further examined in a 2019 National Audit Office investigation<sup>6</sup>. Funding has been necessary to keep buildings safe and open to the public; protect people, collections and buildings; and reduce identified security risks, through the DCMS Public Bodies Infrastructure Fund (PBIF). Since 2021 Spending Review, £300m of estates maintenance funding has been allocated to 166 projects across 40 sites for the 17 eligible cultural bodies, which includes the 15 DCMS sponsored museums and galleries plus the

<sup>5</sup> [Mendoza Review: an independent review of museums in England.](#)

<sup>6</sup> [NAO investigation into the maintenance of the museum estate.](#)

British Film Institute and the British Library. Each project is distinct and responds to the particular critical needs of that cultural venue, for example urgent roof repairs at Tate Liverpool.

Science Museum Group sold a parcel of land at the National Railway Museum in York to Homes England for £5.7 million as part of the York Central development, alongside a major transformation project for the museum itself. The 1.2 ha site in York is expected to be developed as a mixed-use scheme containing offices, retail and leisure spaces and housing.

Case study:

## National Gallery, One Gallery Accommodation Hub



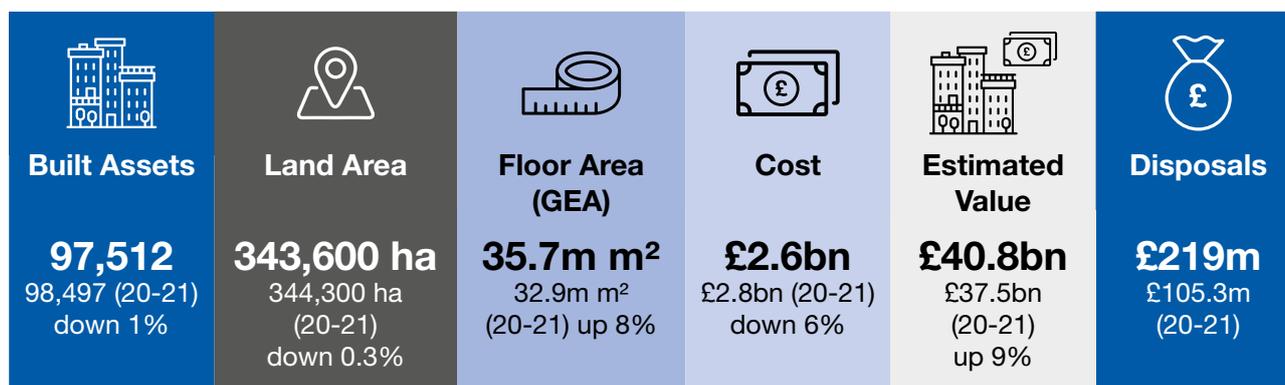
**National Gallery has refurbished previously redundant and underused spaces between and beneath exhibition halls into a new office suite spanning eight floors. The 'accommodation hub' enables the adoption of smarter, flexible working principles and makes more efficient use of the available space.**

- Located inside the Grade I listed National Gallery building in London, the new accommodation hub was opened in Summer 2021, and has enabled a large proportion of office based staff to be relocated there from external offices, releasing nearly 1,400 m<sup>2</sup> of space.
- It provides 3,716 m<sup>2</sup> of space designed to enhance collaboration, communication and community for the 250 staff located there. It provides them with 195 desk spaces, 124 informal collaboration areas and 18 bookable meeting room spaces.
- The hub has been configured around the building's last existing light wells, allowing for extensive natural light and fresh air ventilation to filter around the open balconied floors, whilst basement areas have been overhauled to provide additional storage and meeting space.

## 1.2.3 Defence portfolio

The Defence portfolio encompasses all the property that the Ministry of Defence (MOD) uses for living, working and training accommodation, and for the deployment of military capability. It comprises 97,512 built assets across 1,097 establishments around the world. In addition to land that supports training, residential, office, education, storage and distribution facilities, the Defence portfolio also includes maritime, airfield and rail to support and enable Defence operations.

Figure 5: UK Defence portfolio summary



The MOD operates from over 1,097 establishments across 1.15m hectares worldwide. Overseas holdings of 0.81m hectares include the Permanent Joint Operating Bases in Cyprus, Gibraltar and the British South Atlantic Islands and large overseas training areas, such as Germany, Canada, Kenya, Belize and the Far East.

The balance of 0.34m hectares are UK land and property holdings. Most (0.23m hectares) of the UK estate is land and foreshore, both freehold and leasehold. 0.15m hectares, is used for training and comprises a substantial rural estate with parts lying within 13 National Parks, 33 Areas of Outstanding Natural Beauty and 11 National Scenic Areas. Within the UK, MOD holds rights over a further c. 111,400 hectares, which is predominantly used for additional training and ranges.

The UK built estate, “inside” and “outside” the wire, occupies 0.08m hectares. There are c. 900 establishments, primarily Army garrisons / barracks, Air Force Stations and Naval Bases which include c. 96,000 individual assets including residential accommodation, offices, technical facilities, storage and distribution for military equipment and inventory and above and below ground utilities infrastructure.

The Defence Estate Optimisation Programme is disposing of land which has been assessed as surplus to the current Defence requirement.

The needs placed on the estate are subject to change over time. The current global security situation has highlighted the need for resilience. Where property assets are definitely not required for military purposes and can be reasonably aggregated, disposals can be made, supporting wider government policies such as land release for house building and levelling up. The total gross disposal receipts from confirmed sales in 21-22 amounted to £219m.

In January 2022, MOD published its Strategy for Defence Infrastructure (SDI),<sup>7</sup> including a commitment to ensure sustainability across the estate. To this end, MOD is developing appropriate policy targets and standards, an estate decarbonisation and energy independence road map, a plan to ensure the estate and its operations are resilient to the impacts of climate change and an overarching framework for the sustainable management and use of its green space.

<sup>7</sup> <https://www.gov.uk/government/publications/strategy-for-defence-infrastructure>

Ongoing sustainability initiatives include the delivery of Net Zero buildings; renewable energy; replacing gas boilers with low-carbon options; implementing building heat recovery systems; and the rollout of electrical vehicle charging infrastructure. These initiatives will also help modernise the estate, ensuring it is more efficient and resilient, and that it meets the needs and expectations of our people into the future.

Case study:

## Defence Infrastructure Organisation – New Sustainable HQ



**In August 2021 the new £12m Defence Infrastructure Organisation (DIO) headquarters opened its doors at Whittington Barracks, Staffordshire, as part of the £5.1bn Defence Estate Optimisation Portfolio, creating more modern and sustainable facilities for the Armed Forces**

- The new headquarters was built using modern methods of construction, with a modular build technique. There is 2,700 m<sup>2</sup> of floor space, providing modern office space for 300 people.
- The construction materials were all selected to reduce energy consumption and running costs, and include high quality insulation and solar film on the 5,500m<sup>2</sup> of glazing panels. The new building also benefits from low water usage systems and renewable energy sources.
- These sustainable solutions will reduce carbon emissions by nearly 50% when benchmarked against a comparable traditional build. Improved utilisation, sustainable design and operating measures are anticipated to reduce operating and maintenance costs by c. £16.4m over 25 years, when compared to DIOs previous HQ location.

## 1.2.4 Health portfolio

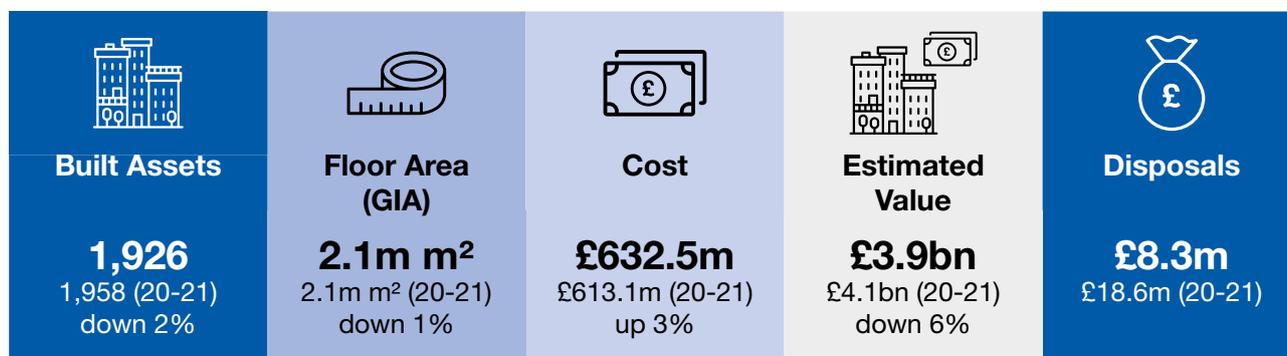
**Health services are devolved among the four nations of the U.K. Data for Health and Social Care Northern Ireland, NHS Scotland and NHS Wales (GIG Cymru) is not included in this report.**

The health portfolio for England is presented here under three distinct categories: community health services (primary care), NHS Trust hospitals (secondary care) residential and care facilities. Separate administrative buildings are included within the Office portfolio, and laboratories/ specialist science estate in the Science portfolio.

### Primary Care and Community Health

The primary care and community portfolio is managed by three organisations: NHS Property Services (NHS PS), Community Health Partnerships (CHP) and NHS Blood and Transplant. They support primary care delivery through managing blood donor centres, health clinics and community hospitals.

**Figure 6: Primary care and community portfolio summary**



The main change within this portfolio since last year relates to a reclassification of NHS Property Services hospital assets from the primary care and community portfolio to the secondary care portfolio. Last year's baseline data for these two portfolios have been amended to show a like-for-like comparison with this year's data.

The Primary Care and Community portfolio experienced a relatively small reduction in size and number of built assets linked to the closure of some convalescent home and plasma donation sites and the disposal of 15 health clinics. The total running costs for 2021-22 were £632.5m. This represents a 3% increase in cost, in real terms, from the 2020-21 figure of £621.6m, due to increased spend on cleaning and utility bills.

NHS Open Space was launched in May 2019. It provides a fully managed, flexible, bookable workspace supported by a booking platform and utilisation/financial reporting tools. This enables NHS bodies and wider health and wellbeing services to better align space usage with their service delivery requirements, and has enabled the provision of more services within local communities. It is currently available across 200 properties and 1,100 rooms nationwide.

### NHS Open Space performance



The utilisation target for the Primary Care and Community portfolio, as set out in the Government Property Strategy 2022-30, is to reduce the percentage of void space by over 20% since the baseline measurement. Good progress has been made in the last year with both NHS Property Services and Community Health Partnerships reducing void space by nearly 4,500 m<sup>2</sup>.

The information below shows the levels of void space at baseline, and the new reduced levels of void space for this year.



### NHS Trust Hospitals (Secondary Care)

The secondary care (acute) portfolio is held by 212 NHS Hospital Trusts, with 224 General acute hospitals, 157 Specialist and Mixed service hospitals and 247 Community hospitals (with inpatient beds) across 9,761 sites.

This is reported in the annual Estate Return Information Collection (ERIC) which is managed by NHS England on behalf of the trusts. This portfolio also includes hospitals within the NHS Property Services estate previously reported under Primary Care and Community portfolio.

**Figure 7: Secondary Care (acute) portfolio summary**



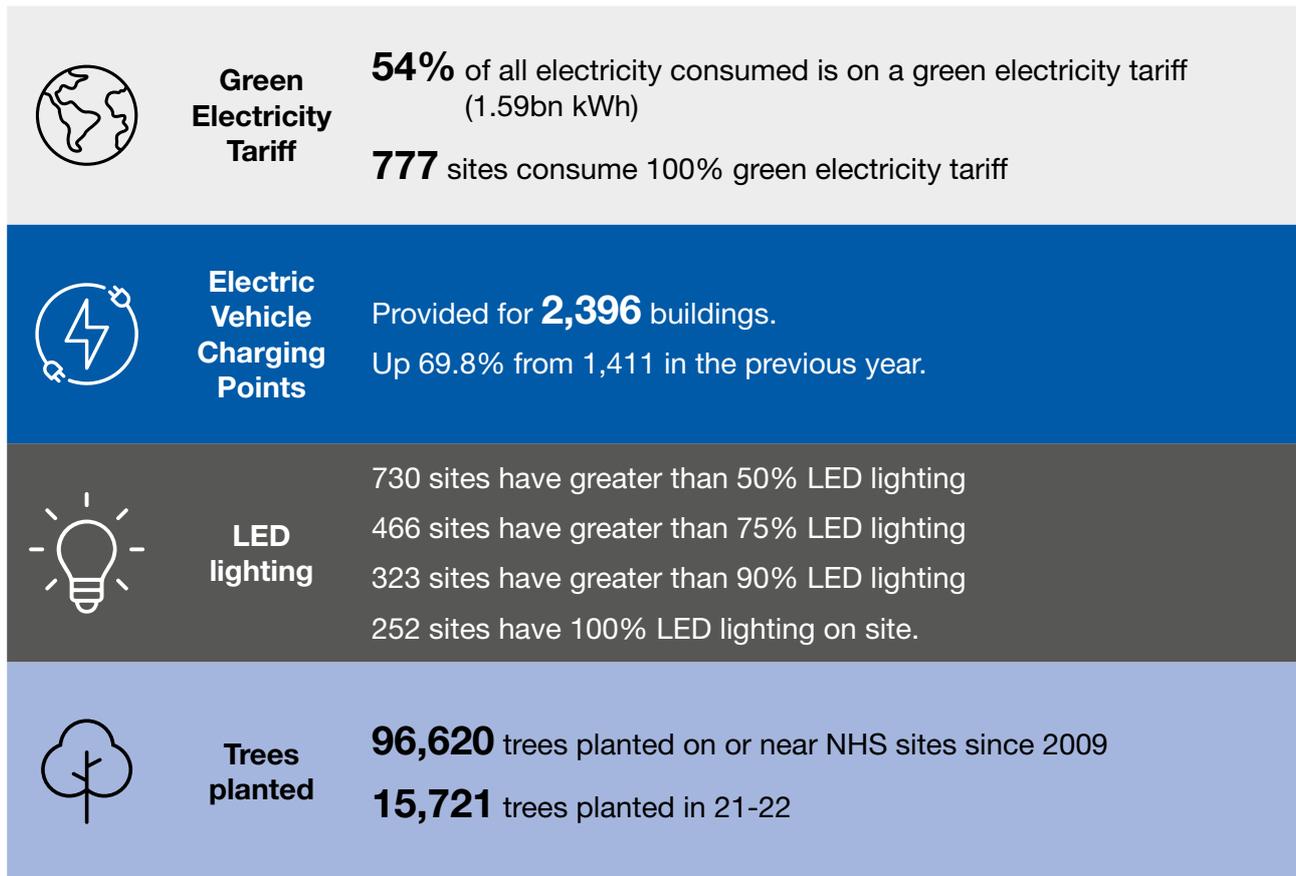
The overall size of the Secondary Care estate has remained consistent with last year with a 3% increase in running cost, in real terms, from the 2020-21 figure of £10.6bn. Running cost increases are due to a variety of factors, including an increase in finance costs (affecting PFI properties which are almost one third of the footprint), inflation and an increase in attendance. The NHS estate saw 24.7m more attendances in 2021-22 compared to 2020-21, increasing soft FM costs as Trusts implemented a focused approach to reducing NHS waiting lists. The number of reported assets has decreased by 5% due to freehold disposals within the estate and leasehold expiries.

A total of 70 plots of land were declared as surplus to requirements<sup>8</sup> (by 47 Trusts and NHS Property Services). The majority of the secondary care disposals came from the NHS Hospital Trusts. They disposed of 57 built assets raising £33.2m and 13 land assets raising £1.5m, and NHS Property Services disposed of one built asset raising the remaining £0.3m.

Sustainability progress in the secondary care portfolio is shown in Figure 8.

<sup>8</sup> Non-sensitive plots only.

**Figure 8: Secondary Care Sustainability Performance**



The new hospital programme comprises eight pre-existing schemes and 40 new hospitals, totaling 48 hospitals. In October 2020, the government named 32 hospitals which will form part of the 40 new hospitals, with a further eight schemes invited to bid for future funding. The first of the new hospitals opened in Carlisle in August 2021.

Case study:

## Northern Centre for Cancer Care in North Cumbria



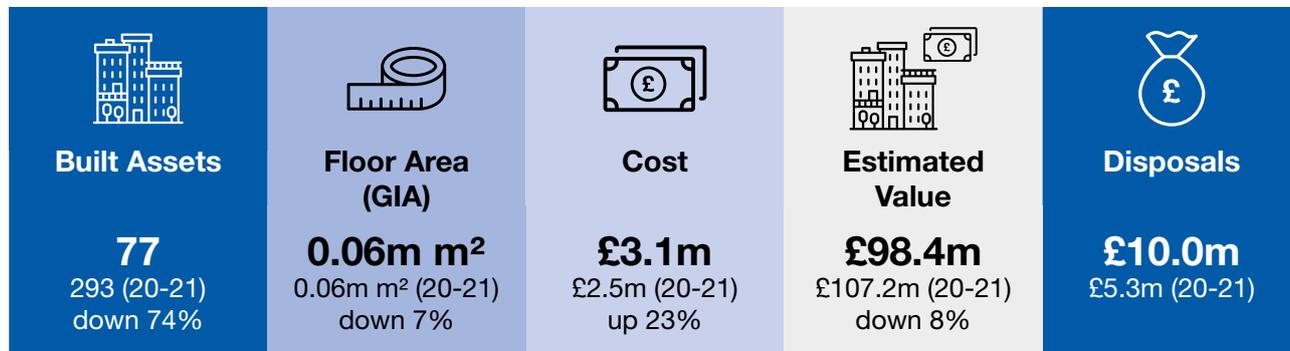
**The first of the 48 sites to be delivered as part of the national New Hospital Programme by 2030 opened in Carlisle in August 2021 on the Cumberland Infirmary site.**

- The Northern Centre for Cancer Care is run in partnership between the Newcastle Upon Tyne Hospitals NHS Foundation Trust and North Cumbria Integrated Care NHS Foundation Trust (NCIC). A £35 million investment, produced a state of the art facility able to see thousands more patients across Cumbria for non-surgical cancer services.
- The hospital brings new, cutting-edge service under one roof in North Cumbria previously spread across three dispersed buildings. The new facilities include a chemotherapy day unit with 15 treatment chairs and three single treatment rooms (an increase from the eight chair capacity pre-renovation), two radiotherapy machines, a CT scanner suite, as well as outpatients, consultation and examination rooms.
- It brings huge benefits to the people of North Cumbria who are now able to receive care closer to home in modern facilities without having to travel to different parts of Cumbria or Newcastle for treatment.

## Residential and Health Care Facilities

This portfolio comprises a range of residential care facilities and health education services. It excludes laboratories and science uses which are included in the Science portfolio, and administrative uses which are included in the Office portfolio.

Figure 9: Residential and Health Care Facilities portfolio summary



The main change within this portfolio relates to the reclassification of pharmacy, retail, garages, parking and other ancillary estate to the Remaining Estate portfolio.

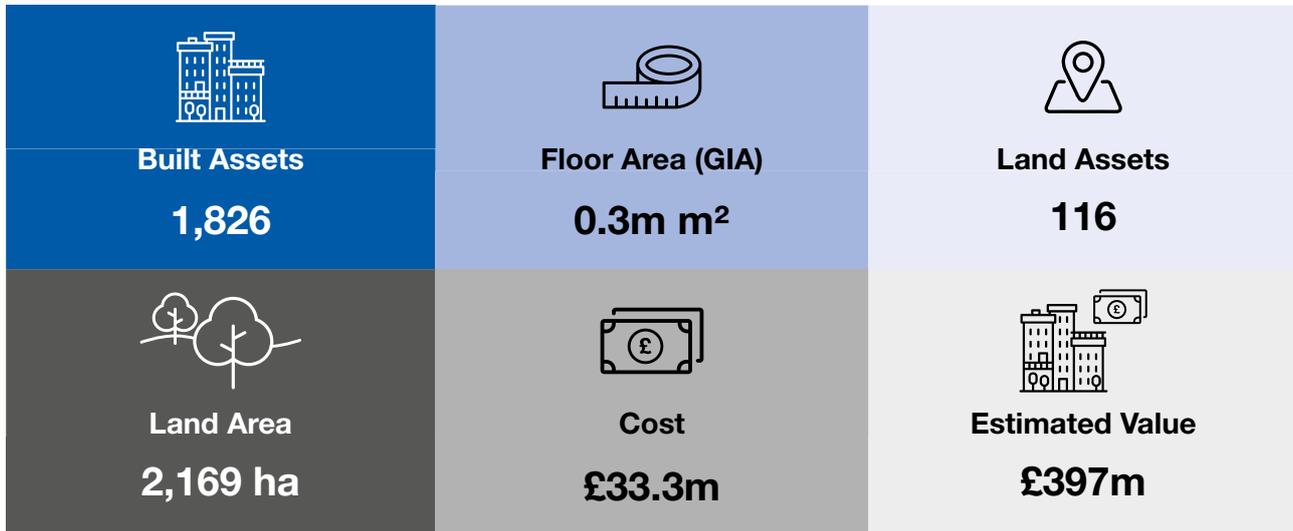
This explains why the number of built assets has significantly decreased (-74%). However the floor area has only reduced by 7% and by 8% for estimated value, indicating that the assets moved are numerous in quantity but small in floor area and value.

The total annual running cost has increased by 23%, in real terms, from the 2020-21 figure of £2.6m, due in part to lease renewal increases for the residential care facilities.

## 1.2.5 Infrastructure portfolio

The infrastructure portfolio is new for the 2021-22 State of the Estate report. The portfolio reflects assets within the estate which are designed to help facilitate other activity, whether inside or outside government. Infrastructure sectors include transport, energy, digital (telecommunications), waste, wastewater and sewage, and flood defences, but responsibility is largely devolved.<sup>9</sup>

Figure 10: Infrastructure portfolio summary



Infrastructure assets are currently being reported from across six government departments to include assets that are predominantly freehold (94%) with a small number of leaseholds (6%).

This portfolio is not exhaustive. For the purposes of this report it is mostly, but not exclusively, transport-related. It includes railway bridges, tunnels, motorway control centres, telephone masts, nuclear licensed sites, electricity sub-stations, boreholes, pumping stations and land for future infrastructure projects. In last year's report, these assets were recorded under either 'Land' or 'Remaining Estate' portfolios. This portfolio excludes infrastructure held by the MOD, as this is reported under the Defence portfolio. Railway tracks and public highways are not included. Airports are not included, as since the British Airport Authority (BAA) was privatised airports are not government owned.

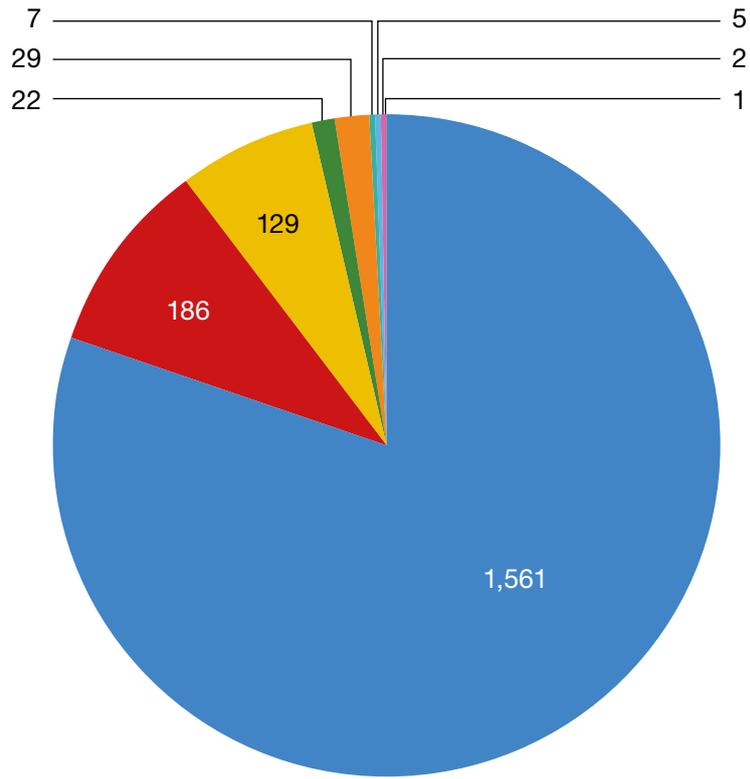
The Department for Transport is ultimately responsible for most of the assets represented in Figure 10, accounting for 89% of the portfolio. High Speed Two (HS2) assets comprise the greater part, with over 1,500 built assets and land assets combined. These account for 46% of the total operating costs.

The National Highways estate, totalling 0.1 million m<sup>2</sup> floor area, consists of motorway service areas and eight regional control centres. Each region manages a programme of repairs and maintenance.

Over 300 of the built assets detailed in this portfolio are telecommunications infrastructure, including telemasts, control cabins and radio towers. The majority are managed by the Home Office and Maritime and Coastguard Agency. Telecommunications assets account for 33% of the total operating costs within this portfolio.

<sup>9</sup> The [National Infrastructure Strategy](#) (p28) explains devolution arrangements, drawing on information from the National Infrastructure Commission.

Figure 11: Infrastructure portfolio breakdown by number of built assets and land assets

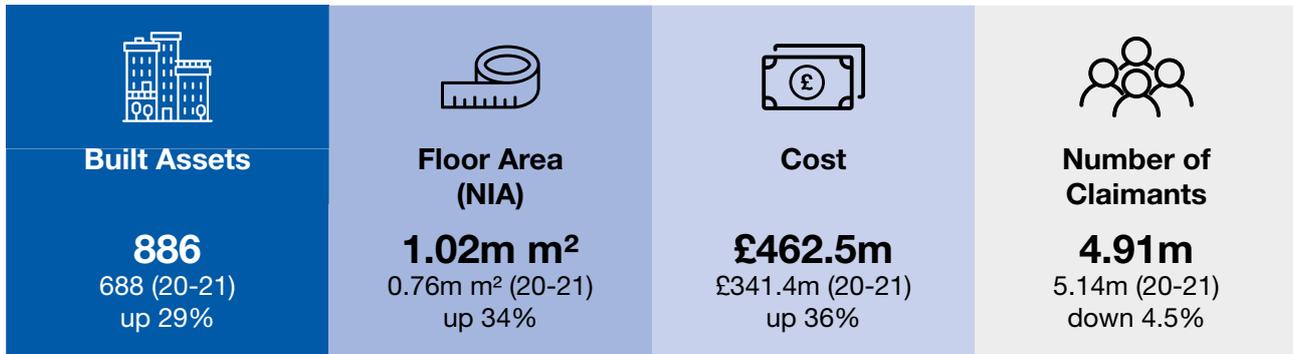


- DfT High Speed 2
- HO Home Office
- DfT Maritime and Coastguard Agency
- BEIS Nuclear Decommissioning Authority
- DfT National Highways
- DHSC NHS Property Services
- DfT Central
- DCMS Department for Digital, Culture, Media and Sport
- CO Government Property Agency

## 1.2.6 Jobcentre portfolio

The Department for Work and Pensions (DWP) is the government's largest public service department, in terms of client numbers. Besides managing the state pension service it also manages Universal Credit across England, Scotland and Wales. It has a geographically dispersed and extensive portfolio of Job Centres with over 800 venues in easily accessible locations, providing front line services to over 5 million people.

Figure 12: Job centre portfolio summary



During the period 2021-22 there were substantial changes in the Job Centre estate. The number of built assets increased by 29% and total floor area by 34%.

Increases in the number of built assets and floor area are almost entirely due to the Rapid Estate Expansion Program (REEP). This was an initiative to support the response to the Covid-19 pandemic. REEP was designed to improve the response to the anticipated large increase in demand for job centre services, as lockdowns were lifted and furlough support was withdrawn. This combined with a requirement for social distancing necessitated large increases in job centre space.

In spite of making these rapid changes, there has been progress towards delivering the Government Property Strategy. The estate made full use of all space in 21-22, with no vacant space available. This increase in the size led to increased running cost of the estate; from £341.4m to over £462m, an increase of 36%. The estate remained wholly leasehold. It improved the overall energy efficiency performance of job centre buildings. The proportion of buildings achieving an EPC rating of A-C (indicating higher energy efficiency) increased from 31% to 44%.

As a result of the easing of pandemic restrictions, the number of claimants served by the expanded jobcentre estate was reduced from those recorded a year previously by 4.5%. DWP are now actively working through the next planning stages in respect of reducing the REEP estate size in line with claimant forecasts.

## Case study: Rapid Estate Expansion Programme



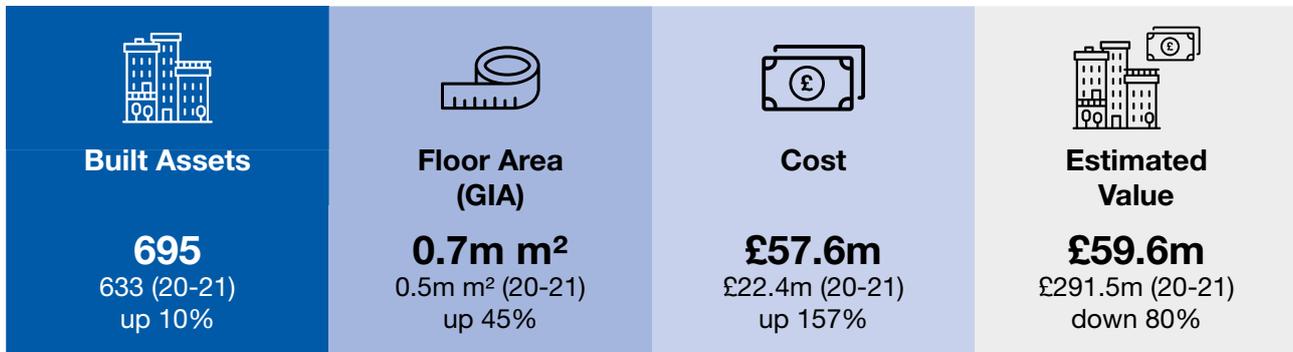
**At the onset of the pandemic the DWP had targeted the addition of 200 sites to the Job Centre estate in order to assist with the anticipated increases in demand for job centre services. This became known as the Rapid Estate Expansion Program (REEP).**

- By the conclusion of the 21-22 financial year DWP had secured 194 of these sites, an increase of more than one hundred sites on the previous year, and the department was then within 3% of its initial target.
- DWP continued its commitment to ensuring that additions to the government estate were as efficient as possible, with regard to both space utilisation and energy efficiency. Of the new sites added in 21-22, sixteen were located in sites already held by the DWP; furthermore, 81% of new acquisitions achieved an EPC rating of A-C, reflecting a strong focus on sustainability.
- Use of suitable existing sites with spare capacity and buildings with strong energy performance has typified the drive to ensure the REEP program is as efficient as possible whilst achieving its goal of quickly providing support to those who need it.

## 1.2.7 Logistics and storage portfolio

Logistics and storage uses encompass a wide variety of asset classes, currently owned by multiple government departments. In the future the Government Property Agency is expected to take on the management of many general purpose storage facilities. This portfolio does not include defence or cultural storage assets.

Figure 13: Logistics and storage portfolio summary



In March 2022 this portfolio occupied 0.7 million m<sup>2</sup>. It comprises storage locations such as warehouses, paper stores and depots, and logistics sites such as Plant Depots, Road Fuel Testing, Inland Border facilities and EU border control sites.

These locations deliver a variety of services to support essential activities alongside more basic uses such as storing equipment which is either in use or needed to satisfy future needs or legislation.

The total floor space figure has increased from last year by 0.2 million m<sup>2</sup>. This is mostly due to increases within the portfolios held by BEIS, DCMS and DHSC.

The Nuclear Decommissioning Authority has expanded the scope of their reporting for this year, reporting additional properties that were not included previously, and this accounts for a 0.1 million m<sup>2</sup> increase. DHSC Supply Chain Coordination Limited and DCMS Core are reporting on assets for the first time in this report and were not included last year.

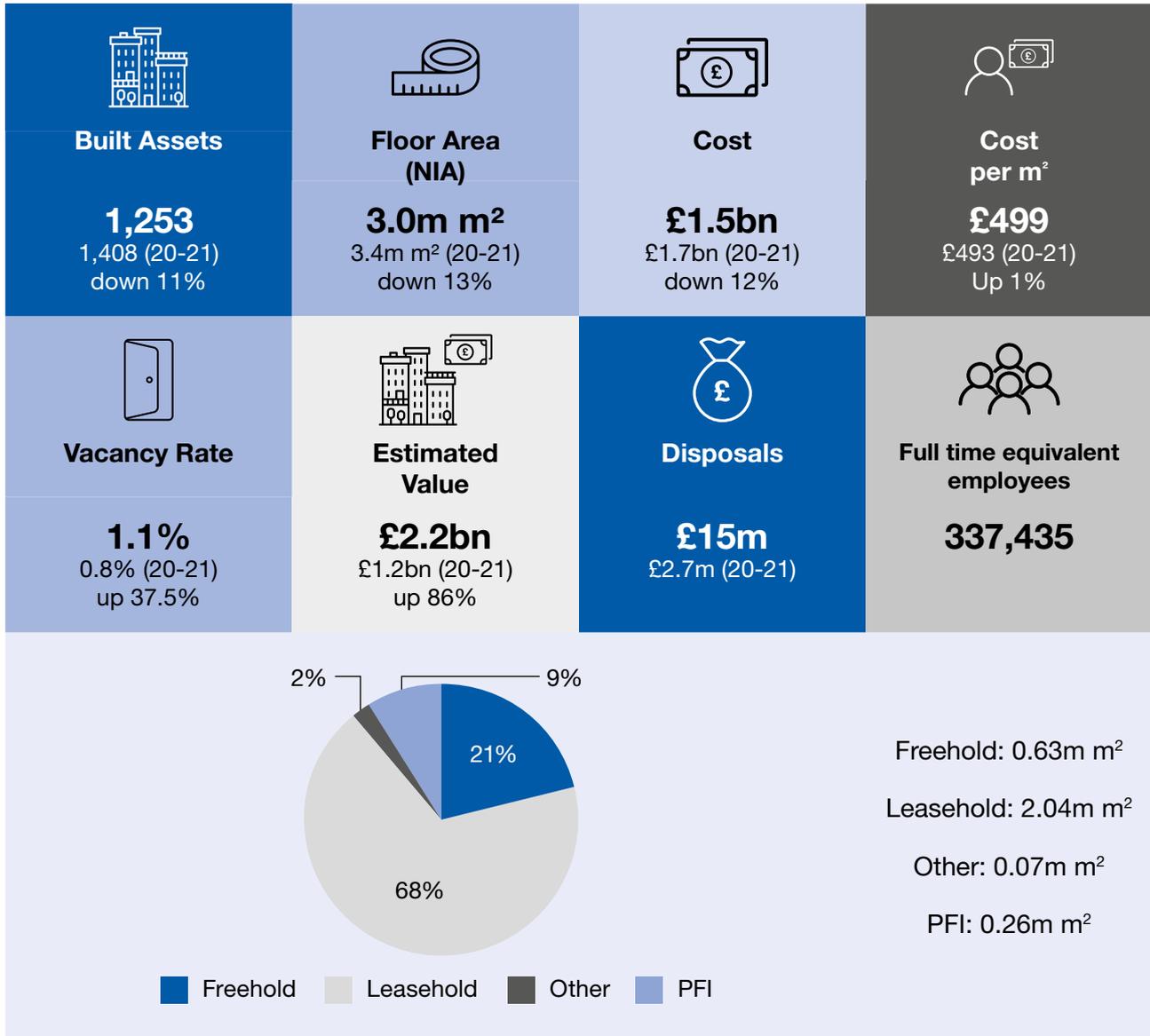
Storage assets are now estimated to be worth under £60 million. This has decreased from £291.5m last year. A large part of this reduction is due to two assets (valued at £209.5m) now being reported in the newly created 'Infrastructure' portfolio in this year's report. These locations are Waterloo International Terminal and the arches beneath.

On this year's adjusted figures, 37% of the estate is held in freehold tenure and 63% occupied by a lease agreement. The reported vacancy rate was low at 0.01%, indicating a high level of utilisation.

## 1.2.8 Office portfolio

Government offices are defined as a building that provides administrative accommodation for government staff. It does not include buildings that have an operational use (e.g. school), are public facing (e.g. job centre), or office accommodation that is ancillary to the primary purpose of that building (e.g. prison).

Figure 14: Office portfolio summary



General purpose offices are increasingly in the hands of the Government Property Agency (GPA), an executive agency of the Cabinet Office. The GPA managed estate is now the largest proportion of the government office portfolio. To provide a holistic assessment of the whole office portfolio, the GPA has led this year on reporting for this portfolio in line with the Government Property Data Standard.

The Office Portfolio is 13% smaller than the previous year. At March 2021 it accommodated over 300k staff in 1,254 properties, and had a value of £2.2bn, with running costs below £1.5bn (a reduction of 12% from the previous year). Notably:

- There were 43 freehold disposals, raising almost £15m to be reinvested into the estate.

- The total estimated value has almost doubled, owing to increased market value (value is typically reviewed every 5 years), inclusion of long leaseholds, and alignment with value quoted in departmental annual reports<sup>10</sup>
- Performance improvements have increased the number of A-C EPC ratings.

### Government Office Portfolio strategy and delivery

The Government Office Portfolio strategy is shaped by the Government Property Strategy<sup>11</sup>, the Levelling Up White Paper<sup>12</sup>, the Places for Growth Programme<sup>13</sup>, and the Government's Net Zero Strategy<sup>14</sup>. In addition, the aim is to improve condition and effectiveness of asset management through enhanced data systems, analysis and decision making.

The Government Property Agency leads on transforming the way the Civil Service works by creating shared, flexible, sustainable modern offices and implementing integrated digital solutions. Better, interoperable offices deliver significant savings and increased productivity. Wellbeing is supported at the same time. The GPA collaborates with departments to set their property strategies and achieve improvement.

The Government Workplace Design Guide has been refined to respond to the post-pandemic return to the office, providing additional space for collaboration and recognising average attendance will be lower. Designs previously based on 66% attendance rate at any time in the office are now based on 50% post-covid. The Design Guide provides a variety of work settings promoting cross-government collaboration and helping civil servants to work productively in our offices.

The GPA is reviewing property condition classifications in its buildings to invest in lifecycle replacement. In the buildings it manages, 42% now have a Condition Classification of A or B. In the overall Government Office Portfolio this is reported by Departments as 69%.

Net Zero is a target for the whole Government Office Portfolio, for delivery by 2050. GPA leads and supports government departments by installing LED lighting, PV installations, HVAC upgrades and smart meters. EPC assessments are continuing, and of the buildings that require an EPC and have been assessed 47% now have a rating between A-C. Plans are being developed to improve or dispose of those with a lower rating.

Locational aspects of the government strategy for offices are illustrated by reports on Hubs and Regional Offices, contrasted with the Whitehall Campus, and three case studies, from Glasgow, Birmingham and Leeds, show trends in large office facilities.

<sup>10</sup> Accounting standard IFRS16 includes the value of leaseholds

<sup>11</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1100869/Government\\_Property\\_Strategy\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1100869/Government_Property_Strategy_2_.pdf)

<sup>12</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1052706/Levelling\\_Up\\_WP\\_HRES.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Levelling_Up_WP_HRES.pdf)

<sup>13</sup> <https://civilservice.blog.gov.uk/2018/08/30/the-places-for-growth-programme-driving-growth-across-the-uk/>

<sup>14</sup> <https://www.gov.uk/government/publications/net-zero-strategy>

### Hubs and Regional Offices

A Government Hub is a large, high-quality, serviced office building with shared amenities, modern workplace design and consistent technology which enables a seamlessly shared and productive working environment for multiple departments. Government Hubs will typically be designed to support more than 1,000 FTE.

The government has adopted a “regional campus” model creating a network of government offices in each region. This approach presents opportunities to reduce the footprint of the overall office estate and enhance collaborative working. The Civil Service will be better represented in the regions, linked into wider communities and education establishments, and drawing from a broader pool of skills and talent. This is in line with the Declaration on Government Reform and the Places for Growth initiative to move roles from London and the South East into the regions.

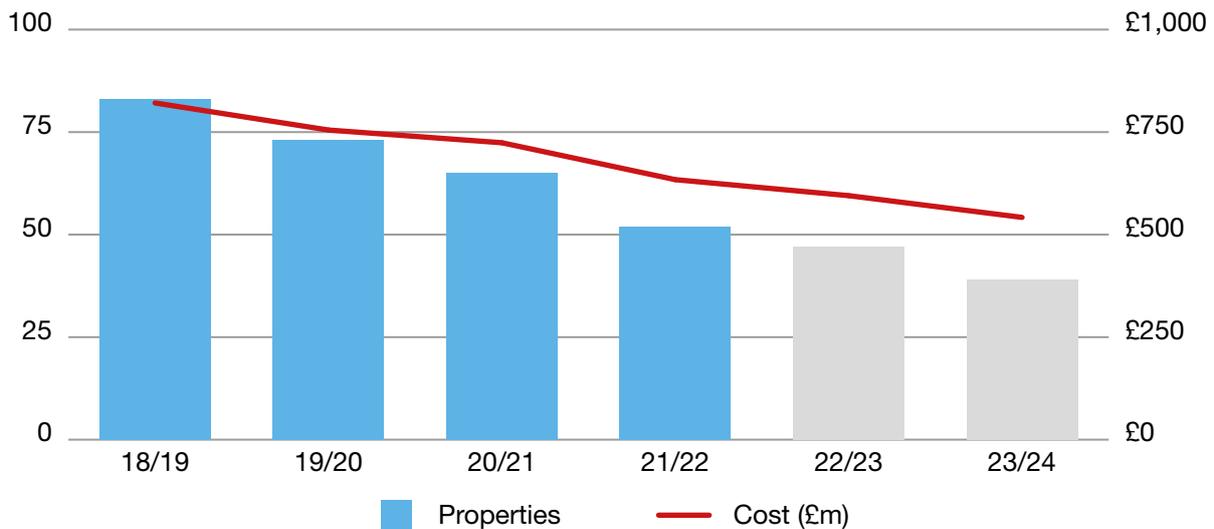
Hubs are located in all four nations of the United Kingdom, providing a network of modern, digitally enabled, shared workspaces for the UK Civil Service. There are now 15 hubs in operation, and the network will continue to grow with three further hubs currently under construction.

### Whitehall Campus

The Whitehall Campus Programme supports the Places for Growth initiative to increase the numbers of civil servants in regional locations by reducing the numbers in London.

The programme is consolidating the Government’s offices in Central London, now going beyond a recent commitment of “no more than 20 core buildings<sup>15</sup>” and aiming at 17 buildings, to accommodate a maximum of 40,000 civil servants by 2030.

In 2021-22, a further 13 buildings were closed, generating an annual saving of almost £90m<sup>16</sup>. The average office space per person in Central London (TfL Zone 1) is 6.8m<sup>2</sup>/FTE at an annual cost of c. £9,100. This is a strong performance exceeding pre-covid expectations – of 6m<sup>2</sup>/FTE for refurbished buildings and 8m<sup>2</sup>/FTE for existing non-hub estate – and in preparation to meet the 6m<sup>2</sup>/FTE in all government offices by 2030<sup>17</sup>.



15 2018 Government Estate Strategy

16 Civil estate running costs

17 This will be kept under review as we understand more about utilisation post covid.

## Case study: 23 Stephenson Street, Birmingham



**The 23 Stephenson Street hub project, delivered by the Government Property Agency, resulted in the relocation of over 1,700 civil servants to refurbished office accommodation within the city centre of Birmingham.**

- The 10,400 m<sup>2</sup> of Category A space houses 21 different government departments and resulted in exits from eight buildings. It has been designed using smarter working principles and provides a mixture of work-space settings to enable cross-departmental communications.
- Its location promotes green travel through local public transport networks and is designed to be accessible, inclusive, and sustainable while providing interoperable spaces for multiple skills and uses.
- Community spirit within the building, across departments and with neighbours and local charities, is an integral part of the investment model. Results from a recent survey show that users are impressed, saying that the building is modern, collaborative and a great place to work.

## Case study: Space Optimisation, HMRC



**Changes to HMRC's working practices following the pandemic reduced its estate requirement. So, HMRC's Business Partnering team worked to optimise the space in its Phase 1 Government hubs into usable blocks that could be let to other departments.**

- Working in partnership with the Government Property Agency and Cabinet Office Places for Growth team it was able to identify and release accommodation to other departments while retaining flexible design principles which help to ensure the hubs provide great places to work.
- This has enabled HMRC to let 44,000 m<sup>2</sup> of space (increasing to 45,000 m<sup>2</sup> by September 2022) accommodating 10,000 full time equivalent colleagues from 38 government departments
- It has also helped to optimise the civil estate; preventing the need for the government to lease additional space; avoiding reputational damage and supporting the Government's Places for Growth ambitions, for example, by facilitating Cabinet Office's second HQ in Glasgow.

## 1.2.9 Overseas portfolio

The overseas estate portfolio is a new section in the State of the Estate report and comprises civilian properties held by HM Government overseas. There is no comparison data from previous years.

The properties in this portfolio are defined as any occupied asset located outside the UK coastline, except defence assets which are included in the Defence portfolio.

Figure 15: Overseas portfolio summary



The government's overseas estate spans around 180 countries, varying from time to time depending on foreign, trade, borders and other policy commitments. Almost all (99%) of the floor area is managed by the Foreign, Commonwealth and Development Office (FCDO), with 6,320 assets. Other departments, especially the Department for International Trade (DIT) have offices or personnel within British Embassies and other overseas premises. The departments for Business, Energy and Industrial Strategy (BEIS), Digital, Culture, Media and Sport (DCMS), and the Home Office (HO) make up the remaining 1%.

FCDO assets also make up 99% of the overseas running costs which include embassies, offices and residential premises. Overseas running costs are paid in both GBP and local currencies, therefore some are subject to fluctuation based on the exchange rate at the time of reporting.

About one third (32%) of the total overseas floor area is occupied under freehold tenure and two-thirds (66%) under leasehold agreements. The small remaining percentage is occupied via PFI or other arrangements.

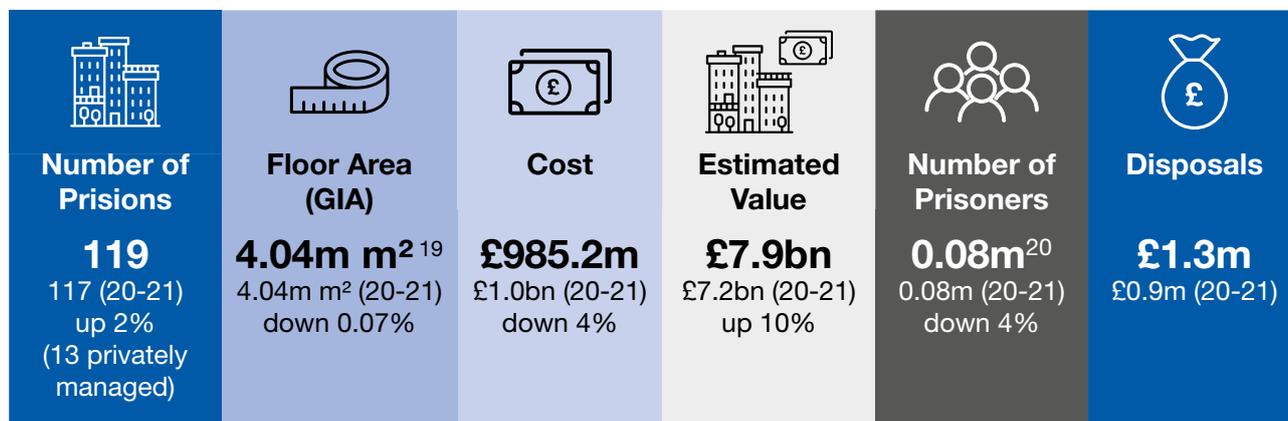
Standards and policy for some aspects of property management in the overseas estate vary from UK jurisdiction but others including environmental aspects (such as Net Zero) or health and safety are applicable<sup>18</sup>.

<sup>18</sup> The Government Functional Standard GovS 004, Property refers at 4.8.2

## 1.2.10 Prison portfolio

In England and Wales, the prison portfolio is managed by the MoJ Property Directorate on behalf of His Majesty's Prison and Probation Service (HMPPS). Within this portfolio, there are over 100 prisons, housing approximately 80,000 prisoners, managed by over 22,000 prison officers.

Figure 16: Prison portfolio summary



The prison portfolio, including prison officers' quarters and land 'outside the wire' comprises 65% of the MoJ estate by floor area. The built portfolio is almost exclusively freehold with the most notable exception being HMP Dartmoor at 33,559 m<sup>2</sup> (GIA) which is leased from the Duchy of Cornwall.

During 2021-22 the number of prisons increased from 117 to 119, this was due to the re-purposing of the Morton Hall (Lincoln) site from an immigration removal centre (IRC) to a prison in December 2021, and the opening of the new HMP Five Wells (Wellingborough) prison.

There were four reported disposals generating £1.25m in disposal proceeds. These related to the sale of surplus prison officers' quarters and a clawback arrangement to receive a share in the development value of the former HMP Finnermore Wood site.

The total estimated value of the prison estate increased from £7.2bn to £7.9bn (10%) and this was primarily a result of the opening of the new HMP Five Wells facility. The valuations provided are on a DRC basis (depreciated replacement cost).

The opening of HMP Five Wells, the first of six new prisons to be completed, is a major milestone in the government's commitment to create 20,000 modern, innovative prison places by the mid-2020s. Construction at Glen Parva, HMP Fosse Way, Leicestershire is well underway and is set to open in 2023.

A third new prison will be built next to HMP Full Sutton, East Yorkshire, construction work beginning in autumn 2022. Locations are being identified for a further three new prisons across the country. Of the four final builds, one will be run by HMPPS and three by private operators.

Together, this £4 billion investment will create thousands of jobs for local communities and see millions invested in local roads and infrastructure, while rehabilitating thousands of offenders, keeping the public safe.

<sup>19</sup> Incorrectly reported as 5.6m m<sup>2</sup> last year (as reported in a Correction Notice)

<sup>20</sup> Incorrectly reported as 0.8m last year (as reported in a Correction Notice)

## Case study: HMP Five Wells



**HMP Five Wells is the first in a series of projects delivering new prison places and marks the latest development in the Government's plans to expand the prison estate with modern facilities that boost rehabilitation and cut reoffending.**

- The award-winning construction project was delivered using Modern Methods of Construction (MMC), this included utilising the 'Design for Manufacture and Assembly' (DfMA) approach. This enabled approximately 80% of the design to be standardised, meaning that components designed for HMP Five Wells can be used on future MoJ prison projects, eliminating future design costs and ultimately delivering long term savings for the Exchequer.
- The use of MMC enabled the project to be built 22% faster than by using traditional methods of construction, exceeding environmental targets. It has been designed to BREEAM Excellent standard and will generate 8,658 kWh of renewable energy per annum via Solar PV panels.
- The new design supports better outcomes by housing men in smaller communities, with a majority in a single person cell. Prison workshops and education facilities mean that prisoners will always have purposeful activity, and the visiting hall is more family friendly to allow prisoners to better maintain their relationships with family and friends whilst in prison.

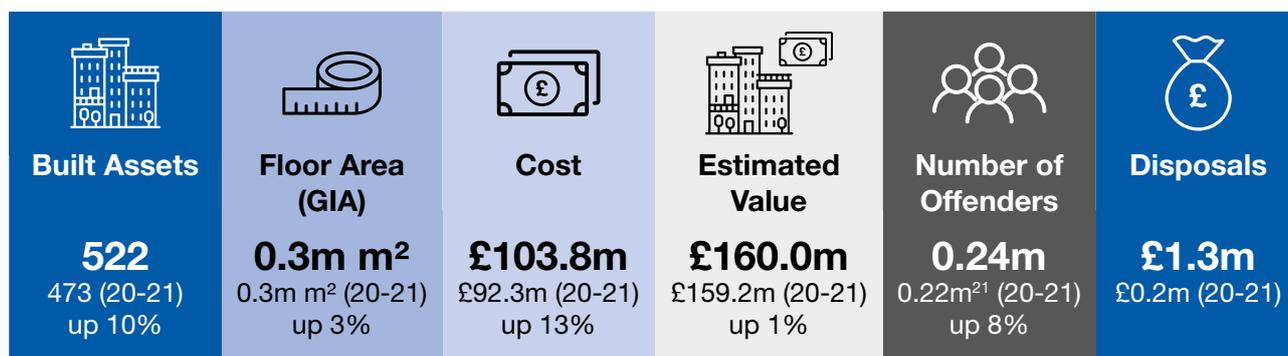


*(After – aerial photo at Completion)*

## 1.2.11 Probation portfolio

The probation portfolio is managed by the MoJ Property Directorate on behalf of the Probation Service; a statutory criminal justice service that supervises offenders released into the community, while protecting the public. The Probation Service is based in local communities across England and Wales and the portfolio comprises contact centres and approved premises, providing operational space and a working base for probation staff. There are over 240,000 offenders supported by the probation estate and services.

Figure 17: Probation portfolio summary



Probation contact centres support people so they can report to their probation officer, attend training activities and have family visits to assist in the reduction of reoffending. The portfolio also contains Approved Premises, which are residential units in the community to house and closely monitor offenders.

Just over a third of the combined estate is freehold with the remainder being held on leasehold or other licence agreements.

The Probation Service has undergone significant change with the delivery of The Probation Reform Programme (PRP), which was completed during 2021-22. Offender Management has been transferred from the privatised probation services (the Community Rehabilitation Companies) into the Probation Service under a new Unified Model. As a result, a number of CRC properties were added into the Probation portfolio during 2021-22, and the estate has increased in size by over 9,000m<sup>2</sup>. Running costs therefore increased as a result of incorporating the additional properties to £103.8m (an increase of 13% after adjusting for inflation).

The Unified Model presented an important opportunity to bring back together a now diverse and mixed NPS and CRC offender contact estate under MoJ Estates control, and to look strategically at how this supports a single unified system.

21 The number of offenders has been adjusted to 0.22m from 0.26m due to data error.

A four-year estates strategy with allocated funding of £131m was developed to provide a platform for the unification process which put Estates Modernisation as a key deliverable of the overall programme to:

- Provide a modern, smarter working environment, increasing staff attraction and retention levels
- Deliver an overall smaller probation estate but with better buildings and environments to support local communities, while meeting the requirements of the probation estates design guide.
- Deliver better value for money
- Allow the Probation Service to work towards environmental sustainability and equality compliance

As part of the strategy, work undertaken by the Estates workstream during 2021-22 included:

- £5m of backlog maintenance delivered to redress years of under-funding
- £37.5m worth of investment signed off and work started in April to modernise the estate
- Identified 36 Smarter Working Projects to be delivered with work initiated in April

The Approved Premises Expansion Programme (APEX) was established to increase the AP capacity by over 200 places by 2024. This will better meet demand for AP bed spaces to support the management of men and women presenting a high risk and with complex needs who reside in these facilities.

The Programme will address the maintenance backlog that has built up across the estate and will also deliver improved regional equality of access and improved equality of access for both men and women. As of July 2021, the Probation Service has delivered 82 additional bed spaces and will reach 100 during 2022.

## Case study: Pure Earl House, Wolverhampton



**The National Probation Service had two large properties in Wolverhampton. One a dilapidated NPS freehold, the other a Community Rehabilitation Company leasehold with a rent of £177k per annum.**

- The Probation design guide determines the look and feel of new and refurbished probation properties. It establishes a professional corporate design that was applied to the freehold property, creating a scheme that allowed them to exit the leasehold. Of particular importance was creating a welcoming and open space that would support positive experiences for people on probation from the moment they arrive.
- All staff from both buildings can be accommodated in an inclusive and accessible environment, which keeps people safe and promotes staff wellbeing. In addition, the Probation Service has created a Justice Satellite Office within the property which acts as an enabler to allow the Ministry of Justice to recruit HQ staff on a national basis and reduce its reliance on an expensive London estate.
- Each of the meeting rooms in the property is on the cross-MoJ room booking system. As part of project closure the building is being 3D scanned and internal 360-degree photography undertaken to assist with future asset management activity.



*Reception area*



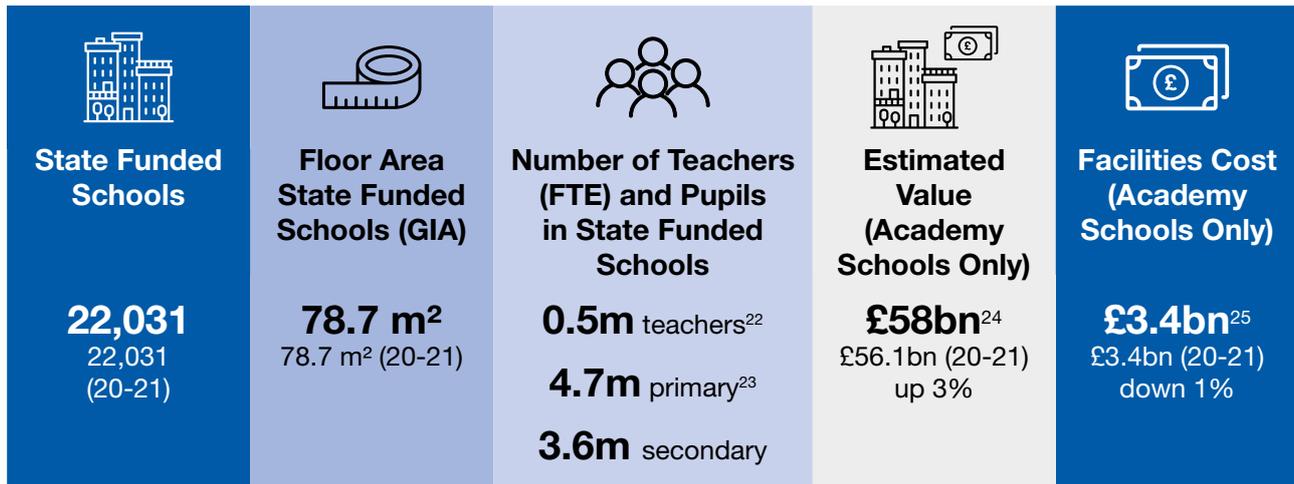
*Office space*

## 1.2.12 School portfolio

The school portfolio consists of state funded primary schools, secondary schools, and sixth form colleges. These can include academies, nurseries, specialist or alternative provisions. The Department for Education (DfE) provides funding for maintenance and improvement of the condition of school buildings and surrounding grounds in England.

The school portfolio comprises approximately half the total floorspace recorded as the government estate for this report. Only schools located in England are included in this analysis.

Figure 18: Schools portfolio summary (England)



The figures provided above for the number of State Funded Schools and Total Floor Area of State Funded Schools (m<sup>2</sup>) are based on DfE's Condition Data Collection (CDC) programme. CDC 1 ran from early 2017 until Autumn 2019. CDC 2 is in progress and runs from 2021 until 2026. CDC 2 involves visiting every government-funded school and further education college in England. Until its conclusion, an updated number of schools will not be available to include in this report which is why there is no change.

There has been a small decrease of 1% in facility costs and a 3% increase in estimated value within the academies sector. This occurred due to changes in the schools estate which are reflected in real time through the costs incurred. They are not yet represented by the figures used from CDC 1. These financial figures are published annually by DfE in the Academy Schools Sector in England Consolidated Annual Report and Accounts which provide an annual picture of the estate.

The Department for Education expects academy trusts and other bodies to manage their school estate and maintain a safe working condition as set out in the Academy Trust Handbook 2021. Governing bodies must ensure they achieve value for money. The Condition Improvement Fund 2021 to 2022 will provide £483m across 1,199 academies, sixth-form colleges and voluntary aided schools. The annual allocation of funds to maintain school buildings was £1.8 billion which is designated to ensure that the condition of school buildings doesn't prevent a child from achieving their potential. The School Rebuilding Programme will include projects to refurbish, replace or rebuild schools.<sup>26</sup>

22 <https://explore-education-statistics.service.gov.uk/find-statistics/school-workforce-in-england>

23 <https://explore-education-statistics.service.gov.uk/find-statistics/school-pupils-and-their-characteristics>

24 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1041568/Academy\\_schools\\_sector\\_in\\_England\\_consolidated\\_annual\\_report\\_and\\_accounts\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041568/Academy_schools_sector_in_England_consolidated_annual_report_and_accounts_.pdf)

25 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1041568/Academy\\_schools\\_sector\\_in\\_England\\_consolidated\\_annual\\_report\\_and\\_accounts\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041568/Academy_schools_sector_in_England_consolidated_annual_report_and_accounts_.pdf)

26 <https://www.gov.uk/government/news/18-billion-to-keep-schools-in-top-condition>

## Case study: **GenZero – Designed with Nature**



**The Department for Education (DfE), supported by Innovate UK, partnered with construction innovators to deliver GenZero – a research project to deliver a new ultra-low carbon building standard for schools. It is a major research project creating a new generation prototype for secondary schools.**

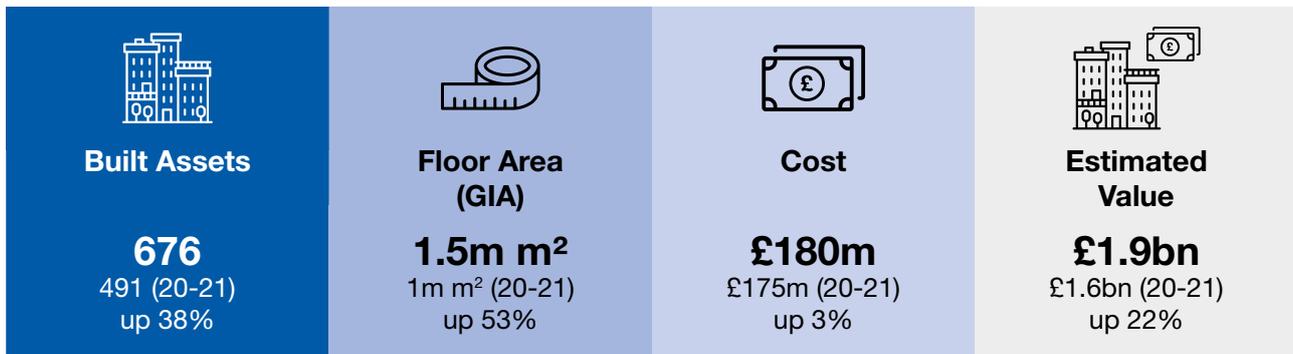
- The research will deliver designs that will enable off-site construction and meet ultra-low carbon targets. This will be a new Platform for buildings manufactured in a factory setting.
- UK-sourced, cross-laminated timber provides the main construction material for the GenZero school design. It is a fully natural, renewable resource which is long lasting and carbon capturing. The project uses 35% less timber than a typical mass timber school and it is robust, looks good over a long period and has a proven benefit to health and wellbeing.
- These school buildings have a timber envelope; simple cladding which can withstand UK weather conditions and allows, along with opening windows and acoustic attenuators, for cross flow natural ventilation. Windows are recessed and trees are planted nearby to provide shade, while timber ribs provide visual contrast and shed water into the rain gardens below. A sustainable urban drainage system reduces surface water flooding.

## 1.2.13 Science portfolio

The science portfolio encompasses laboratories, specialist science sites and research facilities. Scientific research is crucial for the economic success of the country and this portfolio plays a vital role.

Government owns 71% of the floor area freehold, with 25% occupied via lease agreements. Defence Science properties are included in the Defence portfolio.

Figure 19: Science portfolio summary (civilian)



The non-military science portfolio is predominantly held by three government departments having 88% of the total floor area. These are BEIS, Defra and DHSC.

BEIS manages 51% of the portfolio, with UK Research and Innovation (UKRI) being responsible for 81% of this estate, serving the seven Research Councils, Innovate UK and Research England.

The overall size of this portfolio shows an increase of 521,000 m<sup>2</sup>, mostly from a change in the scope of properties which have been reported on rather than actual changes in the overall estate. For the first time the data includes minor and sub-let occupations, also additional assets such as small scale structures, plant and ancillary structures have been added. There has been greater consistency in the measuring standard used to capture the estate size.

Defra has increased floor area through investment in critical national infrastructure, aiming to remain a world leader in scientific research.

The aggregate data includes reductions made by UK Atomic Energy Authority of 26,000 m<sup>2</sup> and the Health and Safety Executive of 8,500 m<sup>2</sup>.

The running costs have remained at a similar level to the previous year, showing a 3% increase, despite the larger increases in the reported floor area. This is due to a number of factors. Big reductions reported by the Met Office and DfT Central in running costs of over 70% each amounted to £10.8 million for this portfolio. This figure is offset in the overall numbers by big increases for UKRI and UKAEA which combined to a total of £12.8 million. UKRI included the costs associated with running a supercomputer for the first time and UKAEA reported an error in the previous year's return, so while they saw a real term decrease in costs, this report shows a large increase.

## Case study: **UKRI National Quantum Computing Centre**



*National Quantum Computing Centre, Source: UK Research and Innovation*

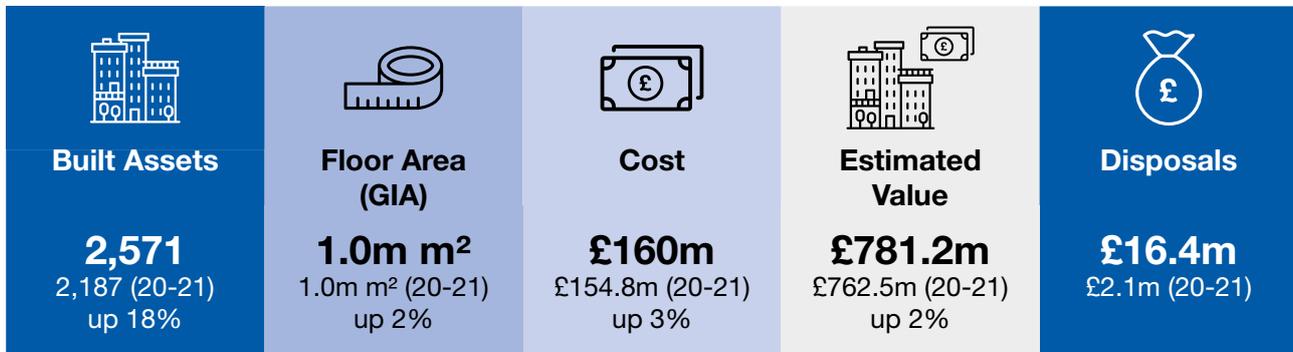
**Construction of the facility for the £93 million National Quantum Computing Centre is under way at the Harwell Campus in Oxfordshire. The facility is UK Research and Innovation's (UKRI) first national centre and will support the commercialisation of quantum computing in the UK.**

- Sustainability has been central to the design of the centre, in line with UKRI's sustainability strategy. The building design maximises energy efficiency features, integrating low carbon energy by air source heat pumps and photovoltaic panels, while minimising energy use and CO<sub>2</sub> emissions with highly efficient building materials.
- UKRI will recycle all development construction waste and achieve a BREEAM sustainability rating of 'Excellent'.
- On completion, the National Quantum Computing Centre will achieve a 40% minimum reduction in regulated CO<sub>2</sub> emissions on-site through renewable and low carbon sources. The building will also incorporate heat recovery from the computer server rooms, in order to heat the building's hot water and the office space in the winter.

## 1.2.14 Remaining estate portfolio

The remaining estate covers a wide variety of asset types including ancillary uses for the operational estate, conference/training facilities and industrial buildings. This portfolio also includes organisations with difficult to disaggregate data e.g. small organisations with a diverse portfolio of operational and multi-purpose assets like the British Transport Police.

Figure 20: Remaining estate portfolio summary



In 2021-22 the overall floor area of this portfolio saw a small increase of 2% due to the inclusion of assets from NHS Property Services that were previously reported under Health residential care facilities. Some organisations have improved their reporting methods and have significantly reduced or completely removed the number of assets which fall into this portfolio e.g. National Highways have moved their eight regional control centres into the Infrastructure portfolio accounting for 0.1m m<sup>2</sup>.

Total running costs for 2021-22 were £160m, representing a 3% increase in real terms from £156.9m. There has been a 2% increase in the estimated value of the remaining estate portfolio. The increase in value can be attributed to a number of organisations (UKRI and FCDO) re-evaluating their estate. As well, the Maritime and Coastguard Agency (MCA) has been able to supply data on their 300+ unmanned sites for the first time.

The distribution of tenure type across the portfolio has remained consistent for leaseholds (0.3 million m<sup>2</sup>) and other (0.2 million m<sup>2</sup>), with a small decrease in freehold assets from 0.8 million m<sup>2</sup> to 0.6 million m<sup>2</sup>.

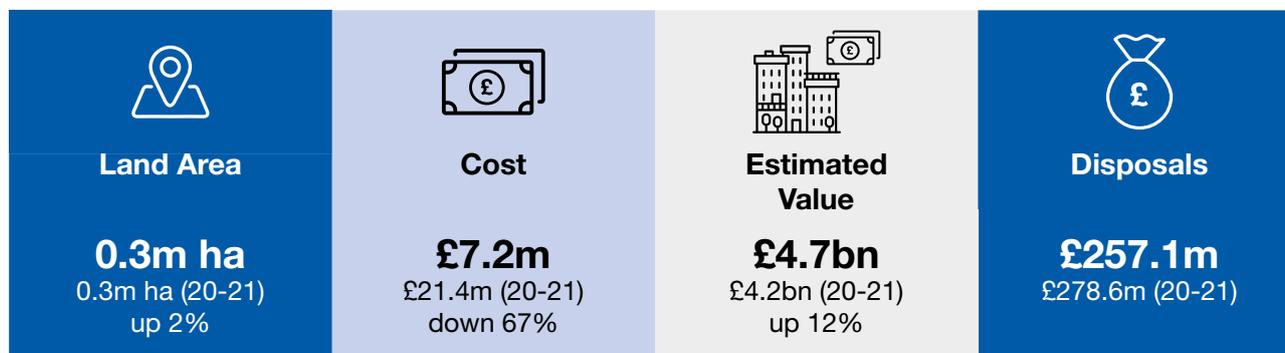
21 assets have been disposed of in 2021-22 by nine government organisations raising £16.4m. The Driver and Vehicle Standards Agency (DVSA) received £14.2m from the sale of five driving test centres and goods vehicle testing stations, releasing just under 10,000 m<sup>2</sup> of space from the government estate.

Approximately 11,000 m<sup>2</sup> surplus space has been reported from across four organisations. Accounting for 86% of this total is the DVSA, who are in the process of selling freehold assets and exiting lease agreements for buildings they no longer require to make their estate smaller and more efficient.

## 1.2.15 Land portfolio

The government estate includes land that is not directly associated with buildings and is used for a wide variety of different purposes from coach and lorry parking, to forests, to land surrounding prisons. This is in addition to the military estate which is reported under the Defence portfolio.

Figure 21: Land portfolio summary (excluding military estate)



This portfolio has undergone significant changes since last year's report, with the reclassification of High Speed 2's railway and land assets to the Infrastructure portfolio and National Highways moving their historic rail estate to the Remaining Estate portfolio. In addition, a number of organisations are able to provide a more comprehensive breakdown of their estate this year and have included land assets for the first time that were reported elsewhere previously.

Examples of these organisations include the Ministry of Justice, Coal Authority and the Driver and Vehicle Standards Agency. An updated overview of the government departments with land estate is shown in Figure 21.

The four largest land holders in England (excluding MOD) are the same as last year: Forestry Commission<sup>27</sup> holds over 250,000 ha; Network Rail holds 56,750 ha; Defra holds 17,600 ha; and Homes England holds 7,200 ha.

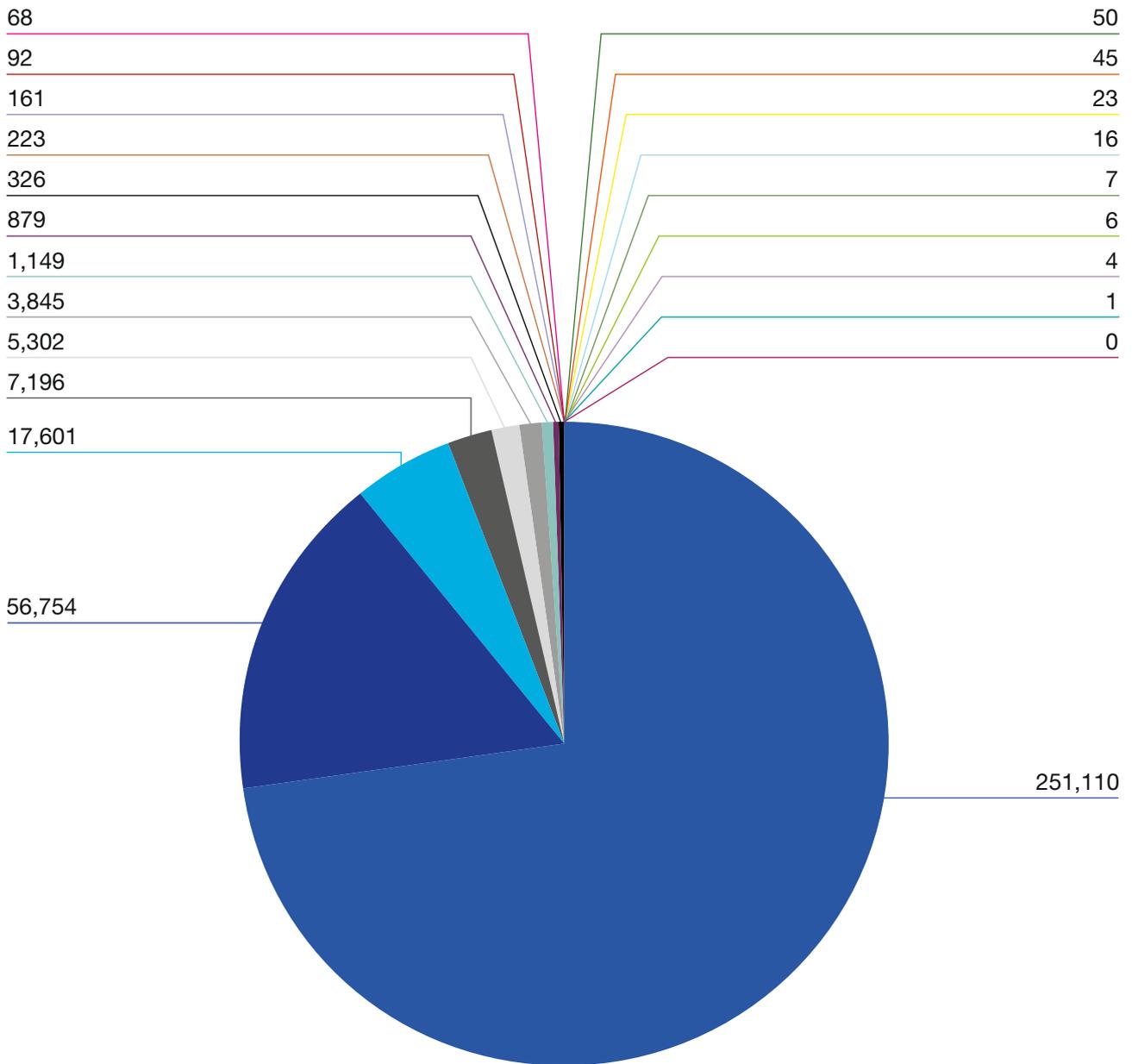
There has been a 12% increase in the value of the land estate during the most recent reporting period. Homes England asset valuation has increased by 11% since last year. Homes England dispose and procure land throughout the year, which will impact the estimated value year-on-year. The Forestry Commission's asset valuation increased by 9% due to year-on-year increases in land value. The Met Office and UK Research and Innovation completed an extensive re-valuation of their entire estate as part of their quinquennial plan.

The running costs associated with the land estate have decreased significantly (-67%), largely due to the transfer of the HS2 estate and the Home Office's telecoms assets to the Infrastructure portfolio. However, when we compare year-on-year with the organisations who were in both last year's and this year's portfolio, the revised cost decrease is 19%. In contrast, there has been a large increase in costs in the Defra Group estate due to the recent acquisition of the Dover Border Control Post where checks on items such as food – meat and dairy products, animal feed and plant products – will take place.

There were 128 land disposals in 2021-22 from seven government organisations raising £257.1m. The majority of these land disposals were made by Homes England, who disposed of 104 land assets, accounting for approximately 515 ha. The land sold by Homes England is primarily used to unlock development opportunities for housing construction.

<sup>27</sup> Figure for the area managed by Forest England. The national forest estate managed by Forestry and Land Scotland covering 6,400 km<sup>2</sup> is not included.

Figure 22: Land portfolio breakdown by area (ha)



- Defra Forestry Commission
- DfT Network Rail
- Defra Group
- DLUHC Homes England
- MoJ Ministry of Justice
- BEIS Nuclear Decommissioning Authority
- BEIS Coal Authority
- DfT National Highways
- BEIS UK Atomic Energy Authority
- DWP Health and Safety Executive
- DfT Driver and Vehicle Standards Agency
- DfE Construction Industry Training Board
- DCMS Office of Communications
- BEIS UK Research and Innovation
- BEIS Met Office
- BEIS National Physical Laboratory
- DCMS Sport England
- FCDO Foreign, Commonwealth and Development Office
- DCMS Royal Armouries
- DHSC Retained Estate
- HO Home Office
- DHSC NHS Blood and Transplant

## Case study: New woodland in Pleasant Forest, Kent



**Pleasant Forest is a 118 ha woodland being created by Forestry England on a former arable farm. The site is one of many new woodlands across the country being planned and planted by Forestry England.**

- As the woodland grows and develops, a variety of habitats will support a range of wildlife. A mosaic of diverse shrub and nectar-rich grassland corridors will provide a habitat network for declining species of migrant birds, invertebrates and reptiles.
- Wildflower areas will be created along with 10 new ponds and a network of small shrubs and hedgerows, encouraging local populations of great-crested newts and dormice to grow. The site will also produce a sustainable supply of timber and encourage community engagement with the outdoors, as well as lock up carbon.
- Research trials will inform future management decisions at Pleasant Forest and more widely for UK forestry. This includes research to identify tree species that will thrive in drought conditions, improving the quality of sycamore trees and creating seed stands that will provide high quality genetic material to grow future trees.



*Pleasant forest current*



*Pleasant forest proposed*





# Chapter 2: **A Greener Government Estate**



# Introduction

A greener estate requires action across a wide range of sustainability interventions. The work to create a greener Government estate is driven, guided, and informed by the 25 Year Environmental Plan, and the Environment Act. Clear and challenging targets are in place to measure improvements in sustainability through the Greening Government Commitments.

The new Government Property Strategy, published in 2022 to be reflected in future State of the Estate Reports, sets creating a ‘smaller, better, and greener’ public estate as one of the three core missions.

## 2.1 Greening Government Commitments

The Greening Government Commitments (GGCs) are government targets coordinated by Defra and agreed across government. GGCs set out actions UK government departments and their agencies will take to reduce their impact on the environment.

GGCs have been updated for the period 2021-2025, superseding the Greening Government Commitments Framework for 2016 to 2020. Key changes compared to the GGCs for 2016 to 2020 are:

- changing the baseline year from 2009-10 to 2017-18 to more accurately reflect the estate and ensure government builds on the progress it has already made
- more stretching targets on core areas of emissions, water and waste
- new commitments for all departments to have a Nature Recovery Plan and Climate Change Adaptation Strategy plan in place by April 2025, as well as additional sub-commitments, including a commitment to measure food waste

Figure 23: Greening Government Commitments 2021-22 summary



Reduce the overall greenhouse gas emissions from a 2017-18 baseline and also reduce direct greenhouse gas emissions from estate and operations from a 2017-18 baseline.

Government as a whole has **reduced its overall emissions by 35% in 2021-22** compared to 2017-18.

**8/20** departments have already **met or surpassed** their individual emission reduction target compared to their 2017-18 baseline.

The **direct emissions from buildings** decreased by **10%** compared to 2017-18 baseline.

Reductions in energy consumption **saved the government an estimated £122 million** 2021-22 compared to 2017-18.



## Reduce water consumption by at least 8% from the 2017-18 baseline

The government **reduced its water consumption by 10%** in 2021-22 compared to the baseline, already exceeding the target set for 2025.

**15/20** departments reported they have **met the target** to reduce water consumption by 8% compared to the baseline.

An estimated **£7.2 million savings were achieved through reduced water consumption** in 2021-22 compared to 2017-18.



## Reduce the overall amount of waste generated by 15% from the 2017-18 baseline

The government as a whole generated 21% more waste in 2021-22 compared to the baseline, missing the target of 15% reduction.

However, **16/20** departments reported they **met or exceeded** the 15% reduction target.

Government departments sent **less than 1% of waste** to landfill in 2021-22 – **surpassing the target** to send less than 5% of waste to landfill.

**92%** of waste generated was recycled, **exceeding** the baseline target of 70%.



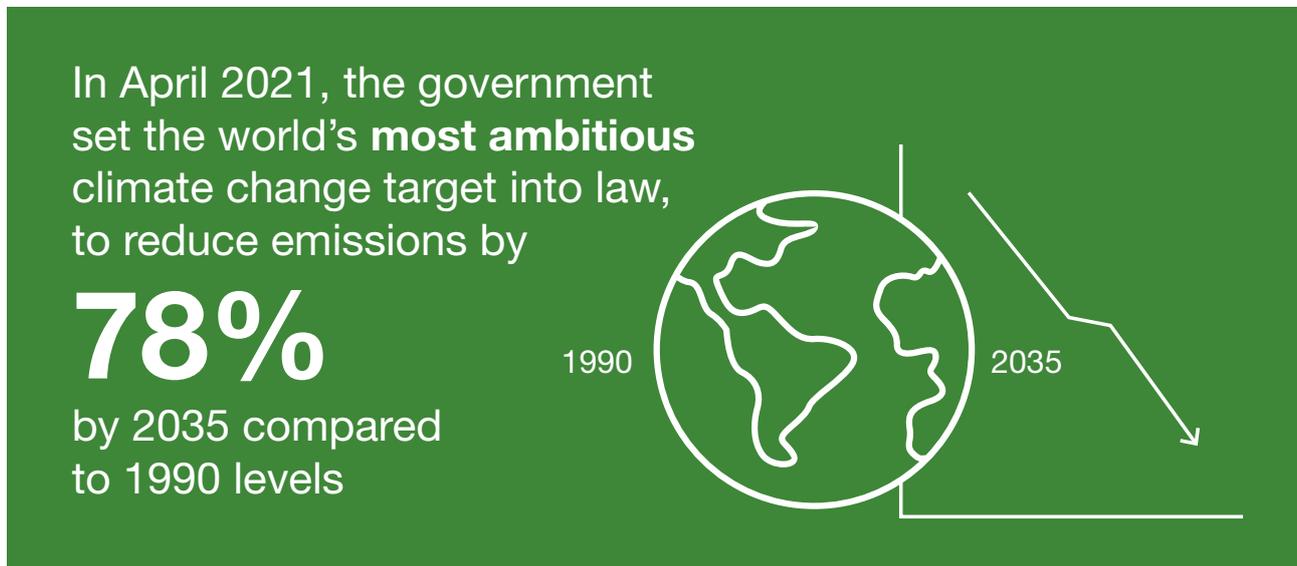
## Reduce government's paper use by at least 50% from a 2017-18 baseline

Government as a whole has **reduced its paper consumption by 61% in 2021-22** compared to the baseline – **exceeding the 50% 2025 target** in the first year of the new targets.

**15/20** departments **met or exceeded** the 50% target.

## Reducing Carbon Emissions

The legally binding commitment for the UK to achieve net zero greenhouse gas (GHG) emissions by 2050 was set by the Government in June 2019. It required a legislative amendment to the Climate Change Act 2008 (which previously had a target of 80% reduction in GHG emissions compared with 1990 levels). This commitment, combined with an interim ambition to halve direct emissions from the public sector by 2032 and reduce by 75% by 2037, requires urgent, sustained action to decarbonise our buildings.



The Carbon Budget ensures the country remains on track to end its contribution to climate change while remaining consistent with the Paris Agreement temperature goal to limit global warming to well below 2°C and pursue efforts towards 1.5°C.

The built environment is estimated to be responsible for around 40% of global carbon emissions, with public sector buildings in the UK estimated to account for about 9% of building CO<sub>2</sub> emissions. Consequently, reducing emissions is a significant focus for the government property function and the civil estate.

Government departments continue to take significant strides in decarbonising the estate by.

- Reducing reliance on fossil fuels by switching to renewable energy to heat and power government assets and fleet.
- Maximising opportunities to generate renewable energy.
- Undertaking asset efficiency analysis and optimising whole-building interventions that deliver energy efficiency and low-carbon heating and reducing direct emissions by making buildings more energy efficient.
- Continuing to adopt more sustainable methods of construction across all asset types, as outlined in Transforming Infrastructure Performance, published by the IPA in 2021.
- Continuing the roll out of Carbon Literacy training to all staff across the Property Function.

## Case study: Quarry House, Leeds



**DWP has commenced decarbonising heating and aligning this with the lifecycle of plant and equipment. A good example of this work is the district heat network connection at Quarry House, Leeds, which has been funded via the Public Sector Decarbonisation Scheme (PSDS).**

- The £5.4m PSDS grant funding included the connection to the low carbon local district heat network in Leeds, Leeds Pipes, as well as several energy efficiency measures, such as installation of LED lighting in the car park, replacing thermostatic radiator valves, installing 100MW of solar PV, and replacing gas-fired catering equipment with all electric facilities
- The initiatives mean Quarry House is no longer reliant on natural gas, thus removing a large contributor to DWP's gas-based carbon emissions from the estate. The project is projected to save 2,000 tonnes CO<sub>2</sub> per annum.
- The project has been the catalyst for DWP to move forwards with further PSDS bids and heat decarbonisation projects, including the replacement of gas boilers with air source heat pumps.

## Case study: Project Prometheus



**The British Army's first photovoltaic solar farm opened in September 2021, located at The Defence School of Transport (DST), Leconfield. The size of almost eight football pitches, this array forms part of the British Army's £200m. Project Prometheus investment in renewable energy.**

- Built by Centrica Business Solutions, the 'farm' is made of over 4,000 solar panels. It is the first of four sites; the others are at the Duke of Gloucester Barracks, South Cerney; Rock Barracks in Suffolk; and Baker Barracks on Thorney Island, West Sussex.
- The Leconfield site, spanning four hectares and with a peak capacity of 2.3 megawatts, is projected to save 700 tonnes of carbon emissions and cut electricity bills by one third annually for the DST.
- In total Project Prometheus is expected to achieve £1 million in efficiency savings and a reduction of 2,000 tCO<sub>2</sub>e (tonnes of carbon dioxide equivalent) annually across all four sites, with cost savings being reinvested into essential Army infrastructure.

## Natural Capital and Biodiversity

The importance of our natural environment is recognised by the Government's increased focus on its maintenance and improvement. In November 2021 the Environment Act 2021 received royal assent. This legislation sets legally binding targets that will protect and enhance the environment, including halting the decline of species by 2030, and requires new developments to improve or create habitats for nature.

The sheer size and breadth of the government estate means we have a significant opportunity and a clear leadership responsibility in this area. The Government is a custodian of significant areas of rural estate, managing a wealth of priority species and habitats. These are collectively the largest ownership of Sites of Special Scientific Interest (SSSI) in England, larger than the National Trust. Operating at such a scale means we have an opportunity to address climate related risks to public services whilst making a significant positive environmental impact through proactive management of the estate.

Departments are already taking steps to understand the natural habitats for which they are responsible and not only conserve but increase their extent in both urban and rural situations. Work has begun on developing a methodology to understand the relative potential of different departmental estates.

The introduction of the new nature recovery commitment within the most recent iteration of the GGCs is a further demonstration of how the Government is committed to improving our natural environment. The Government property function will lead from the front in improving our understanding and management of the natural capital within the Government estate.

Nature based solutions can, and are, being adopted by government departments to ensure the resilience of their estates to risks such as flooding and the urban heat island effect. Solutions range from large scale wetland maintenance, reforestation and greening urban areas to the installation of smaller scale sustainable drainage systems.

## Climate Change Adaptation

The impact of climate change is already being felt, through more extreme weather conditions, rising average temperatures, drier summers and increasingly heavy rainfall. The result of extreme heat and flooding can directly affect the ability of the government estate to enable delivery of essential public services.

In response to this the Government Property Function has begun taking steps to ensure resilience to climate change across its own estate by relocating premises and installing preventative measures in affected assets.

However, the property function recognises the need for data led strategic planning of preventative interventions. The addition of the “Adapting to Climate Change” commitment in the 2021-25 GGCs introduced a requirement for all departments to assess climate change risk and develop strategies and action plans to strengthen resilience of assets and operations. Departments are developing a better understanding of risks and opportunities across their estates and are working collaboratively to enable prioritisation of interventions, resulting in better resilience of not only their own assets, but having a positive impact on neighbouring estates and communities.

Interventions that have been adopted across the government estate include, but are not limited to, the installation of sustainable drainage systems to assist with drainage, installation of flood doors to prevent assets flooding in high risk assets, use of natural ventilation in and installation of new HVAC systems for better temperature regulation and planting of trees to help with drainage, improved air quality and reduce heat.

## Case study: Schools Adaption and Resilience



**The Department for Education is working with partner organisations, such as the Environment Agency, water wholesalers, water retailers and local authorities on joint programmes for flood risk reduction and water efficiency.**

- The school estate is vast, with more than 24,000 schools in England alone occupying a land area bigger than Birmingham. Water management is a major issue for schools, individually and collectively. Schools are heavy users of water. A significant number of schools are at risk of flooding.
- Green infrastructure can be the answer to water management challenges. Sustainable Urban Drainage Systems (SUDS) are possible solutions for adaptation to significant risk of surface water flooding. In addition they can offer wider benefits such as public health, amenity and education.
- An example is Merstham Primary School, which experienced flooding from surface water in summer 2020. Rather than use flood doors, planters were fitted under 27 downpipes and a green berm installed to store, slow and divert surface water away from the school to underground water attenuation storage.

## Resource Efficiency

Making the best use of resources throughout their lifecycle and reducing waste are effective ways of minimising the Government estates' negative impact on the environment.

The Greening Government Commitments target resource efficiencies that include water use, waste and plastic use. In all these areas government property has made significant reductions since the 2017-18 baseline and will continue to seek new and innovative ways to improve.

Forward thinking pilot schemes are in train across the government estate to maximise resource use, such as rain water storage, to use to irrigate government land and for flushing toilets, returning packaging for reuse and recycling and repurposing furniture.

The government is also committed to sustainable construction methods, where possible, in both refurbishment and new-builds. Building projects across the government estate are utilising innovative construction methods such as Modern Methods of Construction (MMC) and Passivhaus design, which produces less construction waste than traditional building methods.

The property function is becoming a test bed for emerging low environmental impact building methods, such as the Department for Education's GenZero classroom, featured at COP26 (see case study in Schools portfolio). This method not only produces less construction waste compared to traditional methods but also delivers an operational zero carbon solution owing to better design, controls and technology; such as photovoltaic cells, solar thermal panels and heat pumps.

## Case study: HMRC Estates



Since April 2020 HMRC has closed around 80 sites as the 20-year PFI contract came to an end and staff migrated to new government hubs.

- All of these sites contained Furniture, Fittings and Equipment (FFE) of various types and ages. HMRC Estates committed to minimise or eradicate cost to the environment by the proactive intervention in the re-use or disposal of the FFE, prioritising as follows.
- The HMRC estates teams worked in collaboration across HMRC, government and the wider community to find new homes for the FFE as each building closed, monitoring and documenting the sustainability benefits.
- These benefits included saving millions of pounds through reducing the need for new furniture, helped improve the workplace environment, and helped local charities and community organisations.



*Warehouse containing HMRC FFE in Shipley*



*FFE utilised at Wargrave House School and College, Merseyside*

## 2.2 Energy Performance Certificates and New Acquisitions

EPCs are a rating scheme for summarising the expected energy efficiency of buildings using a rating between A-G (very efficient-inefficient). The EPC indicates the energy efficiency of the building fabric and systems (including installed heating, ventilation, cooling and lighting).

The legislative requirement for an EPC applies to the sale, rent or construction of buildings (other than dwellings) with a floor area greater than 500m<sup>2</sup> that contain fixed services that condition the interior environment.

The UK Government has made a commitment that any buildings coming onto the central government estate will meet a target<sup>28</sup> to achieve a top quartile Energy Performance Certificate (EPC) rating, and the Government Functional Standard for Property<sup>29</sup> recommends that “decision-makers should decline a proposal for a building to become part of their estate that is not within the top quartile of energy performance or that would adversely affect their organisation’s energy efficiency performance”.

An EPC rating of 0-55 meets the top quartile of energy performance; a rating greater than 55 means the building falls outside the upper quartile.

During 2021-22 there were 291 acquisitions across the government estate adding approximately 530,000 m<sup>2</sup> of floorspace:

- 97 of these acquisitions did not require an EPC due to operational reasons or lease renewals of existing government buildings.
- Of the 194 acquisitions in-scope for an EPC, 79 were rated as outside the top quartile for energy efficiency, as set out in Appendix D below.

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28 <https://www.gov.uk/government/publications/government-estate-strategy-2018>

29 <https://www.gov.uk/government/publications/government-standard-for-property-govs-004>

## Case study: **Foleshill Health Centre, the UK's first Passivhaus Health Care Building**



**This £3.3m primary care building for up to 10,000 patients in inner city Coventry was capital funded by Community Health Partnerships. The 619m<sup>2</sup> health centre opened in August 2021 and has five consulting rooms and two treatment rooms.**

- The design maximises natural light and ensures that the centre is cool in the summer and warm in the winter, as well as being a welcoming environment for patients and staff.
- The centre was created in 10 months during the COVID-19 pandemic – nearly 30% quicker than a traditional building by using modern methods of construction. Fourteen specially designed modules were completed at the Portakabin manufacturing facility and were transported, assembled and made watertight in three days in December 2020.
- Foleshill Health Centre EPC A rating is 12, close to net zero CO<sub>2</sub> and the health centre is targeting BREEAM Excellent. As the first energy efficient Passivhaus building for the NHS in England, Community Health Partnerships are providing regular data monitoring reports for NHS E/I and NHS Coventry and Warwickshire. Foleshill contributes to the NHS carbon net zero targets and its aim to be the world's first net-zero national health service.



# The Government Property Strategy 2022-2030



Future reports will set the baseline and track progress in delivery of the new Government Property Strategy<sup>30</sup>, which outlines three core missions: (i) Transform Places and Services (ii) Create a Smaller, Better Greener Estate (iii) Professional Excellence and Insight.

The strategy points to two objectives under its 'greener' ambitions:

- The estate needs to be planned and managed to address decarbonisation, adaptation for the impacts of climate change, increasing natural capital, and making better use of our resources.
- Supporting Government in meeting the goals of the 25-Year Environment Plan and the Greening Government Commitments (GGCs).

The Government Property Strategy makes the following commitments to the use of Key Performance Indicators.

Annual monitoring and reporting through the State of the Estate will include:

### **Smaller**

- Size and annual running cost of each portfolio
- Capital value
- Area of land disposed
- Progress in exiting from central London offices through the Whitehall Campus Programme

This will be accompanied by utilisation targets, shown in Annex E of the Government Property Strategy.

### **Better**

- Estate condition
- Customer satisfaction

### **Greener**

- Progress against the GGCs
- Percentage of new acquisitions in the top quartile of energy performance



30 <https://www.gov.uk/government/publications/government-property-strategy-2022-2030>

# Appendices



# Appendix A: Climate Change Act 2008 (extract)

## Section 86 Report on the civil estate

1. It is the duty of the Minister for the Cabinet Office to lay before Parliament in respect of each year, beginning with the year 2008, a report containing an assessment of the progress made in the year towards improving the efficiency and contribution to sustainability of buildings that are part of the civil estate.
2. The report must, in particular, include an assessment of the progress made in the year to which it relates towards:
  - a. reducing the size of the civil estate, and
  - b. ensuring that buildings that become part of the civil estate fall within the top quartile of energy performance.
3. If a building that does not fall within the top quartile of energy performance becomes part of the civil estate in the year to which the report relates, the report must state the reasons why the building has nevertheless become part of the civil estate.
4. A report under this section must be laid before Parliament not later than 1st June in the year following the year to which it relates<sup>31</sup>.
5. In this section 'building' means a building that uses energy for heating or cooling the whole or any part of its interior.
6. For the purposes of this section, a building is part of the civil estate if it is:
  - a. used for the purposes of central government administration, and
  - b. of a description of buildings for which, at the passing of this Act, the Minister for the Cabinet Office has responsibilities in relation to efficiency and sustainability.
7. The Minister for the Cabinet Office may by order provide for buildings of a specified description to be treated as being, or as not being, part of the civil estate for the purposes of this section.
8. Any such order is subject to affirmative resolution procedure.

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<sup>31</sup> The date in the Act relates to when the SOFTE report was produced for the calendar year rather than the financial year. It is now being produced during the following financial year.

# Appendix B: Glossary

## Organisations

|               |   |
|---------------|---|
| <b>BEIS</b>   | Department for Business, Energy and Industrial Strategy |
| <b>CHP</b>    | Community Health Partnerships                           |
| <b>CO</b>     | Cabinet Office  |
| <b>CRC</b>    | Community Rehabilitation Companies                      |
| <b>DCMS</b>   | Department for Digital, Culture, Media and Sports       |
| <b>Defra</b>  | Department for Environment, Food and Rural Affairs      |
| <b>DIT</b>    | Department for International Trade                      |
| <b>DfE</b>    | Department for Education                                |
| <b>DfT</b>    | Department for Transport                                |
| <b>DHSC</b>   | Department for Health and Social Care                   |
| <b>DLUHC</b>  | Department for Levelling Up, Homes and Communities      |
| <b>DWP</b>    | Department for Work and Pensions                        |
| <b>FCDO</b>   | Foreign, Commonwealth and Development Office            |
| <b>GPA</b>    | Government Property Agency                              |
| <b>HMCTS</b>  | HM Courts and Tribunals Service                         |
| <b>HMPPS</b>  | HM Prison and Probation Service                         |
| <b>HMRC</b>   | HM Revenue and Customs                                  |
| <b>HE</b>     | Homes England   |
| <b>HO</b>     | Home Office   |
| <b>HS2</b>    | High Speed 2  |
| <b>MCA</b>    | Maritime and Coastguard Agency                          |
| <b>MOD</b>    | Ministry of Defence                                     |
| <b>MoJ</b>    | Ministry of Justice                                     |
| <b>NHS PS</b> | NHS Property Services                                   |
| <b>NPS</b>    | National Probation Service                              |
| <b>OGP</b>    | Office for Government Property                          |
| <b>UKRI</b>   | UK Research and Innovation                              |

**EPC****Energy Performance Certificate**

Required as part of the Energy Performance of Buildings Directive (EPBD), EPCs are required for domestic and non-domestic buildings over 50 square metres of floor space when constructed, sold or rented. There are exemptions (e.g. buildings used as places of worship). EPCs are valid for 10 years. The EPC records energy efficiency of a property using an A-G rating scale (A most efficient, G least efficient).

**GEA****Gross External Area**

A measurement of area including walls, plant rooms and outbuildings but excluding external spaces such as balconies and terraces. It is used for calculating building costs of large industrial and warehouse buildings, related planning applications and approvals, council tax banding, and rating in Scotland for industrial buildings.

**GIA****Gross Internal Area**

The entire area inside the external walls of a building, including corridors, lifts, plant rooms, and service accommodation (e.g. toilets). A metric widely used in calculating building costs, valuation, property management and for rating (in England and Wales) of industrial buildings, warehouses and leisure units and the valuation of new residential developments.

**m<sup>2</sup>**

Square metres

**NIA****Net Internal Area**

Commonly referred to as the 'usable' or lettable area of offices and retail units. NIA includes entrance halls, kitchens and cleaners' cupboards but excludes corridors, internal walls, stairwells, lifts, WCs and communal areas. A widely used metric for offices and shops in marketing, valuation, rating and property management.

**Operational ratings**

A numerical indicator for the amount of energy consumed during occupation of a building over a period of 12 months, based on meter readings. Government uses this data in a methodology for assessing the energy performance of buildings whilst in operation, i.e. annual emissions of CO<sub>2</sub> per m<sup>2</sup> arising from energy consumption. This indicator can be compared with typical values for the same type of building.

**PFI****Private Finance Investment**

A method of providing private finance, introduced in 1992, for the building of public infrastructure assets, and the delivery of services linked to the asset.

**Portfolio**

A collection of property assets. (Government Property Portfolio – assets in the same or similar use held by the Government in connection with delivery of public services.)

**Property**

Real estate in a known ownership, with legal title. (In this report 'a property' is a unit of real estate identifiable by boundaries and a geographical location.)

**Smarter working**

An approach to organising work that aims for efficiency and effectiveness in achieving desired outcomes through a combination of flexibility, autonomy and collaboration, optimising tools and working environments for employees.

**Top quartile commitment**

A commitment to procure buildings in the upper quartile of energy performance. Originally announced in the Energy Efficiency Action Plan 2004, it is now a requirement of the Climate Change Act 2008.

**Total annual operating cost**

The total net cost of operating property per year. Income from subletting and charged use of facilities are subtracted from the total expenditure to give the total annual operating cost. Includes occupation costs, building operation costs, business support costs, property management costs, utilities and capital charges.

# Appendix C: Assumptions and Definitions

## Building condition

Not all government organisations have provided data on building condition and so, as this characteristic is not yet reported consistently, it cannot be aggregated. The Government Property Strategy sets an ambition to improve building condition and to improve reporting on it, using more comprehensive data collected to a common definition set by the Government Property Data Standard. Building condition categories in SOFTE are aligned with the standard.

## Built assets

In this report the term 'built asset' might refer to a building or a group of buildings (but not to infrastructure or land with no buildings). The number of built assets in one portfolio might represent the number of buildings, but in another there could be a different approach: for example a prison may comprise one building or multiple buildings; schools have generally counted built assets as whole schools; defence establishments have enumerated individual buildings. In the office portfolio multiple organisations may occupy one building and each organisation might report the building as a built asset. Where relevant, summary tables or individual portfolio reports include some commentary on how built assets have been counted.

## Estimated value

Property assets are valued on different bases, using accounting rules and reflecting accepted valuation practice for the relevant asset type. This is not market value. To provide a high level estimate of total value, estimates of different types have been aggregated, so that the total value is an approximation that reflects the limitation of this approach. The method of valuation will vary across the different portfolios and will not necessarily correspond to the market value. Estimated value data principally relates to freehold estate. Assets under construction are not included.

## Floor area measurement

Office and job centre portfolios are presented in square metres (m<sup>2</sup>), Net Internal Area (NIA).

The defence portfolio is presented in m<sup>2</sup>, Gross External Area (GEA).

All other portfolios are presented in m<sup>2</sup>, Gross Internal Area (GIA).

Where measurements were provided in other measurement types, they have been converted using a suitable formula, based on the Employment Density Guide.<sup>32</sup>

- from GIA using a 75% ratio to calculate NIA
- from GEA reducing figures by 5% to calculate GIA

## Land area

The land portfolio does not normally include land that predominantly supports a building or buildings. Land included within it is either not developed or if previously developed is no longer substantially occupied by buildings.

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<sup>32</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/378203/employ-den.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/378203/employ-den.pdf)

## Portfolio content

Aggregate data for each portfolio was commissioned by the Office of Government Property, part of the Cabinet Office, from central government departments. Not all organisations could disaggregate their portfolio data into distinct categories. In some cases all assets are included within a single portfolio type, for example museums include related back office functions. In other cases assets are put in the Remaining Estate Portfolio, for example a campus with one training centre, two offices and a laboratory. Organisations that did not provide disaggregated data include the Ministry of Defence (so that all assets are included in the Defence portfolio), British Transport Police (included in the Remaining Estate portfolio). The make-up of each portfolio is set out within its separate report, with any limitations noted in the commentary.

# Appendix D: New Acquisitions

| Department                                | Building Name                    | EPC Rating | Rating Number | Reason for Acquisition  |
|---|----------------------------------|------------|---------------|---|
| BEIS – Coal Authority                     | 1 Goshen Park                    | D          | 58            | The Coal Authority was legally obligated to purchase these residential properties due to Coal Mining Subsidence.  |
|   | 2 Goshen Park                    | D          | 63            |   |
|   | 1 Penshannel                     | D          | 59            |   |
| BEIS – Nuclear Decommissioning Authority  | Key Point                        | C          | 75            | Acquired as sublease from 3rd Party to enable demolition of older building at Nuclear Site for land re-use  |
| BEIS – Nuclear Decommissioning Authority  | Former William Pit Colliery Unit | D          | 92            | Industrial premises to be repurposed for a robotics project.  |
| BEIS – Nuclear Decommissioning Authority  | Millom Library                   | D          | 99            | The council moved the library and vacated. Acquired empty building for Group use (primarily Sellafield Ltd) once refurbished  |
| CO – Government Property Agency           | 52 Bedford Row                   | E          | 108           | This property is a short-term, temporary lease providing office accommodation for the COVID-19 inquiry team   |
| DfT – Driver Vehicle and Licensing Agency | Baskerville House                | D          | 79            | Acquired on a temporary basis to enable the service to address additional work created by the pandemic.   |
| DfT – National Highways                   | Shannon House                    | C          | 71            | National Highways Traffic Officers were previously located with Kent Police who could no longer accommodate use due to re-development of their site. A new outstation was acquired to maintain this critical service at this location. No other alternative sites were available. |
| DfT – National Highways                   | 2 City Walk                      | C          | 74            | This new site was required as part of National Highways' estate rationalisation. The fit out will include replacement of lighting and adjustments to air conditioning/heating systems to improve the EPC rating.  |
| DfT – British Transport Police            | Baskerville House                | D          | 79            | The new site needed to be in close proximity to Birmingham New Street Station to support operational policing requirements. This property was the best available option that met the requirements regarding size, location and car parking availability.                          |
| DfT – Vehicle Certification Agency        | Unit 4                           | D          | 76            | Part of the same unit block as the rest of VCA HQ. Needed for expansion due to addition of the GB scheme and CCAV teams. EPC rating will reduce following the planned updates to bring the buildings up to the required standard.   |
|   | Unit 5                           | C          | 69            |   |
| DHSC – HQ                                 | Chineham Business Park           | D          | 97            | This property is a short term, temporary requirement to enable DHSC more time to find a more suitable property long term.   |
| DLUHC – Homes England                     | Redfern Road                     | D          | 77            | Property is let to local authority and is required as a land swap which will be concluded in October 2023   |

| Department                                      | Building Name                       | EPC Rating | Rating Number | Reason for Acquisition  |
|---|-------------------------------------|------------|---------------|---|
| DWP –<br>Department<br>for Work and<br>Pensions | Barnet North                        | C          | 60            | These locations were acquired as part of the Real Estate Expansion Programme (REEP) on a temporary basis, based on the need to house additional work coaches in this specific location and meeting building requirements (e.g. access) for REEP assets.<br><br>DWP are actively working through next planning in respect of the REEP estate. This is exploring:<br><br>- Swapping REEP sites for existing Job centres, retaining them where better & divesting of the pre-existing job centres.<br><br>- Early divest where deemed not operationally required<br><br>- Exit as planned per the REEP business case.<br><br>As this develops, DWP will be engaging with the Cabinet Office's National Property Controls. DWP will at the earliest opportunity divest those sites that are agreed by way of serving break notices or lease termination notices for leases that are expiring. |
|   | Chestnut Walk                       | C          | 57            |   |
|   | The Mall                            | C          | 67            |   |
|   | 101 Victoria Street                 | C          | 60            |   |
|   | Burnley Market Square               | C          | 59            |   |
|   | Camden Hermes Studio                | C          | 60            |   |
|   | Cannock                             | C          | 57            |   |
|   | Canterbury Longmarket               | D          | 88            |   |
|   | Chelmsford Meadows                  | D          | 91            |   |
|   | Colchester Headgate                 | C          | 66            |   |
|   | Darlington Lingfield Point          | C          | 73            |   |
|   | Dudley Market Place                 | C          | 72            |   |
|   | 1 Grove Road                        | C          | 69            |   |
|   | Halesowen Whitehall Road            | C          | 61            |   |
|   | Hillingdon Valient House            | D          | 97            |   |
|   | Hull Whitefriargate                 | C          | 71            |   |
|   | Ilford Exchange                     | C          | 57            |   |
|   | Kettering High Street               | D          | 83            |   |
|   | Temple House                        | C          | 58            |   |
|   | The Green Building                  | C          | 73            |   |
|   | Lewisham Old Town Hall              | D          | 85            |   |
|   | Witham Wharf                        | D          | 81            |   |
|   | Liverpool Strand Shopping Centre    | C          | 64            |   |
|   | Luton Capability Green              | D          | 89            |   |
|   | Manchester Mosley Street            | C          | 57            |   |
|   | Milton Keynes Phoenix House         | C          | 71            |   |
|   | 1-4 Cook Road                       | C          | 61            |   |
|   | Newton Abbot                        | C          | 65            |   |
|   | Northampton Princess House          | C          | 64            |   |
|   | Nottingham Castle Boulevard         | C          | 69            |   |
|   | Reading Kennet Place                | C          | 72            |   |
|   | Redditch Kingfisher Shopping Centre | C          | 56            |   |
|   | Redruth Piran House                 | C          | 72            |   |
|   | Smethwick Trinity House             | C          | 72            |   |
|   | Solihull Jago House                 | C          | 72            |   |
|   | Stevenage Abel Smith House          | D          | 87            |   |
|   | Stoke Smithfield                    | C          | 65            |   |
|   | Sutton Brook Street Offices         | C          | 63            |   |
|   | Telford Titan House                 | D          | 76            |   |
|   | Warrington Tannery Court            | C          | 62            |   |
| Wigan Mesnes House                              | C                                   | 61         |               |   |
| Rhyl Bodfor Street                              | D                                   | 100        |               |   |
| Inverness Telford Retail Park                   | E                                   | 75         |               |   |

| Department                    | Building Name  | EPC Rating   | Rating Number  | Reason for Acquisition   |
|-------------------------------|--|--|--|--|
| HMRC – HM Revenue and Customs | Brooke Lawrance House  | D  | 95   | A full property search was carried out and this was the best available property that met the requirements of size, location, security and value for money.   |
| HMRC – HM Revenue and Customs | Temple Chambers  | D  | 86   | This is a small, serviced accommodation office required for touchdown space only. The site needed to be in close proximity to the Royal Court of Justice to ensure papers could be prepared and delivered to court on time.      |
| HO – Home Office              | Dover Channel View Road  | C  | 75   | Best available option at time of property search. Approval granted on condition that HO works with the landlord to improve the rating. Tenant works have been proposed, and a reassessment of the EPC rating will be undertaken. |
| HO – Home Office              | Liverpool Princes Dock   | E  | 115  | This property is a short term extension of their current lease to enable HO time to find alternative accommodation.  |
| MoJ – HMCTS                   | 78 Singer Way<br>Barrow In Furness<br>Bay House<br>Bridgend Brackla House<br>Carlisle Petheril Terrace<br>Chichester Business Centre<br>Doncaster Greyfields House<br>Exeter St Thomas<br>Gainsborough Police Station<br>Ladywell House Newton<br>Liverpool Film Studios<br>Sheffield Attercliffe Common<br>Unit A&B<br>Winsford Business Park<br>Workington Lillyhall Business Centre | E<br>D<br>C<br>C<br>E<br>C<br>F<br>D<br>C<br>C<br>E<br>E<br>E<br>C<br>D<br>E | 104<br>76<br>58<br>71<br>124<br>72<br>146<br>85<br>70<br>57<br>120<br>105<br>56<br>85<br>124 | As highlighted in the Probation portfolio, these properties were acquired as an operational necessity to ensure continuity of service during the delivery of The Probation Reform Programme.                                     |
| MoJ – HMCTS                   | Gun Wharf  | D  | 84   | Site was acquired due to being the only suitable building available in the area to incorporate a County Court. Fit out works due to take place to improve the rating.  |

