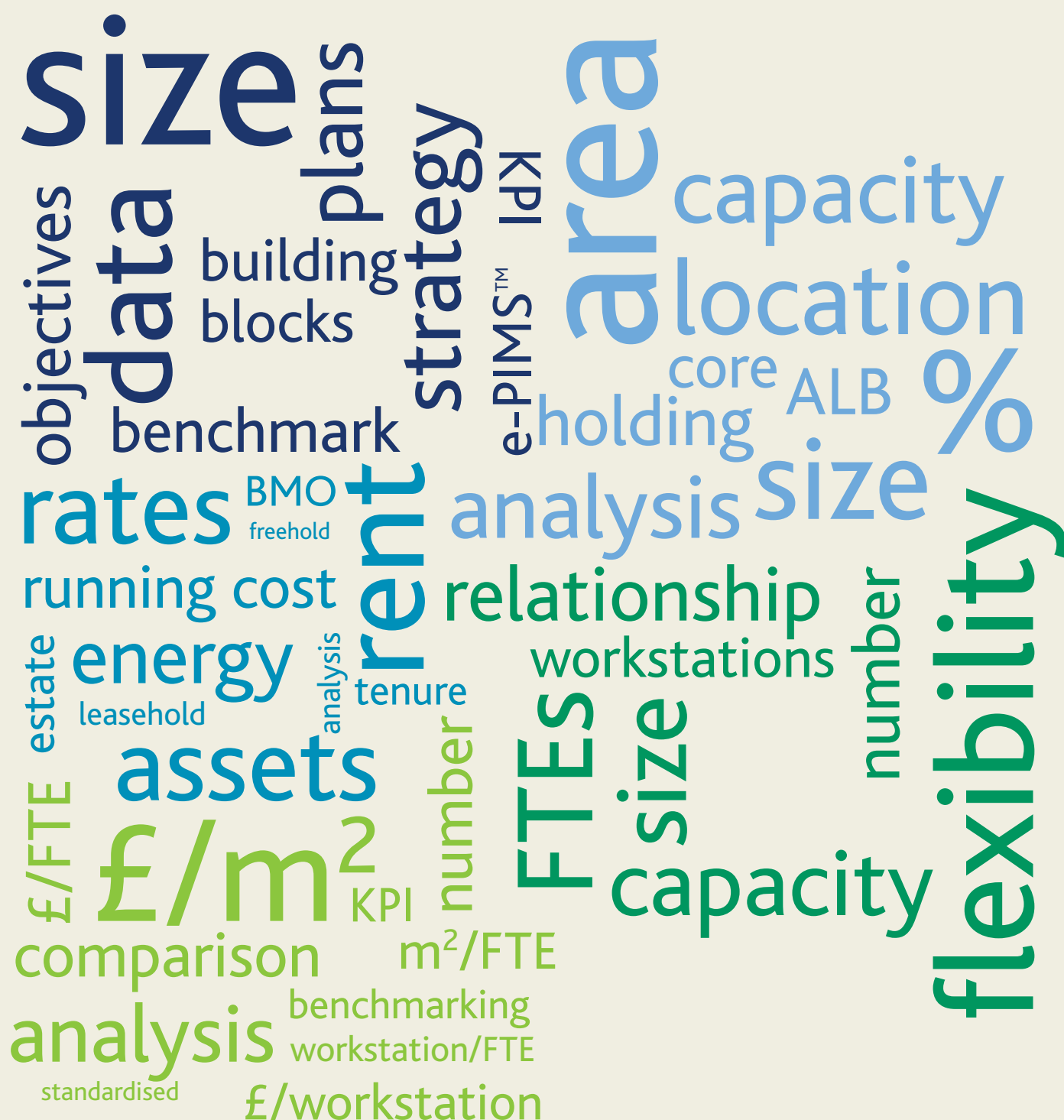




State of the Estate

Report 2012



Size

Cost

ccupation

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Executive Summary

The State of the Estate Report 2012 (SOFTE) will set the scene for future analysis of the efficiency and sustainability of the Central Government benchmarked office estate (BMO estate).

It comments on the current size, cost and occupation of the BMO estate and examines relationships between occupier, tenure and location. Analysis is based on data for the financial year 2011/12 and draws on 2010/11 for comparison purposes.

The report has been prepared in consultation with the Asset Management Forum, which includes representatives from each central government department.

The following headlines provide a summary of the key findings from this report:-

The Size of the BMO Estate

- The size of the BMO estate for 2011/12 is **561,441m²**, down **2.28%** on 2010/11. There are **308** holdings occupying **286** buildings.
- The BMO estate comprises **35,069** workstations for **29,531** full-time equivalents (FTEs).
- **54%** of the BMO area is freehold (**306,205m²**), **44%** leasehold (**245,765m²**) and **2%** Public Finance Initiative (PFI) (**9,471m²**).
- **64%** of the total BMO area is occupied by arm's-length bodies (ALBs) and **36%** by core departments.
- There is a higher percentage of larger holdings in Belfast and a higher percentage of smaller holdings in the regions.
- Less than **10%** (29 no) of holdings are greater than **5,000m²**.
- Over **50%** (164 no) of holdings are less than **1,000m²**.
- Over **77%** of the estate is multi occupancy.

The Cost of the BMO Estate

- The total cost of the BMO estate reduced by **3%** in 2011/12 to **£97,384,385**.
- The total cost of the BMO estate, represents **7.9%** of the total direct running cost of all central government assets, which is estimated at **£1.231bn**.

Flexibility

- The amount of vacant space in the BMO estate reduced by **28%** in 2011/12 to **18,256m²**.
- The percentage of vacant space in the BMO estate, at **c.3%**, is comparable to England and Wales.
- Based on current average occupation, this vacant space could accommodate up to **960 FTEs**.
- There are **5,538** spare workstations (spare capacity) across the BMO estate.
- The number of spare workstations tends to be less in smaller holdings, increasing as area of holding (m²) increases.
- **52%** of the largest holdings (those in excess of 5,000m²), have between 55 and c.300 workstations spare.
- Some of this spare capacity can be absorbed through ongoing estate rationalisation.
- The potential cost to government of holding spare capacity is in excess of **£11m** per annum.
- By exploring the expiry profile of the BMO leasehold estate, a cumulative reduction of gross lease costs in the region of **£50 million** could be made up until 2022; this equates to **208,790m²** and **13,706** workstations.
- The ability to realise savings in the BMO leasehold estate will depend on the capacity of the BMO freehold estate to readily absorb additional workstations, address the link between location and service delivery requirements, and complement departmental business planning processes.

Efficiency

- The **£/FTE** in both the BMO freehold and leasehold estates is higher than the Belfast private sector office sample examined.
- The Belfast private sector freehold **£/m²** is **14%** higher than the Belfast BMO freehold estate; the Belfast private sector leasehold **£/m²** is **2.5%** lower than the Belfast BMO leasehold estate.
- The **£/workstation** in the Belfast BMO freehold estate is **61%** higher than the Belfast private sector, and **17%** higher in the leasehold estate.
- For every **100 FTEs**, there is an average of **119 workstations**.
- **63%** of holdings in the BMO estate operate in excess of **18m²/FTE**.
- **4%** of holdings in the BMO estate operate at a capacity less than **10m²/FTE**.

This information provides a sound basis upon which to develop plans to generate efficiencies in the BMO estate.

This will be particularly useful for the delivery of recommendations contained within the Asset Management Strategy and to inform departmental asset management plans.

NOTE 1: References to individual departments throughout this document are given in abbreviated formats. A full listing of departments, and their associated abbreviations, are given in the Glossary.

NOTE 2: Totals may not always add due to roundings.

561,441m²
Net internal
area

35,069
workstations

£97,384,385
total running
cost (BMO
estate)

1.19:1
workstation:
FTE

1.1 Objectives of the Report

This is the first State of the Estate Report (SOFTE) for Northern Ireland. The report comments on the current size, cost and occupation of a core set of office accommodation across central government. For the purposes of this report, this grouping will be referred to as the benchmarked office estate (BMO estate), which is defined further in section 1.5.

This first report will set the scene for future analysis of the efficiency and sustainability of the BMO estate using a suite of Key Performance Indicators (KPIs) and set a baseline for the measurement of progress towards improving the efficiency of the BMO estate year-on-year.

1.2 Building Blocks

The building blocks for this report resonate with many strategies, documents and guidelines within Central Government¹, have been highlighted in the November 2012 NIAO report² recommending improvements in current practice and are exemplified in examples of global best practice.

The underlying messages arising from this amalgam are:

- Departmental assets should be organised to deliver the agreed Programme for Government and any associated objectives.³
- There should be appropriate asset management strategies within departments to acquire, maintain and dispose of assets.³
- Public sector organisations should take stock of their assets and have a clear understanding of their current asset base.³
- Assets should be managed like other parts of a business organisation, with a clear view of the asset base needed to deliver its objectives.³
- There is fragmentation in property asset management arrangements in NI at present.²
- There is a need for departments and ALBs to manage their land and property estates more effectively due to increasing costs and decreasing budgets.²
- Better data helps make well-informed investment decisions.⁴

¹ Refer to definition in Glossary.

² Property Asset Management in Central Government – NIAO, November 2012.

³ Managing Public Money NI, June 2008.

⁴ Investment Strategy NI (ISNI) 2011 – 2021.

⁵ ALB – Refer to definition in Glossary.



Figure 1
Asset Management Cycle

1.3 Asset Management Strategy

The impact of the current economic climate and the reduction in public spending places much more emphasis on the need for efficient and effective management of public assets. In acknowledgement of this, the Executive has commissioned an Asset Management Strategy (AMS) to be produced by the Asset Management Unit (AMU), within the Strategic Investment Board.

The AMS establishes the framework from which central government will deliver sustainable efficiency savings from its assets.

The objectives of the AMS are:

- to reduce the net cost of service delivery through the effective use of public assets
- to promote effective asset management processes that unlocks value

The AMS addresses the complex issues that impact on the achievement of long-term and sustainable efficiency savings from public sector assets.

These are:

- The fragmented management of the office estate, surplus asset disposal and procurement.
- The lack of consistent and readily available asset information.
- The lack of experienced asset management resources.
- The relationship between departments and ALBs⁵.

1.4 Asset Management Plans (AMPs)

Underpinning the AMS has been the development of individual departmental Asset Management Plans (AMPs). These have been produced by all central government departments in a consistent format; to be updated annually with a five-year planning horizon.

AMPs account for all assets owned and managed by the department and their ALBs, comment on how the assets support service delivery and identify actions that the department and ALBs commit to deliver to improve the efficiency and effectiveness of those assets.

1.5 About this Report

The purpose of this report is to set a baseline of understanding for a core set of buildings (the BMO estate), used for administrative purposes throughout the public sector.

To achieve both strategic and departmental objectives, it is fundamental that there is a clear understanding of the size, cost, occupation, flexibility and efficiency of the BMO estate; know how it compares across departments, geographically with other regions and with the private sector.

It is only by understanding how the BMO estate is performing that measurable targets can be set for improvement. This understanding will provide valuable information to inform efficiency proposals for the BMO estate within the departmental AMPs and the AMS.

This report comments primarily on the financial year 2011/2012 but draws on 2010/2011 for comparative purposes.

Benchmarked Office Estate

The administrative buildings included in the BMO estate for this first report are those which:-

- complied with the classification of "wholly or substantially utilised for the delivery of an administrative or service function"

AND

- had a full set of benchmark data (size, occupation and cost) available for analysis

The scope of the data collection was developed and agreed with departments through the Asset Management Forum. It is expected that the size of the benchmarked data set will increase in the next few years, as the quality and availability of data on the additional administrative estate improves.

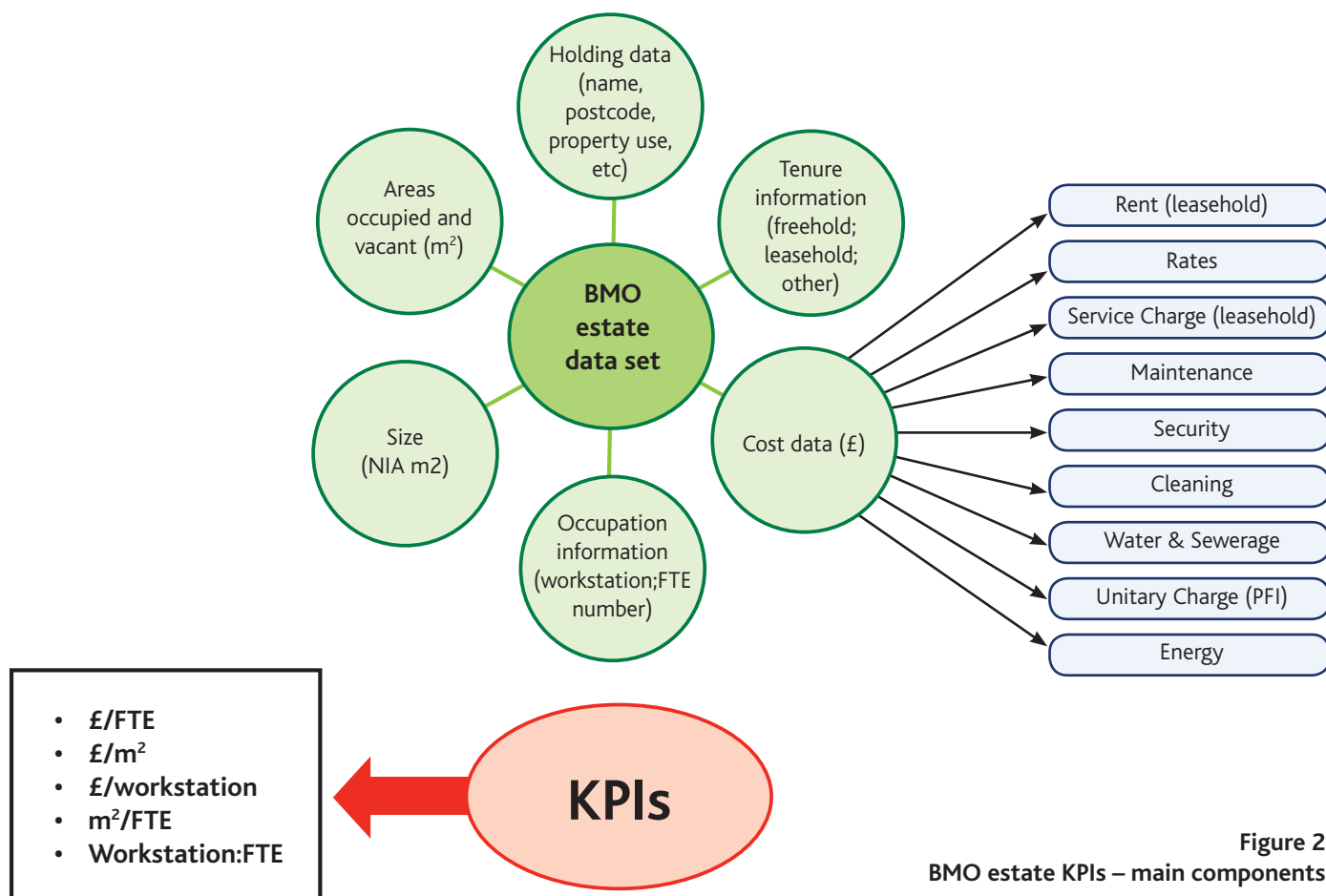


Figure 2
BMO estate KPIs – main components

Data Collected

The data underpinning this report is consistent with the minimum mandatory fields that have been established over a number of years in England and Wales.

Figure 2 (p8) illustrates the nature and scope of data that has been collected for the preparation of this report.

This core set of data is given meaning when relationships are formed between its key components to produce Key Performance Indicators (KPIs). When supported by the underlying knowledge of the BMO estate, we can understand whether the information produced is presenting good performance or is highlighting areas for improvement. This will then enable departments to formulate actions for the BMO estate, which can be incorporated into departmental AMPs.

e-PIMS™

Data collection is facilitated by e-PIMS™ (electronic property information mapping service). The use of e-PIMS™ as government's central property information database was mandated by the Executive in January 2011.

Since October 2011, departments have been collecting data on their land and property assets from core departments and ALBs, the detail of which has varied depending on the type and use of the asset. This process has been co-ordinated and facilitated by AMU.

Once the scope of the BMO estate was agreed, departments and ALBs provided the core set of mandatory data illustrated in **Figure 2**, amounting to 25 fields of data per holding. The scope of this data set will be developed and expanded over time.

Departments and ALBs will be required to maintain this data and provide validation on an annual basis, to inform their AMPs and future State of the Estate Reports.

Tenure and Regional Analysis

For the purposes of this report, the freehold and leasehold BMO estate have been analysed separately.

The cost components of freehold and leasehold are different and, by acknowledging this, it is anticipated that more meaningful cost and KPI comparisons can be made. This is explained more fully in section 3.3.

Information has also been examined by core department/ALB throughout the analysis. For presentational purposes, geographical boundaries used in this report are based on the, already established, DHSSPS Health Trust boundaries.

Sustainability

One of the main aims of this first report was to create a baseline of understanding for future comparison.

The focus has therefore been to concentrate on collating relevant data on a common set of criteria consistently available across the estate, for the first two years of benchmarking (2010/11 & 2011/12).

Northern Ireland contributes to a range of climate change targets, and the Executive has set a Programme for Government (PFG) target of a reduction in greenhouse gas (GHG) emissions' by at least 35% on 1990 levels by 2025⁶. The GHG emissions reduction targets in the Climate Change Act 2008, however, have no specific target for Northern Ireland. In response to the Committee on Climate Change Report, *The Appropriateness of a Northern Ireland Climate Change Act*, advocating the introduction of legislation, it is proposed that a Climate Change Bill will be introduced in the 2013/2014 Assembly session, subject to Executive approval.⁷

Actions arising from this work will be led by DoE. As the collection of sustainability data is not yet advanced enough to be used in analysis at this stage, it is anticipated that AMU will work with DoE and other stakeholders to establish a programme for identifying and capturing the data to be developed as part of this report in future years. It is anticipated that e-PIMS™ will be the main repository for this data and DFP Properties Division will assist NICS departments with the initial upload.

⁶ Included in the Programme for Government (2011 – 15).

⁷ Cross-Departmental Working Group on Climate Change Annual Report May 2012.

This chapter addresses the size of the BMO estate, comments on the number of holdings occupied, the size of the holdings (m²), the occupier, the tenure of the BMO estate, and reviews movement in data from 2010/11 to 2011/12.

2.1 Overview

The total area of the BMO estate in 2011/2012 was **561,441 m²** (NIA), representing a total of **308** holdings (freehold and leasehold) across **286** buildings, (ref: **Figure 3**).

There is little difference in the number of holdings and size of the BMO estate between 2010/11 and 2011/12 – a reduction of **4%** and **2.28%**.

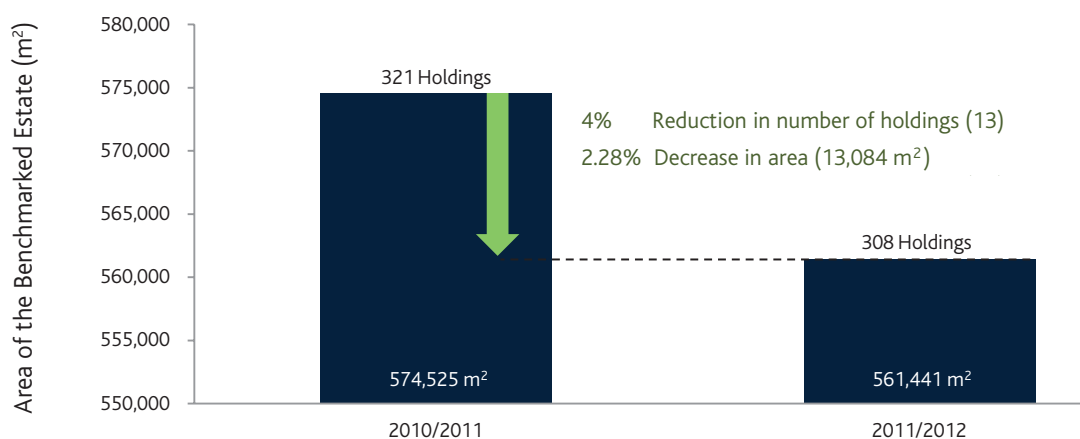


Figure 3
Percentage change in
area (m²) and number
of holdings

This minimal change is attributable, in some part, to the commencement of office rationalisation programmes being undertaken by departments such as DFP PD, DOJ, DSD and DRD (NIW) in previous financial years.

It may, however, also be attributable to a lack of verifiable data held by core departments/ALBs, which will improve as data capture and processes are improved and aligned over time. For example, DE was unable to provide data for its estate for 2010/2011. For 2010/2011, therefore, in this report, 2011/12 data has been used for 2010/11, to align DE with all other departments.

The type, age, condition and overall nature of the building stock vary considerably across the BMO estate. The larger occupations, particularly those in Belfast, tend to occupy purpose-built, conventional office buildings, varying in quality and age. There are however, a number of buildings across the BMO estate being used as office accommodation but were originally constructed for other uses. These buildings tend to be located in areas outside Belfast.

Information on building age, condition and original use was unavailable for this first report. It is anticipated that plans to capture this information for analysis in future reports will be considered.

THE SIZE OF THE BMO ESTATE

2.2 Number of Holdings

For the purpose of this report, a holding is defined as that portion of a building occupied by an individual department or ALB. A holding may be in a freehold, leasehold or PFI building. A holding might be in one complete building, across selected floors or parts of a floor of a building.

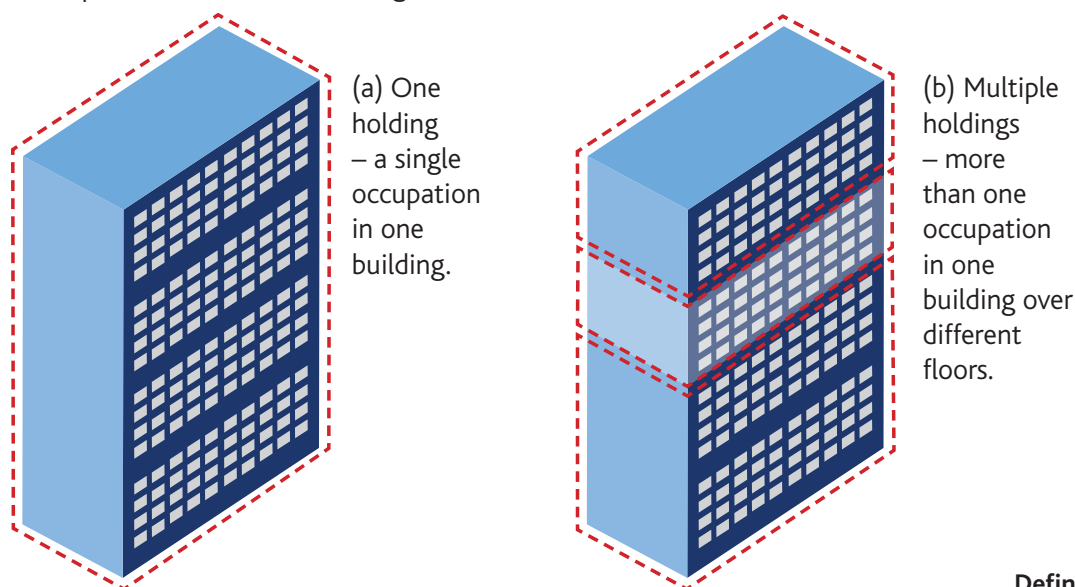


Figure 4
Definition of holding

The number of holdings across the BMO estate decreased from **321** to **308** in the period 2010/11 to 2011/12 (down **4%**).

2.3 Tenure & Area Analysis

There are two types of tenure in the BMO estate – freehold and leasehold⁸. There is one PFI holding in the BMO estate, which has been categorised as “other” in the data collection phase. This holding, the Invest NI headquarters building, has one occupier, is in one building and is located in Belfast.

60% of the total number of holdings in the BMO estate is **leasehold**, which occupies **44%** of the total area

AND

40% of the total number of holdings in the BMO estate is **freehold**, which occupies **54%** of the total area

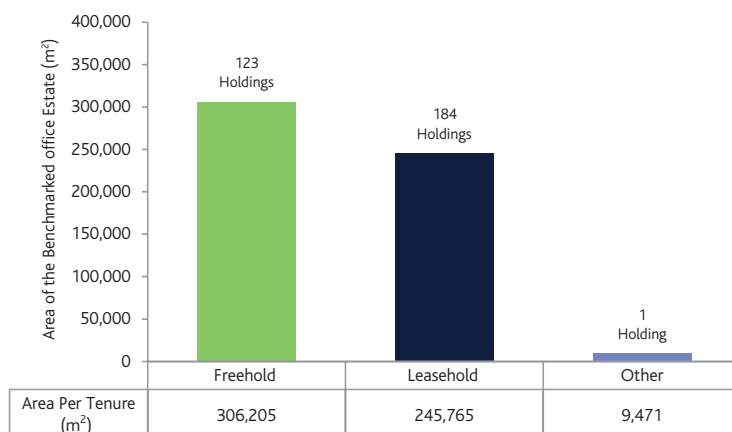


Figure 5
Total area of the BMO
estate by tenure 2011/2012

⁸ Refer to definition in Glossary.

2.4 Ownership Analysis

Departmental distribution of the BMO estate (by area m²) is summarised below:-

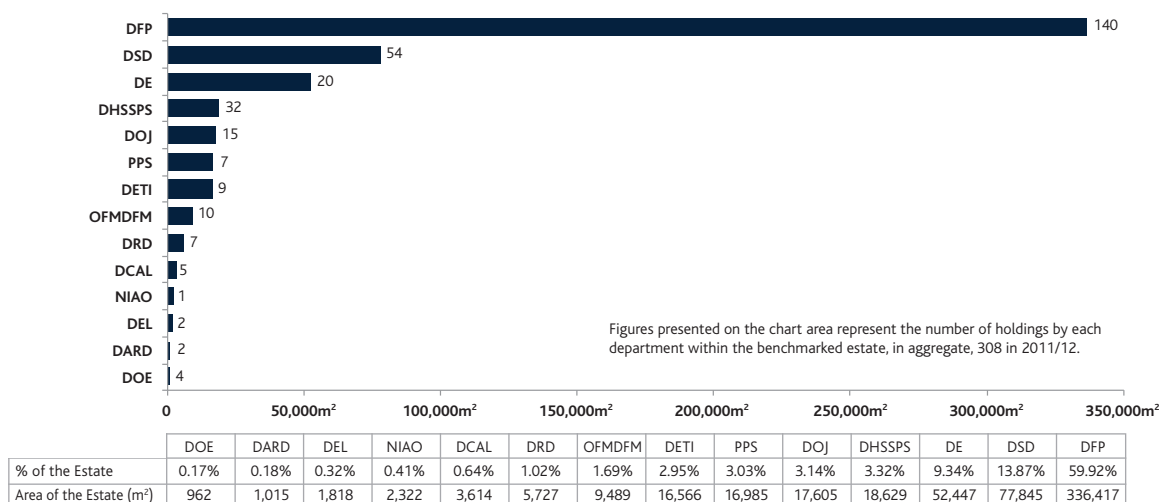


Figure 6:
Departmental
Distribution of the
BMO estate

DFP, through its Property Division (PD), owns/leases the highest number of holdings (**140**) and area (**336,417m²**) in the BMO estate. However, as DFP PD is responsible for the provision of government office and accommodation services throughout NICS and some ALBs, the occupation presented as DFP actually includes occupation by all 12 departments. (This is fully explained in 2.7).

Departmental Core/ALB occupation split (by area m²).

Figure 7, illustrates the split between core department and ALB occupation within the BMO estate (area m²).

The total area of the BMO estate is (**561,441m²**).

Of the total area occupied, **36% (202,880m²)** is occupied by core departments and **64% (358,561m²)** is occupied by ALBs.

Within the total area occupied by core departments, (**202,880m²**) - **63%** is freehold and **37%** is leasehold.

Within the total area occupied by ALBs (**358,561m²**) - **53%** is freehold, **44%** is leasehold and **3%** is PFI.

64% of the total BMO estate is located in Belfast (**361,044m²**) and **36%** in the regions (**200,397m²**).

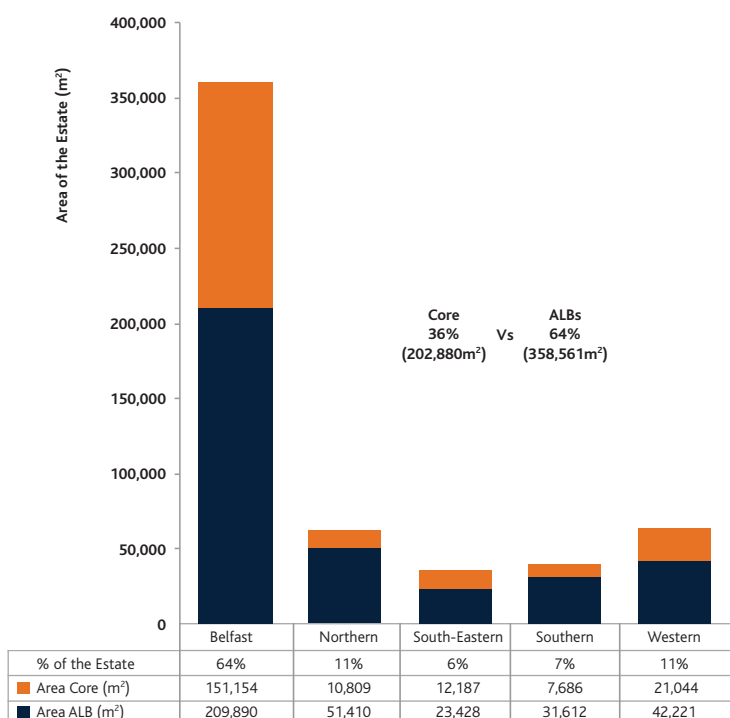


Figure 7
Department Core/ALB split

THE SIZE OF THE BMO ESTATE

2.5 Location Analysis

The majority of the BMO estate is located in the Belfast area - **135** out of the **308** holdings and **64% (361,044m²)** of the total area.

173 holdings are located in the regions - **36% (200,397m²)** of the total area.

75% of the area occupied by core departments is in Belfast (**151,154m²**).

59% of area occupied by ALBs is in Belfast (**209,890m²**).

25% of the area occupied by core departments is in the regions (**51,726m²**).

41% of the area occupied by ALBs is in the regions (**148,671m²**).

The emerging picture is that of greater areas of occupation (m² footprint) in Belfast, in fewer holdings, and less area of occupation in the combined regions, in a greater number of holdings.

See **Appendix A** for regional breakdowns.

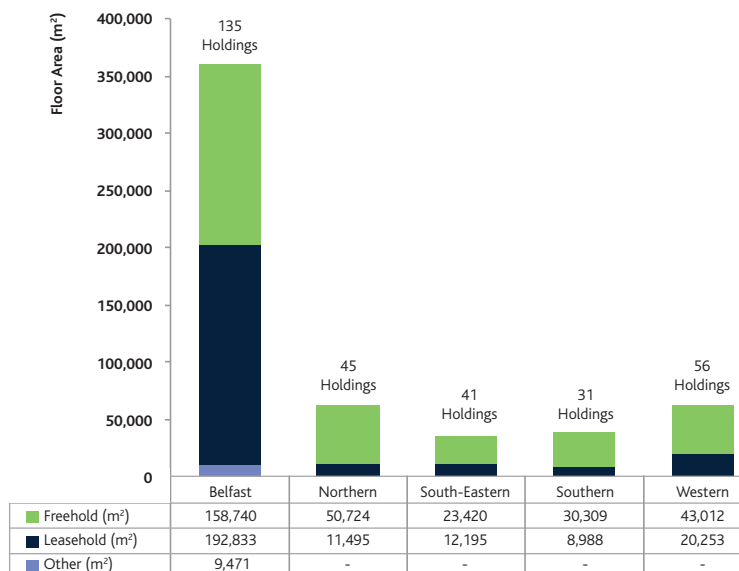


Figure 8
Regional distribution of the BMO estate

To summarise:-

The total BMO estate area in Belfast is 361,044 m²

- **44%** of the total area in Belfast is freehold.
- **53%** of the total area in Belfast is leasehold.
- **3%** of the total area in Belfast is PFI.
- **52%** of the total freehold BMO estate area is located in Belfast, in **38** holdings.
- **78%** of the total leasehold BMO estate area is located in Belfast, in **96** holdings.

The total BMO estate area in the regions is 200,397 m²

- **74%** of the total area in the regions is freehold.
- **26%** of the total area in the regions is leasehold.
- **48%** of the total freehold BMO estate area is located in the regions, in **85** holdings.
- **22%** of the total leasehold BMO estate area is located in the regions, in **88** holdings.

2.6 Size/Location Analysis

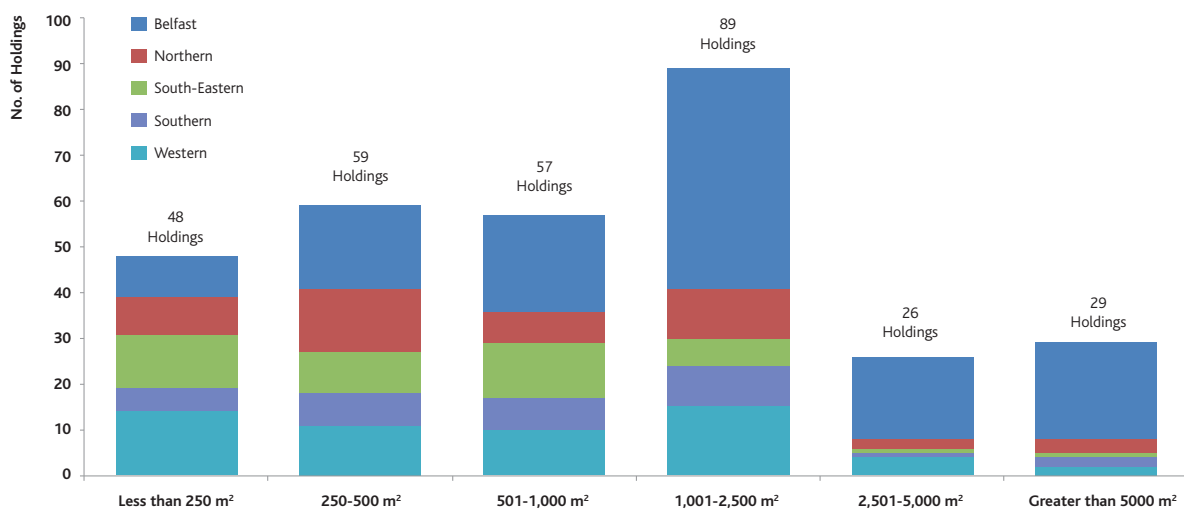


Figure 9
Number of holdings
by size band

- 21 out of 29 of the largest holdings (greater than 5000 m²) are located in Belfast.
- 39 out of 48 of the smallest holdings (less than 250 m²) are located in the regions.
- There are only 9 holdings less than 250m² in Belfast.
- 66 out of the 135 holdings in Belfast (49%) are between 1,000m² and 5,000m²+.
- In Belfast, 48 out of 135 holdings (36%) are less than 1,000m².
- In the Northern region, 29 out of 45 holdings (64%) are less than 1,000m².
- In the South-Eastern region, 33 out of 41 holdings (80%) are less than 1,000m².
- In the Southern region, 19 out of 31 holdings (61%) are less than 1,000m².
- In the Western region, 35 out of 56 holdings (63%) are less than 1,000m².
- 6 out of 56 holdings in the Western region (11%) are greater than 2,500m².
- There are a higher percentage of larger holdings in Belfast.
- There are a higher percentage of smaller holdings in the regions.

2.7 DFP Properties Division (PD)

DFP (PD) provides office accommodation for the majority of core NICS staff, covering all 12 ministerial departments, in a combination of freehold and leasehold properties. Unless otherwise stated, information on these holdings is reported against DFP and not the individual department.

DFP (PD) is therefore the largest owner in the BMO estate - **336,417 m²; 60%** of the total area (**561,441 m²**).

The core DFP department occupies a relatively small number of holdings; however, DFP (PD) acts on behalf of other departments in managing **140** out of the **308** holdings benchmarked in this report.

The remaining **168** holdings are owned/ leased by **60** different central government organisations.

All 12 ministerial departments and 27 of the ALBs occupy space in the 140 DFP (PD) holdings.

THE SIZE OF THE BMO ESTATE

Within the **140** holdings, there are **275** occupations.

64 out of the **275** occupations are single occupancy – *one holding – one occupant* (29 freehold, 35 leasehold).

211 out of the **275** occupations are multi occupancy – *one holding – shared by more than one occupant* (146 freehold, 65 leasehold).

Therefore, when reviewing departmental size, cost and efficiency, it is important to understand the complex nature of the departmental occupation within the DFP (PD) BMO estate.

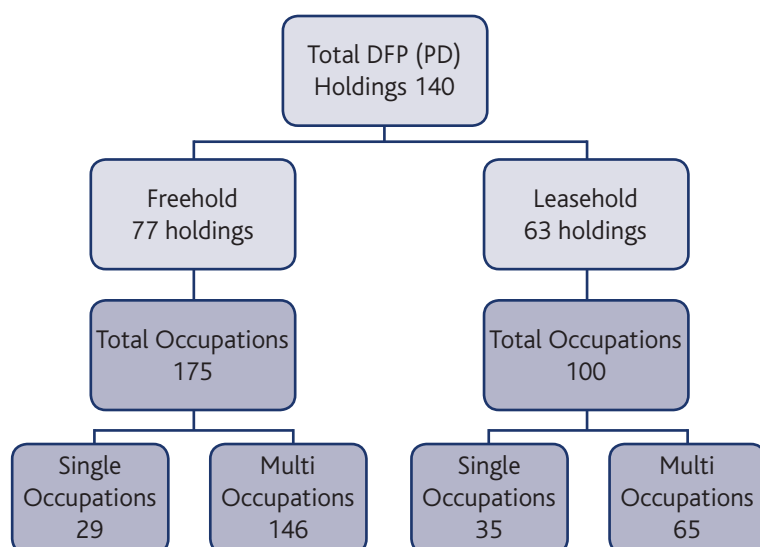
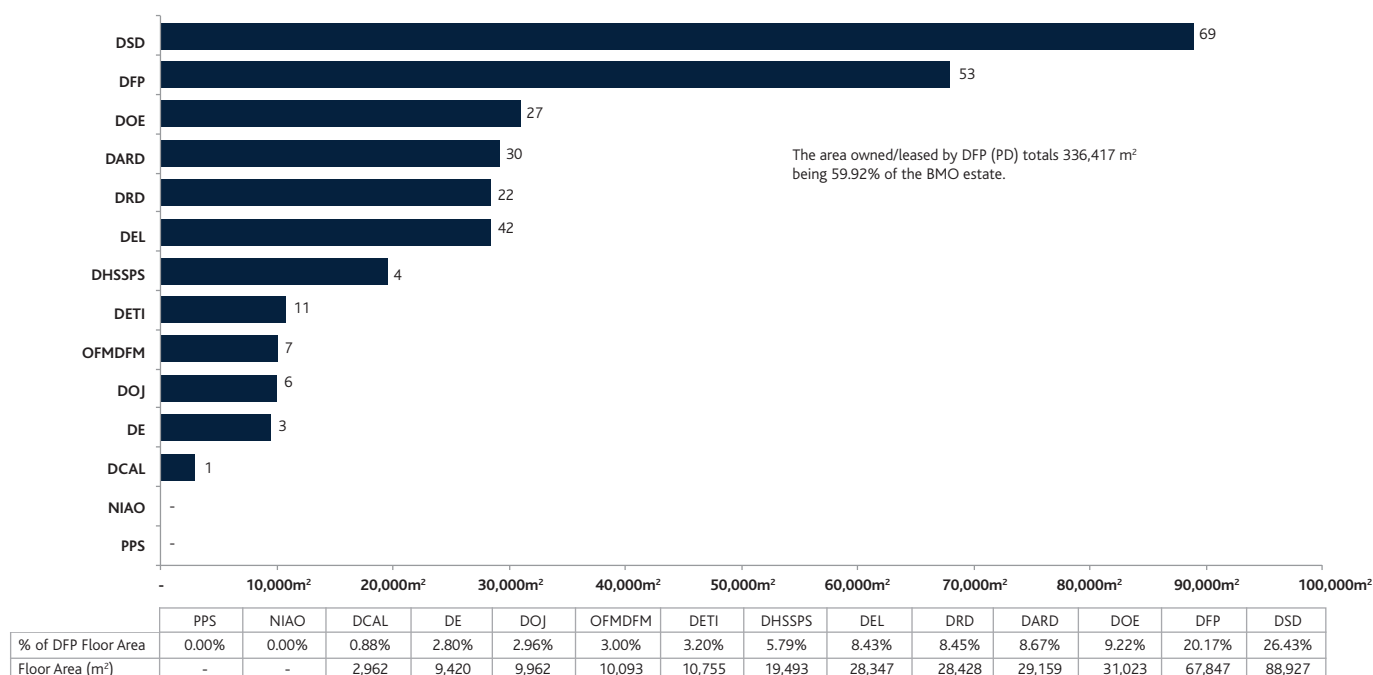


Figure 10
DFP PD breakdown of
holdings in the BMO estate

Figure 11 shows the breakdown of the DFP (PD) estate and how it is occupied by departments and their respective ALBs.



Note: The figures presented on the chart area represent the number of occupations by each department. In total, there are 275 occupations within DFP (PD) contained within 140 holdings.

Figure 11
Departmental occupation across DFP (PD) BMO estate

3.1 Running Cost of the BMO estate

It is useful to highlight the distinction between the total direct running cost of all central government assets and the cost of the BMO estate, which is analysed in this report.

Based on 2010/11 figures, the total direct running cost of all central government assets is estimated at **£1.231bn**. The review of direct running costs, which was carried out in preparation for the AMS, covers the 12 ministerial departments and excludes staff costs and notional charges. A definition of the costs included and a breakdown of departmental running costs is included in **Appendix B**.

Core departments use Account NI as their main accounting system, whilst most ALBs use individual, bespoke accounting systems. This absence of a common accounting system across central government makes it very difficult to extract information in a common format and may render this initial assessment inaccurate. It is anticipated that recording and analysis of this data will improve, subject to the approval and implementation of some of the recommendations in the AMS.

2010/11 departmental returns for the cost of the BMO estate (excluding NIAO & PPS) amount to a total of **£96,038,476** which equates to **7.8%** of the total running cost of all Central Government assets: **figure 12** (overleaf).

Departmental analysis highlights that the total departmental BMO costs, as a percentage of departmental running costs, varies from less than **1%** (DARD, DRD) to **84%** (DFP).

The two highest spending departments, DHSSPS and DE, have a low relative % spend on office occupation: **1.43%** and **2.36%** respectively. This partly reflects the high proportion of total expenditure relating to buildings used for direct service delivery (hospitals and schools for example).

The total cost of the
BMO estate in 2011/12
is £97,384,385, **3% less**
than in 2010/11.

THE COST OF THE BMO ESTATE

rent rates tenure analysis estate
BMO assets leasehold freehold running cost

State of the
Estate
Report 2012

The graph below illustrates the relative position for each department between the annual cost of the BMO estate and the total annual cost of the entire asset base.

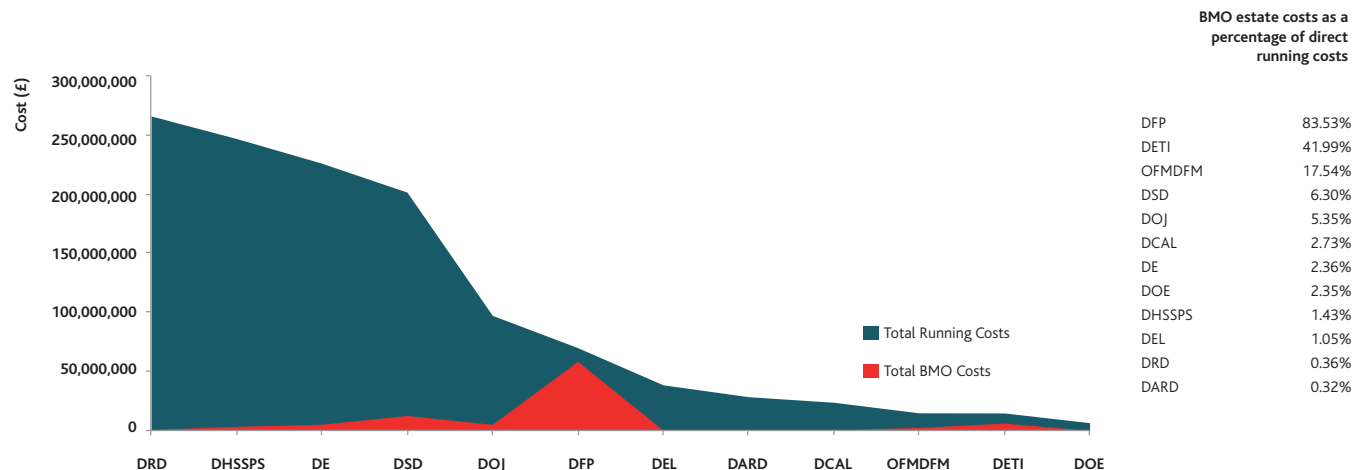


Figure 12
Comparison of departmental BMO estate costs and total running costs 2010/11

3.2 Cost of the BMO Estate

The total cost of the BMO estate in 2011/2012 is **£97,384,385⁹**, 3% less than in 2010/2011⁹.

Tenure analysis of this cost is as follows:-

- freehold BMO estate - **£35,024,634**
- leasehold BMO estate - **£57,113,555**
- other BMO estate (PFI) - **£5,246,196**

A full breakdown of the change in 2010/11 & 2011/12 costs is scheduled in **Appendix B**.

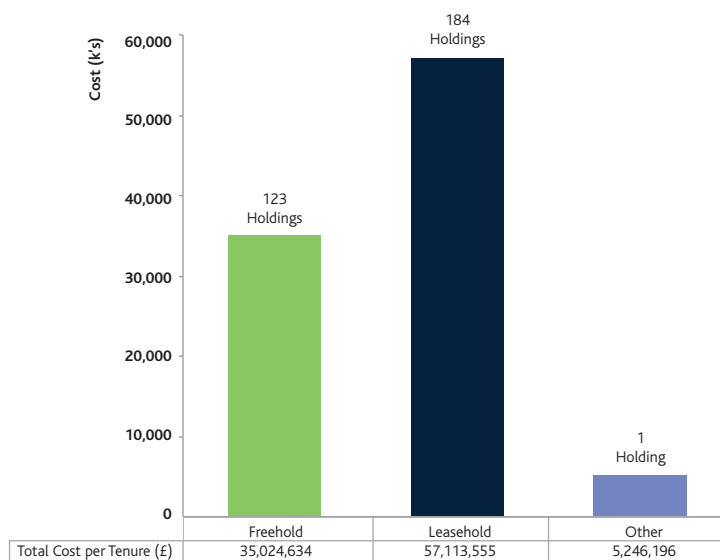


Figure 13
Total BMO estate costs

⁹ Including PPS & NIAO.

3.3 Freehold and Leasehold Analysis

It is difficult to truly compare the cost of the freehold BMO estate with the leasehold BMO estate. Whilst the freehold cost does not include, for example, rent and service charge (which both include some element of life cycle and maintenance liability), the leasehold cost includes cost of capital, life cycle cost allowance, dilapidation and depreciation.

For the purposes of this report, the freehold and leasehold BMO estates have been analysed separately; to more readily compare like with like and to avoid misleading information. Cost components of both tenure types are listed below:

FREEHOLD BMO COSTS ANALYSED

- Rates
- Other costs
 - Maintenance
 - Security
 - Cleaning
 - Water & sewerage
 - Energy

LEASEHOLD BMO COSTS ANALYSED

- **Rent**
- Rates
- Other costs
 - **Service Charge**
 - Maintenance
 - Security
 - Cleaning
 - Water & sewerage
 - Energy

- The freehold cost - **£35,024,634** equates to **36%** of the total cost (**54%** of the total area).
- The leasehold cost - **£57,113,555** equates to **59%** of the total cost (**44%** of the total area).
- The PFI cost - **£5,246,196** equates to **5%** of the total cost (**2%** of the total area).

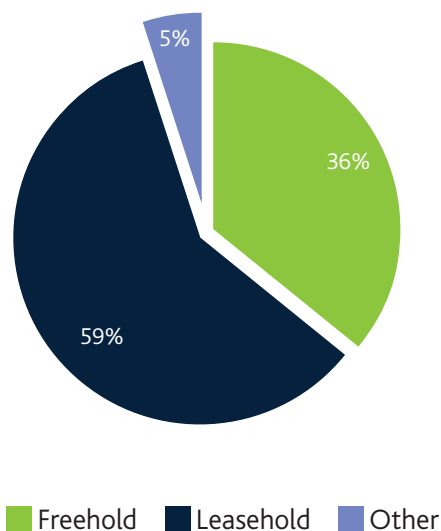


Figure 14
Percentage of total cost by tenure

THE COST OF THE BMO ESTATE

rent rates tenure analysis estate
BMO assets leasehold freehold running cost

State of the
Estate
Report 2012

3.4 Regional analysis

73% (£71,102,883) of total cost is attributable to holdings in Belfast.

The remaining **27% of cost (£26,281,502)** is attributable to the regions.

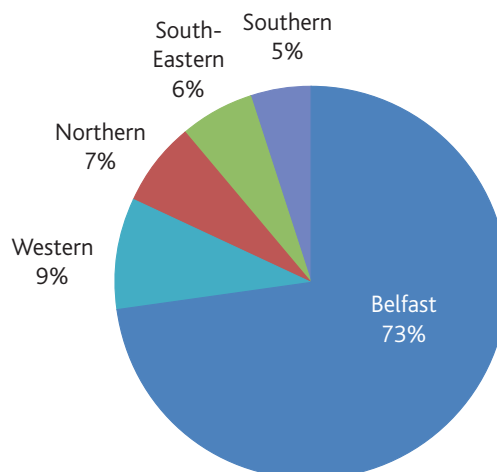
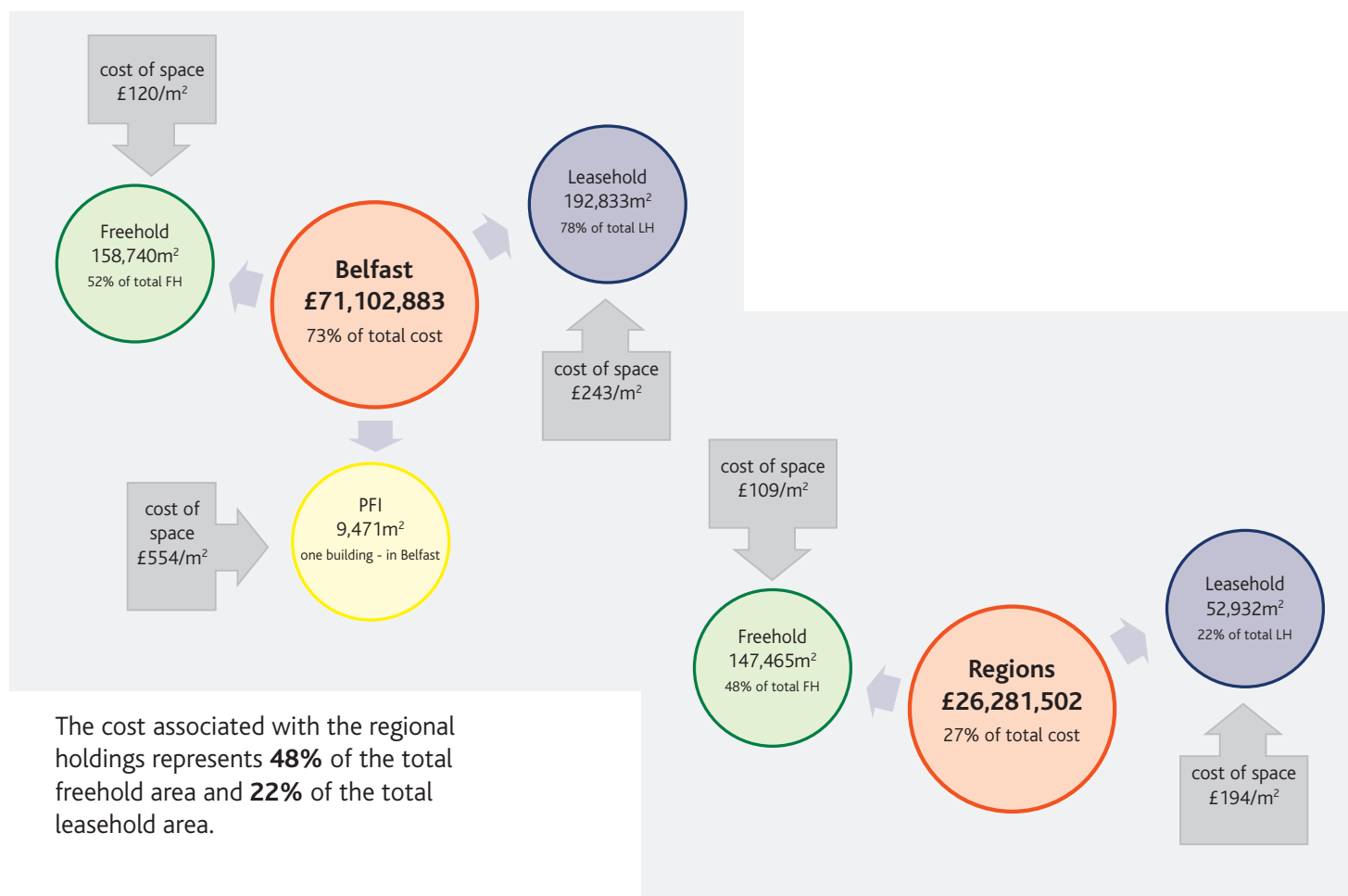


Figure 15
Percentage of total cost by region



The cost associated with the regional holdings represents **48%** of the total freehold area and **22%** of the total leasehold area.

Figure 16
Cost/space comparison of Belfast and the regions

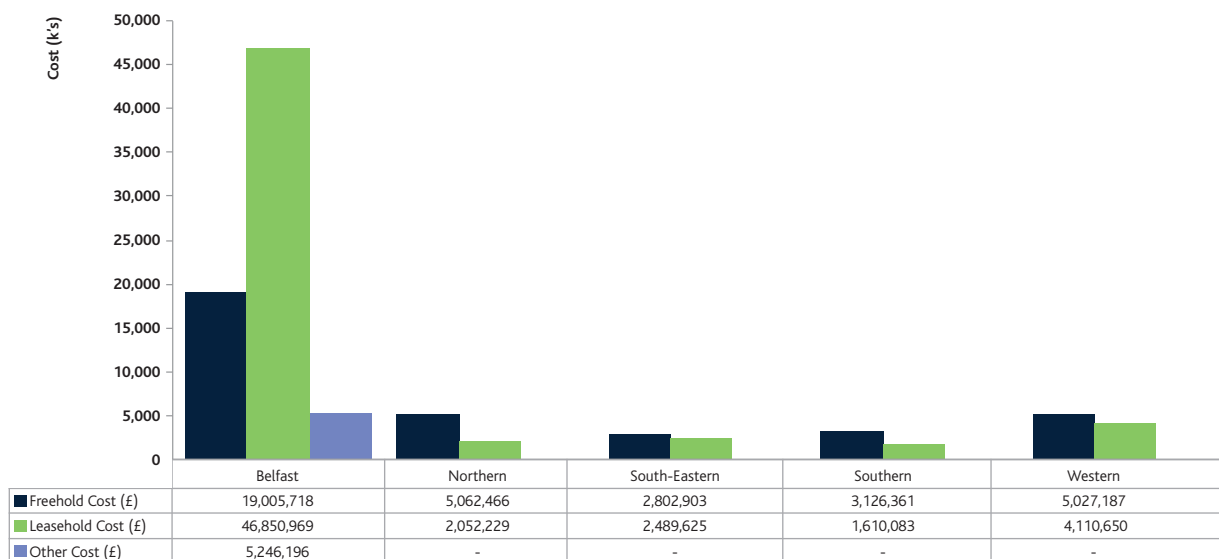


Figure 17
BMO estate cost by tenure and region

There are fewer holdings in Belfast, but they occupy a greater area.

78% of the area of the leasehold BMO estate is located in Belfast. As the leasehold estate contains cost elements that are not contained within the freehold BMO costs for the purpose of this report, the costs appear higher.

The structural condition - age, state of repair etc. of the BMO freehold estate is not fully known, therefore, it is difficult to use this analysis to measure performance.

The total cost for the single PFI building (**£5,246,196**) is attributable to Belfast (**5%** of the total BMO estate cost).

3.5 Estate Rationalisation

There is evidence that estate rationalisation already underway in central government is producing significant savings, for example:

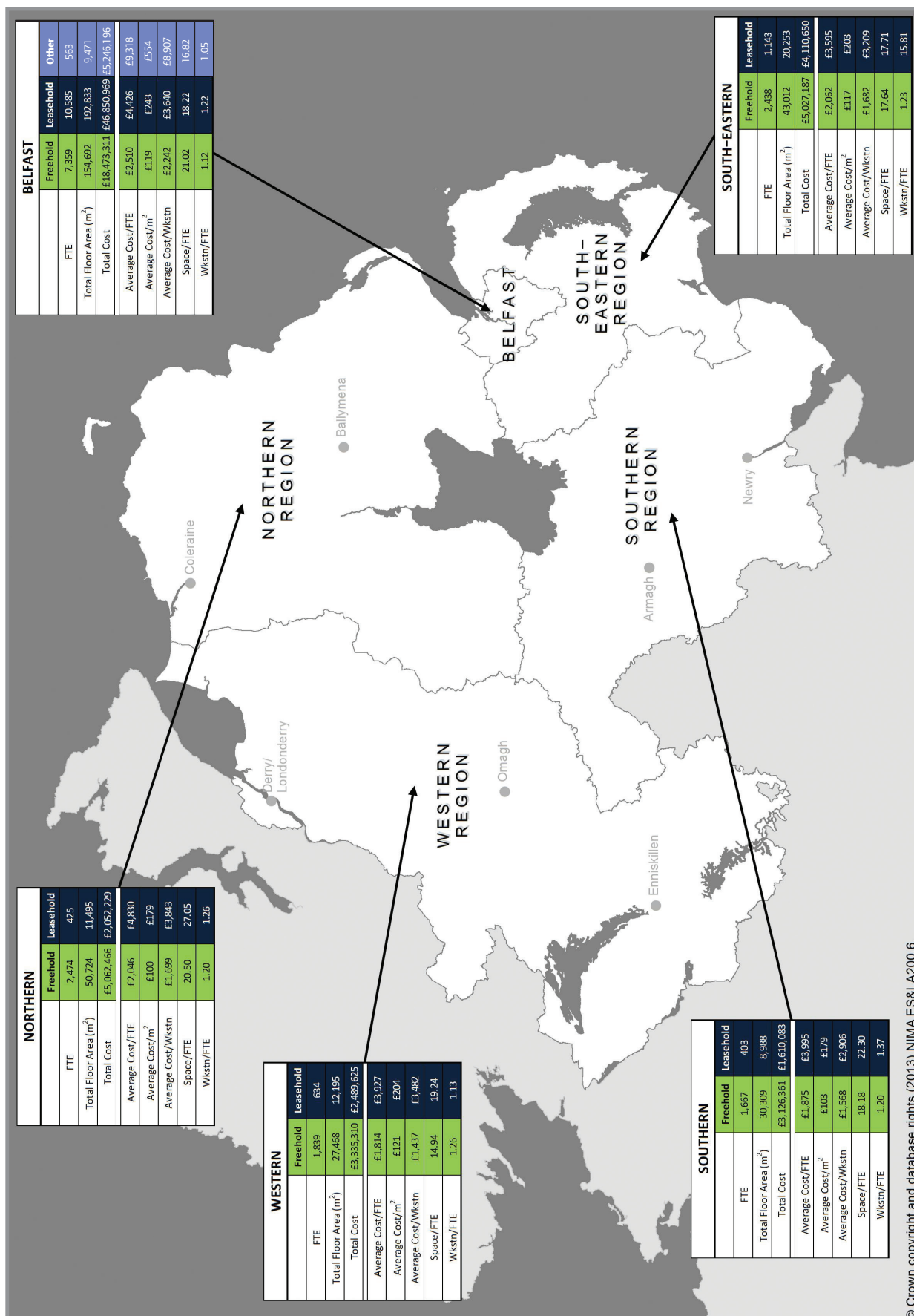
- Since 2009/10, DFP have released 21 buildings – vacating c.21,000 m².
- Between 2010/11 and 2011/12, DHSSPS have terminated 50 leases and re-negotiated 6 leases.
- The beginning of the DOJ rationalisation has resulted in projected £650,000 annual savings to the Department.
- NIW's major office rationalisation programme has delivered savings of £1.1m.

Full case studies are included in **Appendix D**.

THE COST OF THE BMO ESTATE

rent rates tenure
BMO assets analysis
energy leasehold estate
freehold running cost

State of the
Estate
Report 2012



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Before setting utilisation standards for the BMO estate, it is important to understand the flexibility of the BMO estate in its current form. This can be examined in relation to both the current capacity of the freehold and leasehold holdings and the ability of the leasehold BMO estate to contract upon lease expiry. In practice however, some of the services delivered from the BMO estate are inextricably linked to location and the flexibility of the BMO estate is dependent on the ability to absorb spare capacity.

4.1 Current capacity

Current capacity can be examined by analysing both vacant space within the current BMO estate (m²) area and the number of workstations in excess of FTEs¹⁰ occupying the holding.

Vacant Space

Portfolios of office accommodation will have vacant space at various stages; for example, buildings undergoing substantial refurbishment, leasehold buildings vacated in preparation for return to the landlord at lease end, or surplus freehold buildings in the disposal process.

In 2011/2012, the area of vacant space in the BMO estate decreased by **28%** to **18,256m²**. This area represents **3.25%** of the total area which compares to **3%** in the mandated estate in England and **2.47%** vacant in Wales.

If we were to assume an optimal **workstation:FTE ratio of 1:1**, and a desirable **10m²/FTE** for space utilisation, this level of vacant space could occupy **1,825 FTEs**. Even at the current average of **19m²/FTE**, this equates to a possible additional **960 FTEs**.

(For reference, the average workstation:FTE in NI is 1.19:1; England, 1.1:1; and Wales 1.5:1).

Spare Capacity

In preparation for examining the workstation:FTE KPI, (Chapter 5) it is important to understand the current number of workstations in the BMO estate, compared with the number of FTEs in current occupation.

For the purpose of this exercise, workstations in excess of FTEs are deemed to be **spare capacity**.

The total number of workstations in the BMO estate, 2011/12, is **35,069**; the total number of FTEs is **29,531**. The spare capacity on the BMO estate is therefore **5,538** (up 6% on 2010/11), equating to **16%** of workstations across the BMO estate.

To correlate spare capacity and area, **Figure 18** illustrates how spare capacity relates to holding size within the area bandings identified in Chapter 2.

The percentage shown represents the % of holdings within the area banding that has spare capacity in the stated groupings (1 – 10; 11-25 etc.).

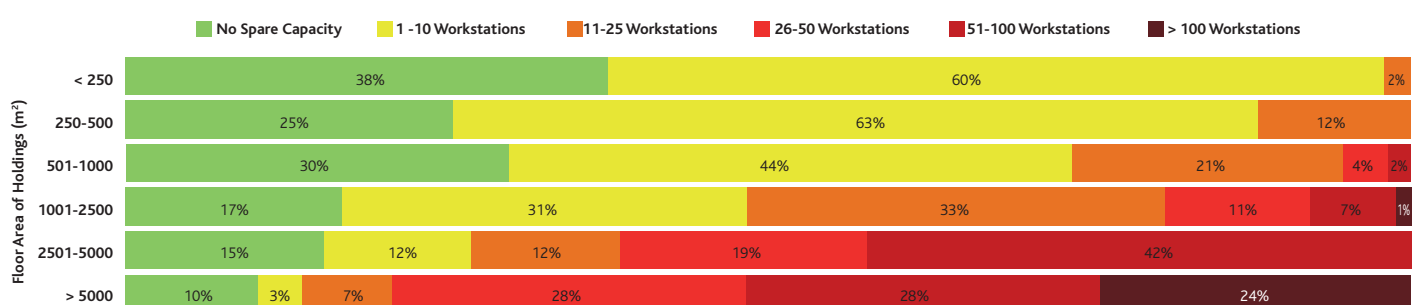


Figure 18
Spare capacity per holding – area bandings

¹⁰ FTE - Full Time Equivalent, refer to definition in Glossary

FLEXIBILITY OF THE BMO ESTATE

number relationship
flexibility
capacity workstations
FTEs

State of the
Estate
Report 2012

In smaller holdings (<500m²) spare capacity tends to be in smaller groupings (<10 spare workstations). This would typically represent acceptable spare workstations occurring from natural shrinkage or to allow for increased capacity. This type of spare capacity is not readily marketable or transferable.

Larger pockets of spare capacity emerge as holding area increases; of the **29** holdings >**5,000m²**, **52%** have spare capacity in excess of 51 workstations.

When this is examined in more detail, some explanation can be given, for example:

- Some departments undergoing estate rationalisation have holdings with extensive excess capacity to allow for consolidation of smaller holdings on lease expiry.
- Some occupations have downsized in the anticipation of vacation on lease expiry.

- There is evidence of sub-standard, underutilised temporary accommodation which is planned for removal from the estate.
- There are holdings that have part-time workers undertaking overlapping shift patterns but have a 1:1 desk ratio.

3,277 (59%) out of the **5,538** spare workstations are in Belfast, **Figure 19**, which directly correlates to the fact that **21** out of the **29** largest holdings are in Belfast, housing the largest amount of spare capacity.

However, the percentage of spare workstations in Belfast is **14.84%**, which is the lowest of all the regions. The Southern region has the highest percentage of spare workstations (**18.75%**), with the remaining regions ranging between **16.12%** and **18.12%**.

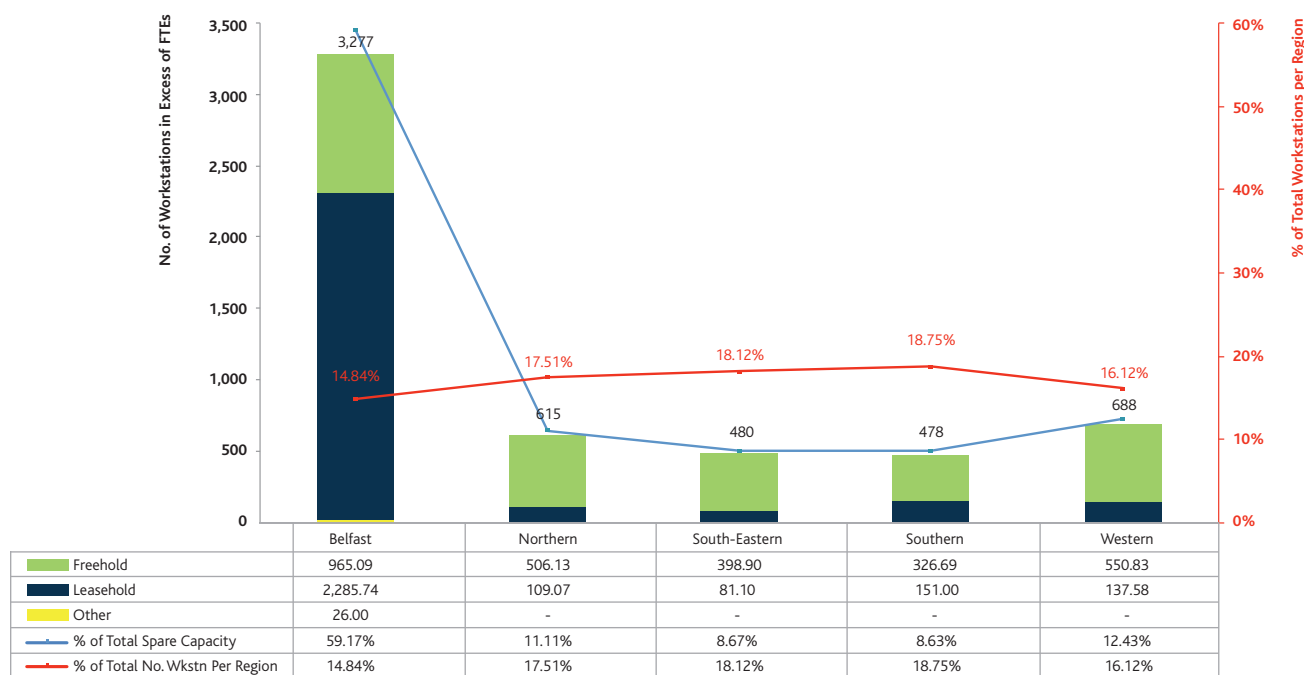


Figure 19
Regional distribution of spare capacity by tenure

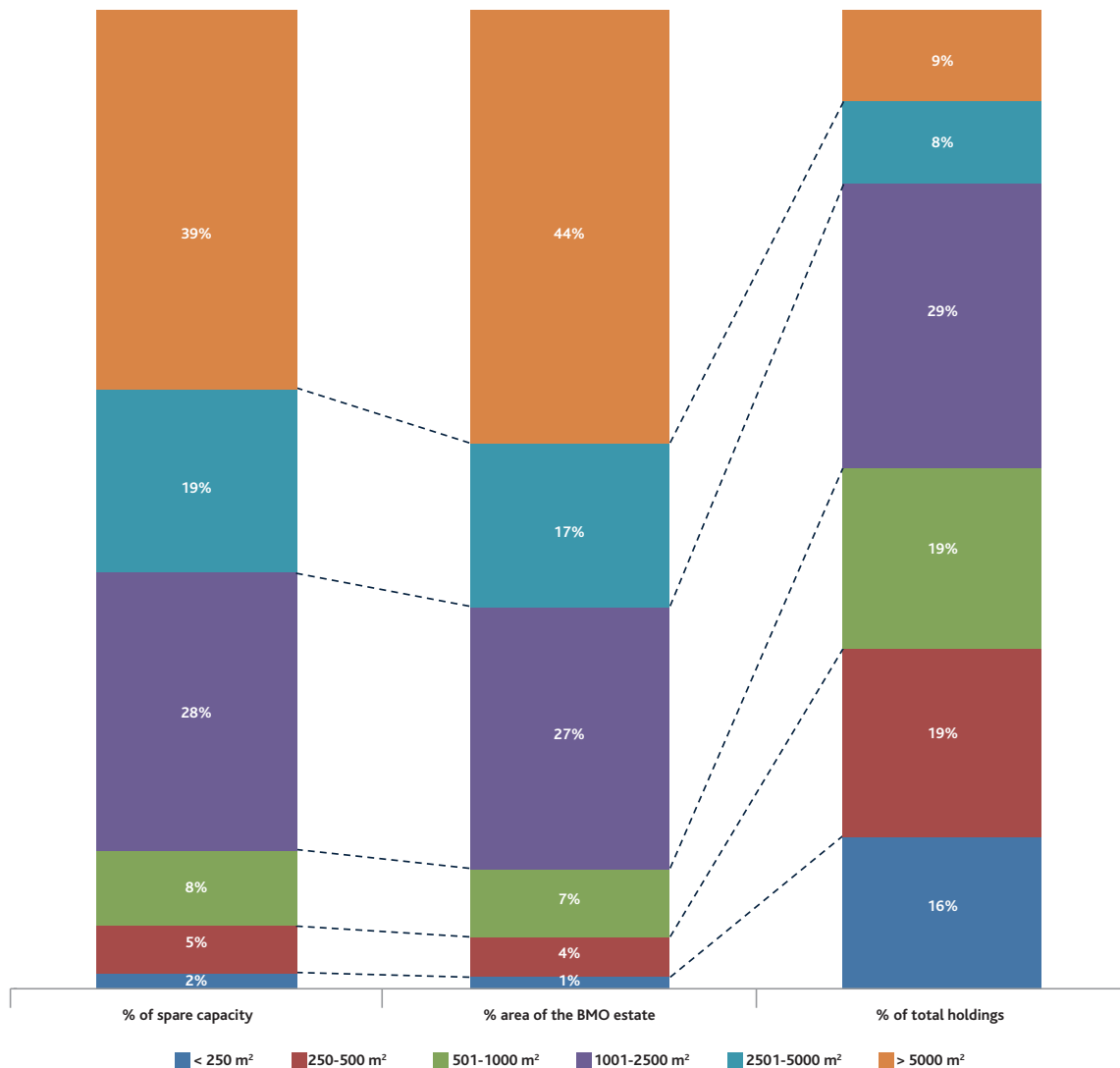


Figure 20
Relationship between
holding size (m²),
spare capacity, and
no. of holdings

The sum of this analysis suggests that, whilst there is the capacity in the BMO estate to absorb between **6,497** and **7,362** FTEs, depending on utilisation rates, not all of this will be achievable given the distribution of the spare capacity, the practical issues that surround absorption capacity and the compatibility of service provision. However, some of the absorption may occur through current departmental rationalisation.

4.2 Cost of Spare Capacity

The KPI analysis (Chapter 5) establishes the NI average cost per workstation in the BMO estate as follows:

- Freehold cost per workstation **£1,891/wkstn**
- Leasehold cost per workstation **£3,580/wkstn**
- PFI cost per workstation **£8,907/wkstn**

Using these metrics, the potential annual cost to government of holding this spare capacity, could be in the region of **£15.3m**. This excludes the true cost of freehold which was highlighted in Section 3.3.

BMO estate Tenure	Average cost per workstation	Number of spare workstations	Total cost
Freehold	£1,891	2748	£5,195,787
Leasehold	£3,580	2764	£9,895,120
Other	£8,907	26	£231,582
		5,538	£15,322,489

Figure 21
Potential annual cost of spare capacity to government

Using the bandings of excess workstations established above, the cost to government of holding pockets of excess workstations across the BMO estate of less than 26 workstations on an annual basis is approximately **£3.7m**. The annual cost to government of holding pockets of excess across the BMO estate greater than 26 workstations (up to the maximum of c200 that currently exists) is approximately **£11.6m**.

Making the assumption that there may be limited ability to freely rationalise smaller pockets of excess capacity, the annual cost to government of excess capacity in the BMO estate could be more realistically assumed to be in the region of **£11.6m**.

4.3 Leasehold Expiry Profile

60% (184) of the holdings in the BMO estate are leasehold, which currently cost **£57 million** per annum. The rent for these 184 holdings is currently **£26,591,518** per annum, based on 2011/12 estimates, a significant portion of the annual running costs.

The BMO leasehold estate has the greatest potential to reduce running costs by developing efficiency plans based on known lease breaks and expiries. By exploring the expiry profile of the BMO leasehold estate, a cumulative total reduction of gross lease costs in the region of **£50 million** could be made up until 2022.

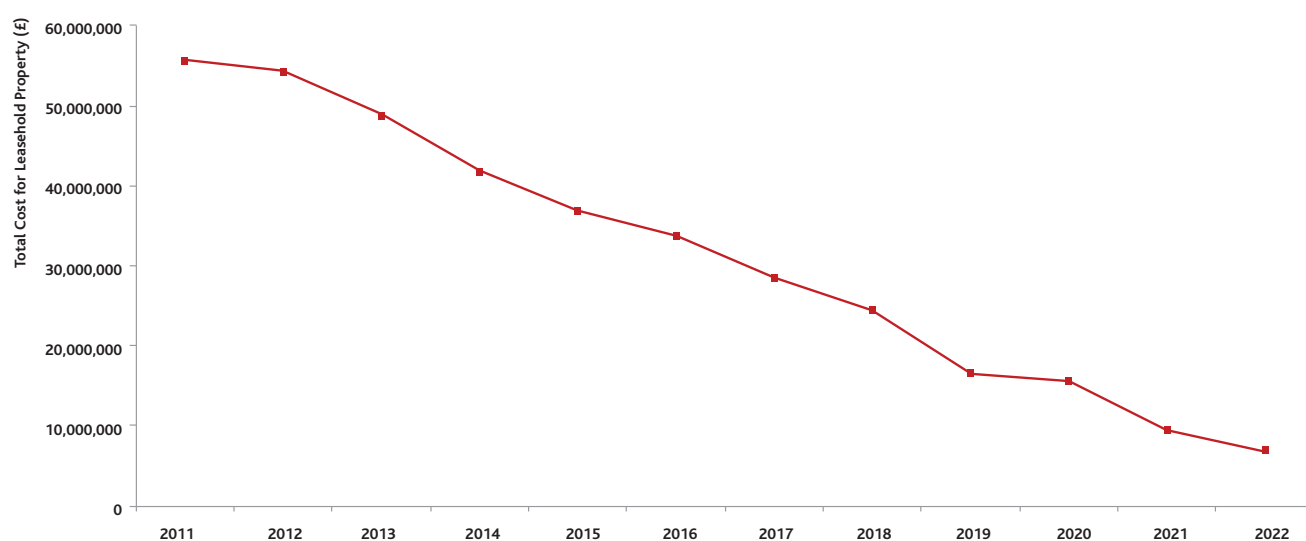


Figure 22
Gross lease cost expiry

The expiry of this portfolio represents **208,790m²** and **13,706** workstations. Whilst this would be a challenge, in terms of rationalisation, it would also present an opportunity to set new standards of occupancy in line with KPI targets for the future.

This best-case scenario would be dependent on many factors, for example: the ability of the BMO freehold estate to absorb spare capacity; the link between location and service delivery; and individual departmental business planning.

Total number of FTEs **29,531**.

Total number of workstations **35,069**.

Holdings (<500m²), spare capacity tends to be in smaller groupings (< 10 spare workstations).

Larger pockets of spare capacity emerge as holding area increases.

The overall efficiency of a holding, in terms of its occupation and cost, can only really be understood when it is compared against others within the BMO estate, in the private sector and other countries.

Benchmarking¹¹ therefore provides a standardised basis for consistent reporting and analysis across the estate.

5.1 Key Performance Indicators (KPIs) Used

For this report, the assessment of efficiency has been approached in line with the Office of Government and Commerce (OGC) “*Better Measurement – Better Management*” Guidance. The suite of KPIs used are identified within a hierarchy of levels, illustrated in **Figure 23**.

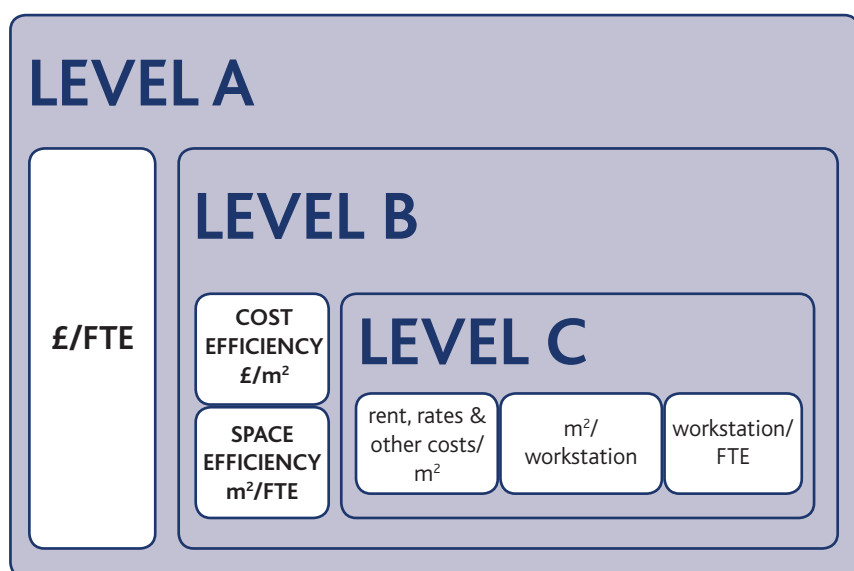


Figure 23
Efficiency measurement

For full definitions of the above, refer to Glossary.

To compare the efficiency of the BMO estate in a more meaningful way, the cost of freehold, leasehold and PFI holdings have been analysed separately. Whilst this enables a more accurate comparison, it differs from the approach taken in England and Wales, where they have introduced a notional cost in the freehold estate to make it comparable with the leasehold estate.

An independent analysis of a sample of Belfast offices has been carried out for direct comparison with the Belfast region of this report. There was no comparative private sector information available for any of the other geographical regions that could be readily used for comparison purposes.

A breakdown of KPIs by department and region is included in **Appendix C**.

¹¹ Refer to definition in Glossary.

5.2 Components of KPIs

SUMMARY OF CENTRAL GOVERNMENT BENCHMARKED OFFICE ESTATE 2011/2012	
Total number of holdings	308
Total number of buildings	286
Total area m²	561,441m²
Total cost	£97,384,385
Total workstations	35,069
Total FTEs	29,531

Figure 24
Central Government BMO
Estate – variables for KPI analysis

Figures 24 summarises the key information on the BMO estate, used to generate the KPI information and analysis in Section 5.3.

“Collecting accurate, consistently defined and verifiable data is at the heart of any robust benchmarking process”.

OGC Better Measurement – Better Management.

5.3 COST(£)/FTE

In line with England and Wales, £/FTE is the primary indication of the efficiency of a holding, as it incorporates an assessment of spatial occupation and cost.

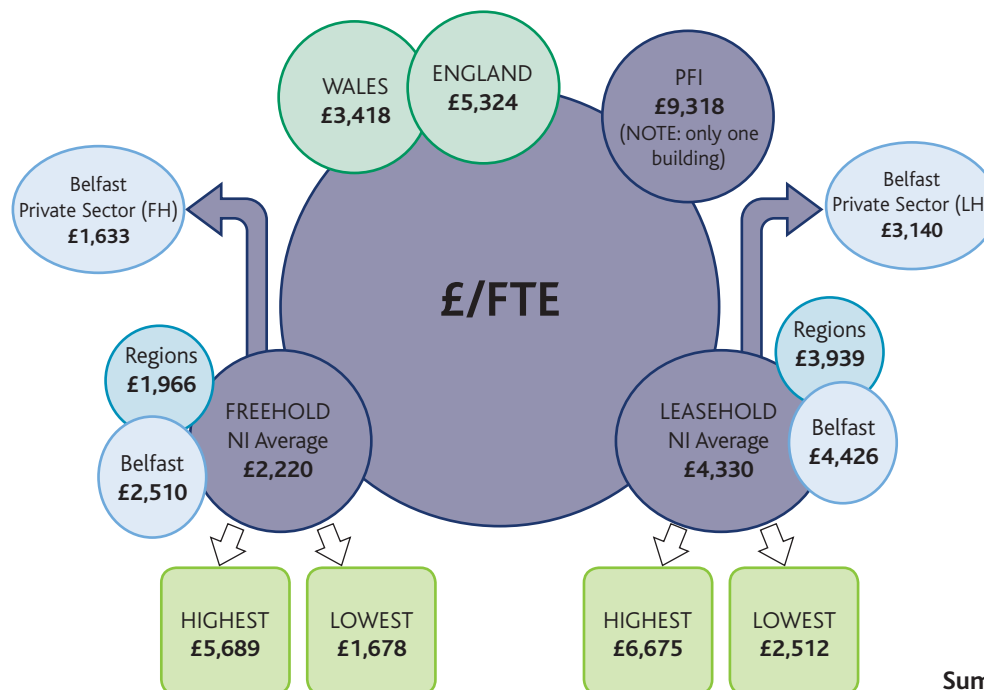


Figure 25
Central Government KPI
Summary – £/FTE 2011/2012

Key Points – £/FTE

£/FTE has increased in the BMO freehold estate by **2.3%**, and decreased in the BMO leasehold by **3.7%** from 2010/11 to 2011/12.

There is only one PFI holding, costing **£9,318/FTE**.

BMO Freehold Estate – NI Average, £2,220/FTE

- There is a variation of **£544/FTE (28%)** between Belfast and the regions, the average in Belfast being **£2,510/FTE** and **£1,966/FTE** in the regions.
- The Belfast BMO freehold £/FTE is **54%** more than the Belfast private sector.

BMO Leasehold Estate – NI Average, £4,330/FTE

- There is a variation of **£487/FTE (12%)** between Belfast and the regions, the average in Belfast being **£4,426/FTE** and **£3,939/FTE** in the regions.
- The Belfast BMO Leasehold £/FTE is **41%** more than the Belfast private sector leasehold estate.

The £/FTE for England and Wales is not comparable with this KPI as a combined freehold and leasehold figure is used in these regions.

5.4 COST(£)/m²

The KPI Cost(£)/m² enables an analysis of the cost of the actual area (m²) owned or leased.

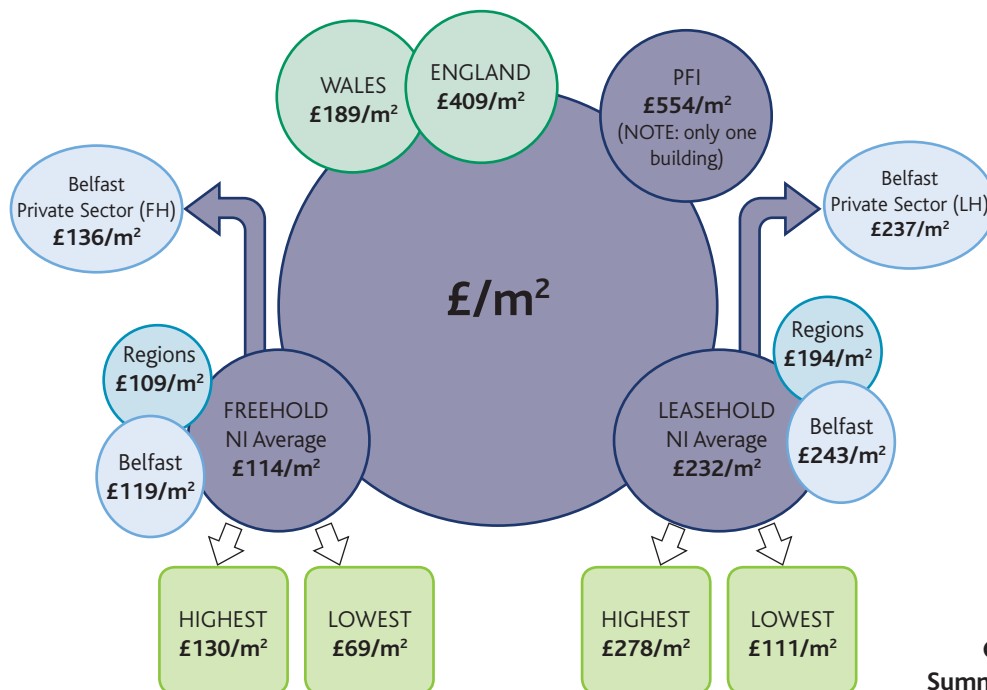


Figure 26
Central Government KPI
Summary – £/m² 2011/2012

Key Points – £/m²

£/m² has increased in the BMO freehold by **1.6%**, and decreased in the leasehold by **1.6%** from 2010/11 to 2011/12.

There is only one PFI holding, costing **£554/m²**.

BMO Freehold Estate – NI Average, £114/m²

- There is **£10/m² (9%)** variation between Belfast and the regions, the average in Belfast being **£119/m²** and **£109/m²** in the regions.
- The Belfast private sector freehold £/m² is **14%** more than the Belfast BMO estate.

BMO Leasehold Estate – NI Average, £232/m²

- The £/m² of the Belfast BMO leasehold office estate is **25%** greater than the £/m² in the regions.
- The £/m² of the Belfast BMO leasehold estate is **2.5%** more than the Belfast private sector leasehold estate.

The £/m² for England and Wales is not comparable with this KPI as a combined freehold and leasehold figure is used.

5.5 COST (£)/Workstation

The £/Workstation KPI identifies the cost of each workstation within a holding. The £/wkstn reduces as the number of workstations are maximised within each holding.

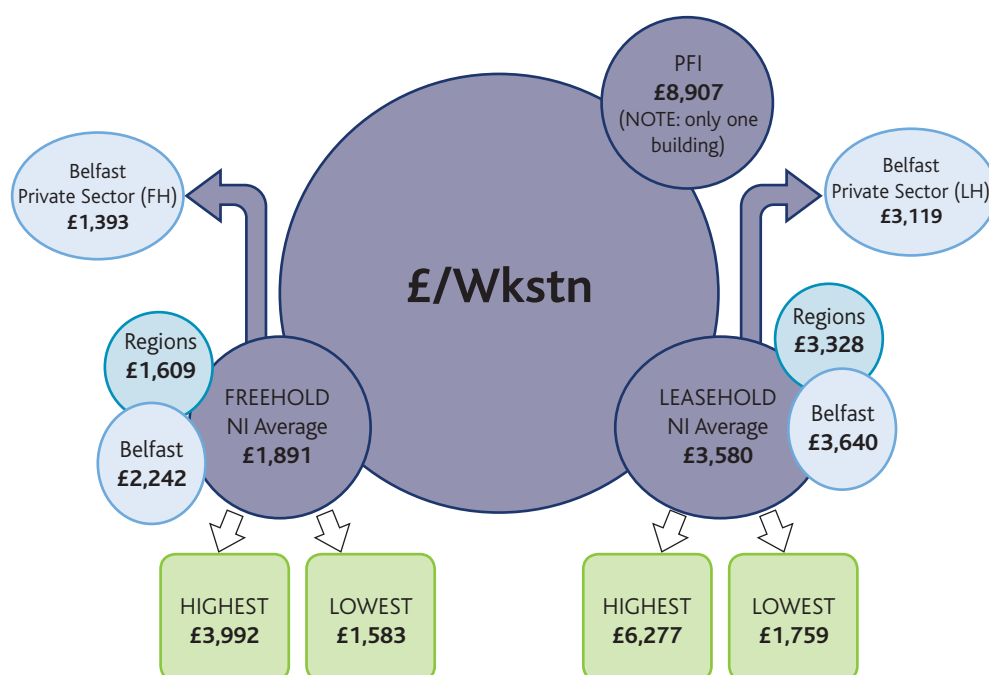


Figure 27
Central Government KPI
Summary – £/workstation
2011/2012

Key Points – £/workstation

£/workstation has increased in the freehold estate by **1.5%**, and decreased in the leasehold by **5.3%** from 2010/11 to 2011/12.

There is only one PFI holding, costing **£8,907/workstation**.

BMO Freehold Estate – NI Average, £1,891/wkstn

- There is variation of **£633/wkstn (39%)** between Belfast and the regions, the average in Belfast being **£2,242/wkstn** and **£1,609/wkstn** in the regions.
- The Belfast BMO freehold £/wkstn is **61%** more than the Belfast private sector.

BMO Leasehold Estate – NI Average, £3,580/wkstn

- The Belfast BMO leasehold £/wkstn is **9%** more than the regions.
- Belfast BMO leasehold (**£3,640/wkstn**) is **17%** higher than the private sector (**£3,119/wkstn**).

England and Wales do not comment on this KPI.

5.6 SPACE(m²)/FTE

Space efficiency is an important KPI in establishing the efficient use of accommodation using area (m²) and FTE.

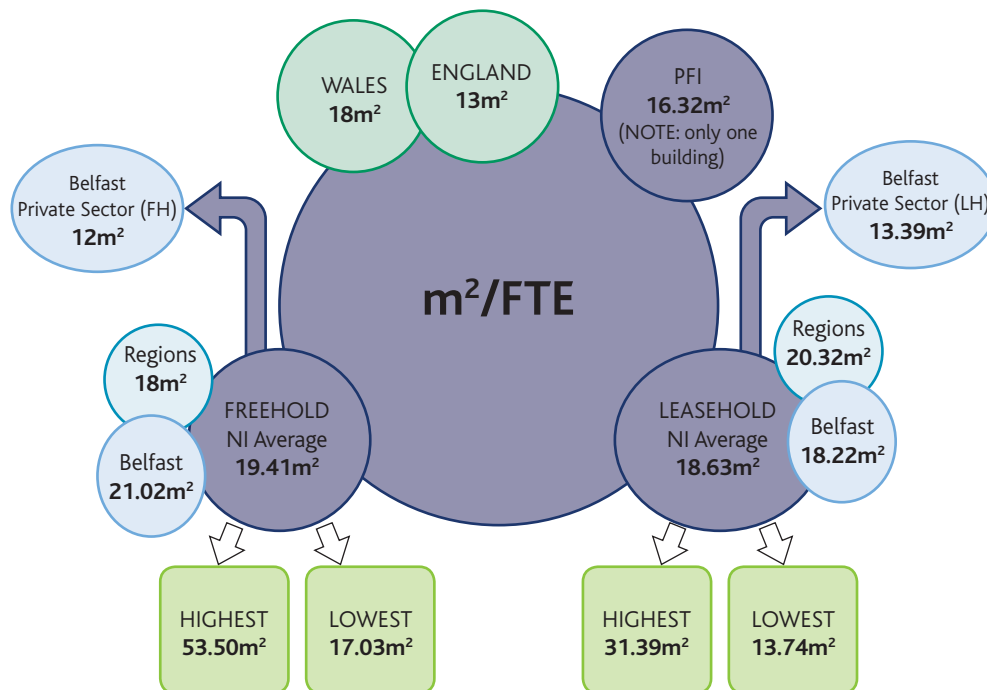


Figure 28
Central Government
KPI Summary – m²/FTE
2011/2012

Key Points – m²/FTE

There is little difference in the BMO freehold estate from 2010/11 to 2011/12. The m²/FTE in the BMO leasehold estate has reduced by **2%** from 2010/11 to 2011/12.

There is only one PFI holding, occupying **16.32m²/FTE**.

BMO Freehold Estate – NI Average, 19.41m²/FTE

- Space (m²)/FTE in the BMO freehold estate is more efficient in the regions than in Belfast, by **3m²/FTE, (14%)**.
- Space (m²)/FTE is more efficient in the Belfast private sector than in the Belfast BMO freehold estate, by **9m²/FTE, (43%)**.

BMO Leasehold Estate – NI Average, 18.63m²/FTE

- Space (m²)/FTE in the BMO leasehold estate is more efficient in the Belfast than in the regions, by **2m²/FTE, (11%)**.
- The Belfast private sector is more efficient than the BMO leasehold estate, by **5m²/FTE (27%)**.

The Wales average is 18m²/FTE, which is comparable with the NI average for leasehold (18.63m²/FTE) and marginally better than the NI average for freehold (19.41m²/FTE).

The average for England is 13m²/FTE, which is lower than the NI average for freehold (19.41m²/FTE), leasehold (18.63m²/FTE) and PFI (16.32m²/FTE).

5.7 Workstation:FTE

Workstation:FTE illustrates how many workstations there are per FTE, and provides an indication of space utilisation across the BMO estate. A ratio of 1:1 represents one desk per FTE and anything above 1:1 indicates that there are more workstations than FTEs.

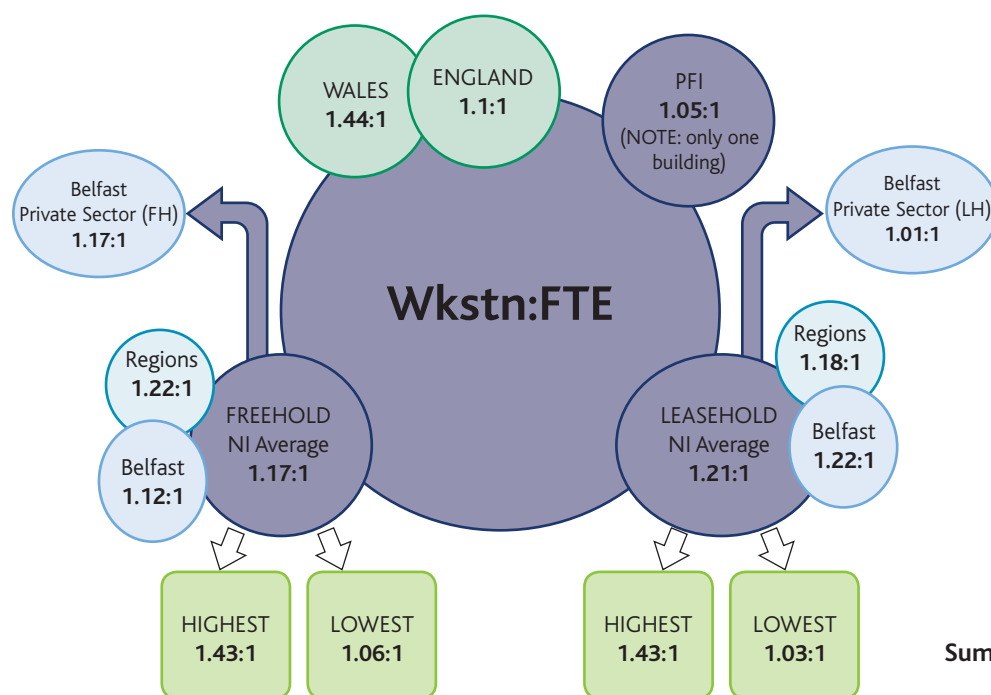


Figure 29
Central Government KPI
Summary – Workstation:FTE
2011/2012

Key Points – Workstation:FTE

Workstation:FTE has increased/ slightly in the BMO freehold (from 1.16:1 to 1.17:1) and in the leasehold estate (1.18:1 to 1.21:1) from 2010/11 to 2011/12.

Whilst the total number of both workstations and FTEs has decreased in the year, there has been a bigger % change in FTEs than workstations, hence the increase in the ratio.

There is only one PFI holding, operating at **1.05:1 workstation:FTE**, which is more efficient than the BMO freehold and leasehold estate.

Generally, occupation in the BMO freehold estate is more efficient than the BMO leasehold estate, particularly in Belfast, where the average is **1.12:1 workstation:FTE**.

BMO Freehold Estate – NI Average, 1.17:1 Wkstn:FTE

- ° Belfast BMO freehold space utilisation is most efficient in the estate at **1.12:1**, compared to **1.22:1 wkstn:FTE** in the regions.
- ° The Belfast private sector freehold space utilisation is on a par with the BMO freehold estate, at **1.17:1 wkstn:FTE**.

The average for Wales is **1.44:1 workstation:FTE**, which is higher than the NI average leasehold, NI average freehold and the Belfast private sector.

Whilst in Wales there has been a reduction in FTEs over 2010/11, the biggest impact on this ratio is that the final phase of an office consolidation programme has been completed. This ratio will therefore improve in coming years as new space is occupied to its full capacity.

The average for England is **1.1:1 workstation:FTE**, which is lower than the current NI average but comparable to the Belfast private sector.

BMO Leasehold Estate – NI Average, 1.21:1 Wkstn:FTE

- ° Belfast BMO leasehold space utilisation is less efficient in the estate at **1.22:1 wkstn:FTE** compared to **1.18:1 wkstn:FTE** in the regions.
- ° The Belfast private sector space utilisation of **1.01:1 wkstn:FTE**, is more efficient than the Belfast BMO leasehold estate.

5.8 Comparison Summary

The following summary illustrates how the KPIs for the BMO estate in Belfast, compares to the Belfast private sector, Wales and England.

BELFAST BMO FREEHOLD ESTATE		BELFAST BMO LEASEHOLD ESTATE	
£/FTE £2,510	<ul style="list-style-type: none"> • 54% higher than Belfast private sector 	£/FTE £4,426	<ul style="list-style-type: none"> • 41% higher than Belfast private sector
£/m² £119	<ul style="list-style-type: none"> • 13% lower than Belfast private sector 	£/m² £243	<ul style="list-style-type: none"> • 2.5% higher than Belfast private sector
£/Wkstn £2,242	<ul style="list-style-type: none"> • 61% higher than Belfast private sector 	£/Wkstn £3,640	<ul style="list-style-type: none"> • 17% higher than Belfast private sector
m²/FTE 21.02	<ul style="list-style-type: none"> • 75% higher than Belfast private sector • 17% higher than Wales • 62% higher than England 	m²/FTE 18.22	<ul style="list-style-type: none"> • 36% higher than Belfast private sector • 1% lower than Wales • 40% higher than England
Wkstn/FTE 1.12:1	<ul style="list-style-type: none"> • 4% lower than Belfast private sector • 22% lower than Wales • 2% higher than England 	Wkstn/FTE 1.22:1	<ul style="list-style-type: none"> • 21% higher than Belfast private sector • 15% lower than Wales • 11% higher than England

Figure 30
KPI comparison - summary

5.9 Profile of Space Utilisation

The following illustrations summarise the space utilisation of the BMO estate using the KPI m²/FTE.

63% of the number of holdings on the BMO estate are operating in excess of **18m²/FTE**.



Figure 31
Profile of space utilisation across the BMO estate – m²/FTE 2011/2012

By Department:

- In **2** departments, 100% of the number of holdings on the BMO estate are operating in excess of **18m²/FTE**.
- Only **2** departments have substantial holdings operating at less than **15m²/FTE**.
- Only **3** departments have holdings that are operating at less than **10m²/FTE**.

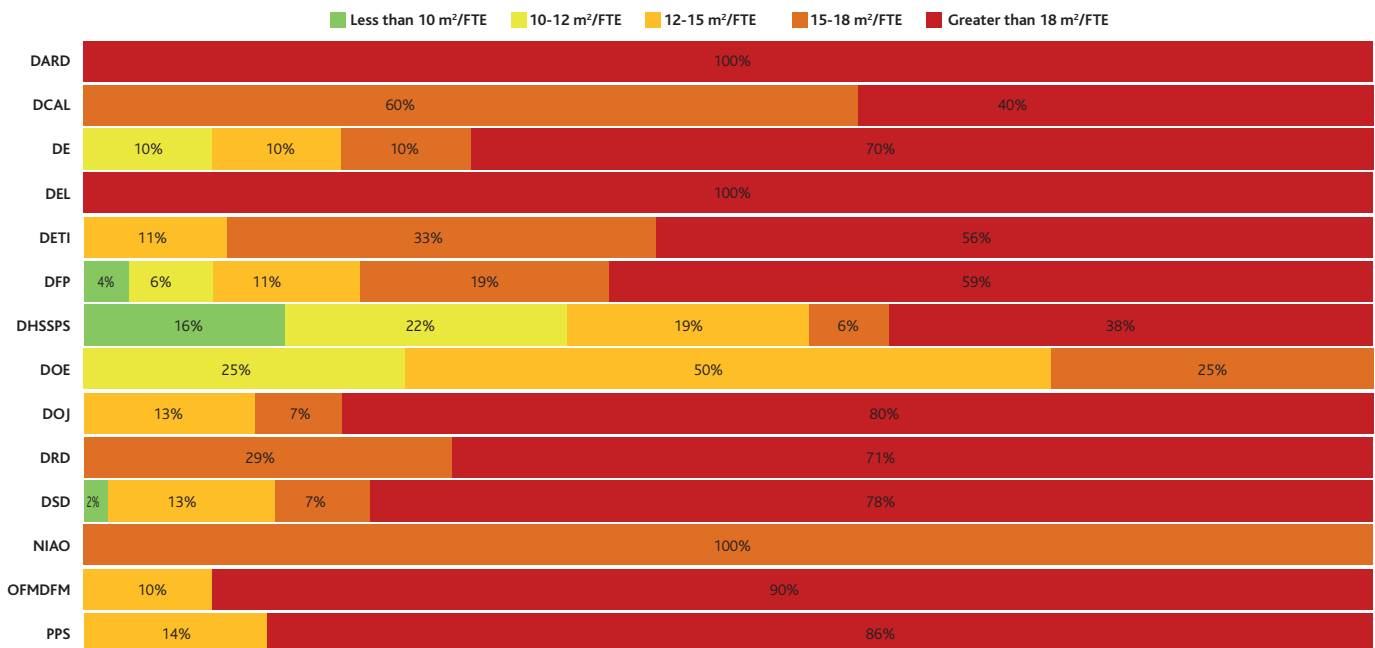


Figure 32
Departmental profile of space utilisation of the BMO estate – m²/FTE 2011/2012

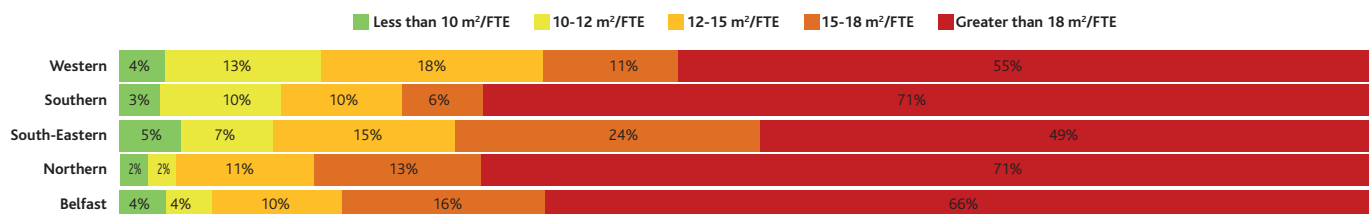


Figure 33
Regional profile of space utilisation of the BMO estate – m²/FTE 2011/2012

APPENDIX A

Size of the BMO Estate (summary)

Department	@31/3/11 (m ²)	@31/3/12 (m ²)	The Size of the Estate Change (m ²)	Change (%)
Agriculture and Rural Development	1,014	1,015	0	0%
Culture, Arts and Leisure	3,794	3,614	-180	-5%
*Education	52,447	52,447	-	0%
Employment and Learning	1,816	1,818	2	0%
Enterprise, Trade and Investment	16,566	16,566	-	0%
Environment	962	962	-	0%
**Finance and Personnel	344,958	336,417	-8,541	-2%
Health, Social Security and Public Safety	20,361	18,629	-1,732	-9%
Justice	19,375	17,605	-1,770	-9%
Northern Ireland Audit Office	2,322	2,322	-	0%
Office of the First Minister and Deputy First Minister	9,870	9,489	-381	-4%
Public Prosecution Service	16,985	16,985	-	0%
Regional Development	6,367	5,727	-640	-10%
Social Development	77,687	77,845	158	0%
Total	574,525	561,441	-13,084	-2%

* DE was unable to provide benchmarked data for the financial year 2010/11. This figure (£52,447) is the 2011/12 figure used for comparison only.

** DFP, through its Properties Division, provides office accommodation for the majority of core NICS staff covering all 12 departments, in a combination of freehold and leasehold properties. Therefore, the DFP figures include not just the details of buildings and accommodation occupied by DFP staff but also the core NICS staff from all departments. The detail against other departments therefore excludes the details of buildings and accommodation provided to that department, by DFP.

Size of the BMO Estate (full)

Core Departments and Arms-Length Bodies	@31/3/11 (m ²)	@31/3/12 (m ²)	The Size of the Estate Change (m ²)	Change (%)
Agriculture and Rural Development	1,014	1,015	0	0%
Livestock and Meat Commission	885	885	0	0%
Northern Ireland Fishery Harbour Authority	129	129	0	0%
Culture, Arts and Leisure	3,794	3,614	-180	-5%
Libraries Northern Ireland	300	120	-180	-60%
Northern Ireland Museums Council	268	268	0	0%
Northern Ireland Screen	422	422	0	0%
Sport Northern Ireland	1,647	1,647	0	0%
Arts Council of Northern Ireland	1,157	1,157	0	0%
*Education	*52,447	52,447	0	0%
Belfast Education and Library Board	11,346	11,346	0	0%
Comhairle na Gaelscolaíochta	300	300	0	0%
Council for Catholic Maintained Schools	700	700	0	0%
Council for the Curriculum, Examinations and Assessment	6,300	6,300	0	0%
Education and Skills Authority	388	388	0	0%
General Teaching Council	518	518	0	0%
North Eastern Education and Library Board	7,722	7,722	0	0%
Northern Ireland Council for Integrated Education	475	475	0	0%
South Eastern Education and Library Board	9,368	9,368	0	0%
Southern Education and Library Board	8,442	8,442	0	0%
Western Education and Library Board	6,303	6,303	0	0%
Youth Council for Northern Ireland	388	388	0	0%
Staff Commission for the Education and Library Boards	198	198	0	0%
Employment and Learning	1,816	1,818	2	0%
Labour Relations Agency	1,816	1,818	2	0%
Enterprise, Trade and Investment	16,566	16,566	0	0%
Consumer Council NI	1,247	1,247	0	0%
Department Core	2,140	2,140	0	0%
Health and Safety Executive NI	106	106	0	0%
Invest Northern Ireland	11,045	11,045	0	0%
Northern Ireland Tourist Board	2,028	2,028	0	0%
Environment	962	962	0	0%
Driver and Vehicle Agency	822	822	0	0%
Northern Ireland Environment Agency	140	140	0	0%
**Finance and Personnel	**344,958	336,417	-8,541	-2%
Properties Division	344,958	336,417	-8,541	-2%

APPENDIX A

Size of the BMO Estate (full)

Core Departments and Arms-Length Bodies	@31/3/11 (m ²)	@31/3/12 (m ²)	The Size of the Estate Change (m ²)	Change (%)
Health, Social Security and Public Safety	20,361	18,629	-1,732	-9%
Belfast Health and Social Care Trust	1,765	1,765	0	0%
Business Services Organisation	7,407	7,275	-132	-2%
Health and Social Care Board	2,856	2,341	-515	-18%
Northern Ireland Ambulance Service Trust	243	0	-243	N/A
Northern Ireland Fire and Rescue Service	970	987	17	2%
Northern Ireland Guardian Ad Litem Agency	172	172	0	0%
Northern Ireland Medical and Dental Training Agency	958	958	0	0%
Northern Ireland Social Care Council	1,221	1,221	0	0%
Patient and Client Council NI	474	474	0	0%
Public Health Agency	1,303	1,303	0	0%
Regulation and Quality Improvement Authority	1,265	1,265	0	0%
South Eastern Health and Social Care Trust	837	628	-209	-25%
Western Health and Social Care Trust	889	240	-649	-73%
Justice	19,375	17,605	-1,770	-9%
Compensation Agency	1,653	790	-863	-52%
Criminal Justice Inspection Northern Ireland	568	568	0	0%
Department Core	2,903	2,646	-257	-9%
Legal Services Commission	1,973	1,973	0	0%
Northern Ireland Courts and Tribunals Service	3,900	3,250	-650	-17%
Northern Ireland Policing Board	2,012	2,012	0	0%
Police Ombudsman	2,741	2,741	0	0%
Probation Board Northern Ireland	2,232	2,232	0	0%
Youth Justice Agency	1,394	1,394	0	0%
Northern Ireland Audit Office	2,322	2,322	0	0%
Northern Ireland Audit Office	2,322	2,322	0	0%
Office of the First Minister and Deputy First Minister	9,870	9,489	-381	-4%
Commission for Victims and Survivors for Northern Ireland	497	497	0	0%
Commissioner for Older People	111	87	-24	-22%
Community Relations Council	945	945	0	0%
Economic Research Institute NI	600	0	-600	N/A
Equality Commission NI	2,672	2,880	208	8%
ILEX Urban Regeneration Company	363	363	0	0%
North/ South Ministerial Council	1,500	1,500	0	0%
Northern Ireland Commissioner for Children and Young People	1,118	516	-602	-54%
Northern Ireland Judicial Appointments Commission	978	1,615	637	65%
Northern Ireland Memorial Fund	199	199	0	0%
Attorney General for Northern Ireland	887	887	0	0%

Size of the BMO Estate (full)

Core Departments and Arms-Length Bodies	@31/3/11 (m ²)	@31/3/12 (m ²)	The Size of the Estate Change (m ²)	Change (%)
Public Prosecution Service	16,985	16,985	0	0%
Public Prosecution Service	16,985	16,985	0	0%
Regional Development	6,367	5,727	-640	-10%
Northern Ireland Transport Holding Company	918	918	0	0%
Northern Ireland Water	4,384	3,744	-640	-15%
Roads Service	1,065	1,065	0	0%
Social Development	77,687	77,845	158	0%
Department Core	29,761	29,919	158	1%
Northern Ireland Housing Executive	47,926	47,926	0	0%
Total	574,525	561,441	-13,084	-2%

* DE was unable to provide benchmarked data for the financial year 2010/11. This figure (£52,447) is the 2011/12 figure used for comparison only.

** DFP, through its Properties Division, provides office accommodation for the majority of core NICS staff covering all 12 departments, in a combination of freehold and leasehold properties. Therefore, the DFP figures include not just the details of buildings and accommodation occupied by DFP staff but also the core NICS staff from all departments. The detail against other departments therefore excludes the details of buildings and accommodation provided to that department, by DFP.

APPENDIX A

Movement in the BMO Estate

Reduction to the estate 2010/11 to 2011/12

Reduction to the Estate 2011/12	Area (m ²)
Reduction to Belfast Area	13,543
1st Floor, Millenium House, Great Victoria Street, Belfast	111
2nd Floor, 10 Cromac Place, Belfast	100
4th Floor, 24-26 Arthur Street, Belfast	165
Calvert House, Castle Street, Belfast	1,710
Capital House, Upper Queen Street, Belfast	640
Floral Buildings, Microfocus House, East Bridge Street, Belfast	600
Ground/1st Floor, Millenium House, Great Victoria Street, Belfast	1,118
Lagan House, Victoria Street, Belfast	947
Londonderry House, Chichester Street, Belfast	2,847
Royston House, Upper Queen Street, Belfast	1,653
Slievban Drive, Andersonstown, Belfast	1,565
State Buildings, Arthur Street, Belfast	2,087
Reduction to Northern Area	114
50 The Square, Ballyclare	114
Reduction to South Eastern Area	378
Batchelors Walk, Lisburn	198
Office Suite 1, Lisburn Square, Haslams Lane, Lisburn	180
Reduction to Southern Area	243
68 Lurgan Road, Portadown	243
Reduction to Western Area	778
32 Derborough Road, Plumbridge, Derry~Londonderry	26
Abbey House, Abbey Street, Omagh	300
Bridge Centre, Holmview Avenue, Campsie, Omagh	348
Diamond House, Eden Street, Enniskillen	104
Reduction to the Estate	15,057
Net movement in the estate due to acquisitions and disposals of holdings	-11,275
Movement in estate attributable to expansion or reduction of holdings	-1,809
Total change to Area of the Estate 2011/12	-13,084

Regional Breakdown

2011/12	Regions				
Total No. of Holdings	Belfast	Northern	South-Eastern	Southern	Western
FREEHOLD	38	21	19	18	27
LEASEHOLD	96	24	22	13	29
PFI	1	-	-	-	-
Total Area	Belfast	Northern	South-Eastern	Southern	Western
FREEHOLD	158,740	50,724	23,420	30,309	43,012
LEASEHOLD	192,833	11,495	12,195	8,988	20,253
PFI	9,471	-	-	-	-
Total Cost	Belfast	Northern	South-Eastern	Southern	Western
FREEHOLD	19,005,718	5,062,466	2,802,903	3,126,361	5,027,187
LEASEHOLD	46,850,969	2,052,229	2,489,625	1,610,083	4,110,650
PFI	5,246,196	-	-	-	-

Exclusions

The following buildings/holdings have been excluded from this report:

- Buildings not used as offices
- Buildings identified as administrative but not as a primary use
- The occupation was vacated during the survey period
- Local Council property assets
- Ministry of Defence buildings
- Parliament Buildings
- Stormont Castle
- DE were unable to provide benchmarked data for the financial year 2010/11

APPENDIX B

Cost of the BMO Estate

Departmental benchmarked office costs and percentage change between 2010/11 & 2011/2012

Core Departments and Arms-Length Bodies	2010/11	2011/12	Total Reported Annual Running Costs Change (£)	Change (%)
Agriculture and Rural Development	90,903	78,123	(12,780)	-14.06%
Livestock and Meats Commission	77,150	63,732	(13,418)	-17.39%
Northern Ireland Fishery Harbour Authority	13,753	14,391	638	4.64%
Culture, Arts and Leisure	648,777	661,309	12,532	1.93%
Arts Council Northern Ireland	264,215	289,278	25,063	9.49%
Libraries Northern Ireland	62,138	23,865	(38,273)	-61.59%
Northern Ireland Museums Council	39,336	40,448	1,112	2.83%
Northern Ireland Screen	57,207	76,024	18,817	32.89%
Sports Northern Ireland	225,881	231,694	5,813	2.57%
*Education	5,308,739	5,295,989	(12,750)	-0.24%
Belfast Education and Library Board	1,033,014	1,030,537	(2,477)	-0.24%
Comhairle na Gaelscolaíochta	46,440	46,440	0	0.00%
Council for Catholic Maintained School	111,536	111,536	0	0.00%
Council of Curriculum, Examinations and Assessment	1,733,420	1,733,420	0	0.00%
Education and Skills Authority	99,264	99,264	0	0.00%
General Teaching Council for Northern Ireland	130,825	130,825	0	0.00%
North Eastern Education and Library Board	456,267	456,267	0	0.00%
Northern Ireland Council for Integrated Education	30,818	20,545	(10,273)	-33.33%
South Eastern Education and Library Board	436,238	436,238	0	0.00%
Southern Education and Library Board	684,321	684,321	0	0.00%
Staff Commission for the Education and Library Board	45,950	45,950	0	0.00%
Western Education and Library Board	424,636	424,636	0	0.00%
Youth Council Northern Ireland	76,011	76,011	0	0.00%
Employment and Learning	403,206	395,322	(7,884)	-1.96%
Labour Relations Agency	403,206	395,322	(7,884)	-1.96%
Enterprise, Trade and Investment	6,214,431	6,742,372	527,941	8.50%
Consumer Council Northern Ireland	289,084	290,237	1,153	0.40%
Department Core	170,449	227,570	57,121	33.51%
Health and Safety Executive Northern Ireland	17,110	16,536	(574)	-3.35%
Invest Northern Ireland	5,205,829	5,598,694	392,865	7.55%
Northern Ireland Tourist Board	531,960	609,335	77,375	14.55%
Environment	155,221	175,858	20,637	13.30%
Driver and Vehicle Agency	136,821	155,958	19,137	13.99%
Northern Ireland Environment Agency	18,400	19,900	1,500	8.15%
**Finance and Personnel	58,304,788	56,333,811	(1,970,976)	-3.38%
Properties Division	58,304,788	56,333,811	(1,970,976)	-3.38%

Cost of the BMO Estate**Departmental benchmarked office costs and percentage change between 2010/11 & 2011/2012**

Core Departments and Arms-Length Bodies	2010/11	2011/12	Total Reported Annual Running Costs Change (£)	Change (%)
Health, Social Security and Public Safety	3,515,351	3,324,858	(190,493)	-5.42%
Belfast Health and Social Care Trust	457,891	491,779	33,888	7.40%
Business Services Organisation	867,616	857,912	(9,704)	-1.12%
Health and Social Care Board	305,318	198,400	(106,918)	-35.02%
Northern Ireland Ambulance Service	27,064	-	(27,064)	N/A
Northern Ireland Fire and Rescue Service	198,722	196,449	(2,273)	-1.14%
Northern Ireland Guardian Ad Litem Agency	36,178	38,463	2,285	6.32%
Northern Ireland Medical and Dental Training Agency	317,036	317,036	0	0.00%
Northern Ireland Social Care Council	326,425	333,886	7,461	2.29%
Patient and Client Council	117,549	122,822	5,273	4.49%
Public Health Agency	273,576	277,048	3,472	1.27%
Regulation and Quality Improvement Authority	343,511	343,452	(59)	-0.02%
South Eastern Health and Social Care Trust	122,515	117,567	(4,947)	-4.04%
Western Health and Social Care Trust	121,950	30,044	(91,906)	-75.36%
Justice	5,186,984	4,902,518	(284,465)	-5.48%
Compensation Agency Northern Ireland	356,707	190,273	(166,434)	-46.66%
Criminal Justice Inspection Northern Ireland	163,516	174,473	10,957	6.70%
Department Core	752,065	655,016	(97,049)	-12.90%
Northern Ireland Courts and Tribunals Service	960,254	800,212	(160,042)	-16.67%
Northern Ireland Legal Services Commission	681,957	736,628	54,671	8.02%
Northern Ireland Policing Board	620,827	630,427	9,600	1.55%
Police Ombudsman	730,953	753,602	22,649	3.10%
Probation Board Northern Ireland	530,247	577,455	47,208	8.90%
Youth Justice Agency	390,458	384,433	(6,025)	-1.54%
Northern Ireland Audit Office	326,255	294,614	(31,641)	-9.70%
Northern Ireland Audit Office	326,255	294,614	(31,641)	-9.70%
Office of the First Minister and Deputy First Minister	2,613,424	1,877,015	(736,409)	-28.18%
Commission for Victims and Survivors Northern Ireland	137,700	138,500	800	0.58%
Commissioner for Old People Northern Ireland	34,348	7,487	(26,861)	-78.20%
Economic Research Institute	149,740	-	(149,740)	N/A
Equality Commission Northern Ireland	1,053,847	784,843	(269,004)	-25.53%
ILEX Urban Regeneration Company	83,617	88,920	5,303	6.34%
North South Ministerial Council	163,685	165,796	2,111	1.29%

APPENDIX B

Cost of the BMO Estate

Departmental benchmarked office costs and percentage change between 2010/11 & 2011/2012

Core Departments and Arms-Length Bodies	2010/11	2011/12	Total Reported Annual Running Costs Change (£)	Change (%)
Northern Ireland Commissioner for Children and Young People	343,185	110,435	(232,750)	-67.82%
Northern Ireland Community Relations Council	201,551	178,742	(22,809)	-11.32%
Northern Ireland Judicial Appointments Commission	224,201	216,942	(7,259)	-3.24%
Northern Ireland Memorial Fund	27,500	27,500	0	0.00%
Office of the Attorney General for Northern Ireland	194,050	157,850	(36,200)	-18.65%
Public Prosecution Service	3,628,975	3,684,330	55,354	1.53%
Public Prosecution Service	3,628,975	3,684,330	55,354	1.53%
Regional Development	943,672	925,821	(17,851)	-1.89%
Northern Ireland Transport Holding Company	106,146	111,181	5,035	4.74%
Northern Ireland Water	786,639	758,514	(28,125)	-3.58%
Roads Service Northern Ireland	50,887	56,126	5,239	10.29%
Social Development	12,652,981	12,692,446	39,466	0.31%
Department Core	5,290,668	5,405,378	114,710	2.17%
Northern Ireland Housing Executive	7,362,313	7,287,068	(75,245)	-1.02%
Total	99,993,707	97,384,385	(2,609,322)	-2.61%

* DE were unable to provide benchmarked data for the financial year 2010/11. This figure (£52,447) is the 2011/12 figure used for comparison only

** DFP, through its Properties Division, provides office accommodation for the majority of core NICS staff covering all 12 departments, in a combination of freehold and leasehold properties. Therefore, the DFP figures include not just the details of buildings and accommodation occupied by DFP staff but also the core NICS staff from all departments. The detail against other departments therefore excludes the details of buildings and accommodation provided to that department, by DFP.

APPENDIX B

Definition of costs included in the running cost of the BMO estate, as described in Section 3.1

Rent

Money paid by the tenant to the landlord for occupation of a commercial building for a period of time. Under standard leases, rent is payable to the landlord quarterly in advance, payable on the quarter days.

Rates

Rates are a property tax on domestic properties and non-domestic properties. Rates for domestic properties are based on the capital value of a home as at 1 January 2005. Rates for non-domestic properties, such as offices, factories and shops, with individual bills, are based on the rental value of the property as at 1 April 2001.

Other costs

For the purpose of analysis of this report, other costs include the sum of the following costs of occupation:

- Service Charge
- Maintenance
- Security

- Cleaning
- Water and Sewerage
- Total Energy

Unitary Charge

Operating expenditure of the total real estate and facilities services package and for a serviced office that cannot be identified separately, e.g. PFI.

Total running costs

This is the sum of the following items:

- Service charges
- Maintenance
- Security
- Cleaning
- Water and sewerage
- Total energy
- Net rent
- Rates
- Unitary charges

Cost of the BMO Estate

Annual direct running cost of central government assets (as described in the AMS)

Department	Total (Capital and Resource) £m
DCAL	23.8
DE	225.2
DEL	38.5
DFP	69.8
DARD	28.5
DHSSPS	246
OFMDFM	14.9
DOJ	97
DOE	6.6
DETI	14.8
DSD	200.8
DRD	265
Total	1,230.9

Annual direct running cost, which excludes staff costs and notional charges, is defined as follows;

Land

- The resource total of any land expenses e.g. maintenance, security

Property

- The resource total of any property or specialist/infrastructure asset expenses e.g. rent, rates, cleaning, maintenance, security, PFI unitary charge
- The capital total of any property or specialist/infrastructure asset expenses excluding acquisition or revaluation adjustments e.g. maintenance such as replacement roofs

Plant

- The resource total of any plant expenses e.g. leasing, maintenance
- The capital total of any plant expenses including acquisition but excluding valuation adjustments

APPENDIX C

BMO Estate: Efficiency Data and KPIs 2011/12

TOTAL	Number of Holdings	Total Floor Area (m²)	Total Office Based FTE	No of Workstations	Total Property Cost per FTE	Total Property Cost per m²	Occupied Space /FTE (m²)	Workstations /FTE	Occupied Space /Workstations (m²)	Total Property Cost
DARD	2	1,015	32	34	2,441	77	32	1.06	30	78,123
LMC	1	885	27	27	2,360	72	33	1.00	33	63,732
NIFHA	1	129	5	7	2,878	111	26	1.40	18	14,391
DCAL	5	3,614	181	215	3,654	183	20	1.19	17	661,309
ARTS COUNCIL NI	1	1,157	65	71	4,450	250	18	1.09	16	289,278
LIBRARIES NI	1	120	8	10	2,983	199	15	1.25	12	23,865
NI SCREEN	1	422	24	24	3,168	180	18	1.00	18	76,024
NIMC	1	268	5	7	8,090	151	54	1.40	38	40,448
SPORT NI	1	1,647	79	103	2,933	141	21	1.30	16	231,694
DE	20	52,447	2,257	2,392	2,347	101	23	1.06	22	5,295,989
BELB	2	11,346	347	347	2,970	91	33	1.00	33	1,030,537
CCEA	2	6,300	350	350	4,953	275	18	1.00	18	1,733,420
CCMS	1	700	32	41	3,486	159	22	1.28	17	111,536
CnaG	1	300	14	15	3,317	155	21	1.07	20	46,440
ESA	1	388	23	26	4,329	256	17	1.13	15	99,264
GTCNI	1	518	17	18	7,696	253	30	1.06	29	130,825
NEELB	2	7,722	156	178	2,925	59	50	1.14	43	456,267
NICIE	1	475	13	14	1,580	43	37	1.08	34	20,545
SCELB	1	198	5	7	9,190	232	40	1.40	28	45,950
SEELB	1	9,368	418	405	1,044	47	22	0.97	23	436,238
SELB	3	8,442	383	487	1,787	81	22	1.27	17	684,321
WELB	3	6,303	484	484	877	67	13	1.00	13	424,636
YCNI	1	388	15	20	5,067	196	26	1.33	19	76,011
DEL	2	1,818	67	77	5,900	217	27	1.15	24	395,322
DEL LRA	2	1,818	67	77	5,900	217	27	1.15	24	395,322
DETI	9	16,566	843	928	8,001	407	20	1.10	18	6,742,372
CONSUMER COUNCIL NI	1	1,247	48	55	6,047	233	26	1.15	23	290,237
DETI										
TOURIST BOARD	1	2,028	130	144	4,687	301	16	1.11	14	609,335
HEALTH AND SAFETY										
EXECUTIVE NI	1	106	7	8	2,362	156	15	1.14	13	16,536
INVEST NI	5	11,045	618	664	9,064	507	18	1.07	17	5,598,694
DETI CORE	1	2,140	40	57	5,689	106	54	1.43	38	227,570

BMO Estate: Efficiency Data and KPIs 2011/12

TOTAL	Number of Holdings	Total Floor Area (m ²)	Total Office Based FTE	No of Workstations	Total Property Cost per FTE	Total Property Cost per m ²	Occupied Space /FTE (m ²)	Workstations /FTE	Occupied Space /Workstations (m ²)	Total Property Cost
*DFP	140	336,417	18,251	22,079	3,087	167	18	1.21	15	56,333,811
DFP PD	140	336,417	18,251	22,079	3,087	167	18	1.21	15	56,333,811
DHSSPS	32	18,629	1,141	1,193	2,913	178	16	1.05	16	3,324,858
Belfast HSC Trust	4	1,765	147	160	3,345	279	12	1.09	11	491,779
BSO	4	7,275	372	406	2,306	118	20	1.09	18	857,912
HSCB	3	2,341	79	96	2,516	85	30	1.22	24	198,400
NIFRS	6	987	56	57	3,508	199	18	1.02	17	196,449
NIGALA	2	172	19	16	2,069	224	9	0.86	11	38,463
NIMDTA	1	958	76	70	4,172	331	13	0.92	14	317,036
NISCC	1	1,221	60	72	5,565	273	20	1.20	17	333,886
PCC	3	474	30	33	4,094	259	16	1.10	14	122,822
PHA	3	1,303	85	85	3,259	213	15	1.00	15	277,048
RQIA	1	1,265	150	130	2,290	272	8	0.87	10	343,452
SEHSCT	2	628	47	48	2,477	187	13	1.01	13	117,567
Western										
HSC Trust	2	240	21	20	1,466	125	12	0.98	12	30,044
DOE	4	962	70	100	2,512	183	14	1.43	10	175,858
DVA PRIVATE	2	822	58	85	2,689	190	14	1.47	10	155,958
NIEA - PRIVATE	2	140	12	15	1,658	142	12	1.25	9	19,900
DOJ	15	17,605	833	1,022	5,888	278	21	1.23	17	4,902,518
COMPENSATION										
AGENCY	1	790	62	65	3,094	241	13	1.06	12	190,273
CORE	5	2,646	98	136	6,717	248	27	1.39	19	655,016
CRIMINAL JUSTICE										
INSPECTION NI	1	568	16	19	10,905	307	35	1.19	30	174,473
LEGAL SERVICES										
COMMISSION	1	1,973	148	171	4,987	373	13	1.16	12	736,628
**NI POLICING										
BOARD	1	2,012	58	65	10,869	313	35	1.12	31	630,427
NICTS	1	3,250	133	201	6,021	246	24	1.51	16	800,212
POLICE										
OMBUDSMAN	2	2,741	139	160	5,422	275	20	1.15	17	753,602
***PROBATION	2	2,232	117	139	4,936	259	19	1.19	16	577,455
***JA	1	1,394	63	66	6,102	276	22	1.05	21	384,433

APPENDIX C

BMO Estate: Efficiency Data and KPIs 2011/12

TOTAL	Number of Holdings	Total Floor Area (m²)	Total Office Based FTE	No of Workstations	Total Property Cost per FTE	Total Property Cost per m²	Occupied Space /FTE (m²)	Workstations /FTE	Occupied Space /Workstations (m²)	Total Property Cost
DRD	7	5,727	238	280	3,890	162	24	1.18	20	925,821
NITHC	1	918	32	32	3,474	121	29	1.00	29	111,181
NIW	3	3,744	157	197	4,831	203	24	1.25	19	758,514
Road Service	3	1,065	49	51	1,145	53	22	1.04	21	56,126
DSD	54	77,845	4,628	5,671	2,742	163	17	1.23	14	12,692,446
CORE	12	29,919	2,172	2,712	2,488	181	14	1.25	11	5,405,378
NIHE	42	47,926	2,456	2,959	2,967	152	20	1.20	16	7,287,068
NIAO	1	2,322	136	156	2,161	127	17	1.14	15	294,614
NIAO	1	2,322	136	156	2,161	127	17	1.14	15	294,614
OFMDFM	10	9,489	302	335	6,210	198	31	1.11	28	1,877,015
AGNI	1	887	17	25	9,285	178	52	1.47	35	157,850
COPNI	1	87	5	5	1,664	86	19	1.11	17	7,487
CRC	1	945	51	57	3,505	189	19	1.12	17	178,742
CVS	1	497	14	14	9,893	279	36	1.00	36	138,500
ECNI	1	2,880	115	122	6,825	273	25	1.06	24	784,843
ILEX	1	363	27	32	3,293	245	13	1.19	11	88,920
NICCY	1	516	26	28	4,248	214	20	1.08	18	110,435
NIJAC	1	1,615	18	18	12,222	134	91	1.01	90	216,942
NIMF	1	199	7	8	3,929	138	28	1.14	25	27,500
NSMC	1	1,500	23	26	7,209	111	65	1.13	58	165,796
PPS	7	16,985	552	587	6,675	217	31	1.06	29	3,684,330
PPS	7	16,985	552	587	6,675	217	31	1.06	29	3,684,330
Total	308	561,441	29,531	35,069	3,298	173	19	1.19	16	97,384,385

* DFP, through its Properties Division, provides office accommodation for the majority of core NICS staff covering all 12 departments, in a combination of freehold and leasehold properties. Therefore, the DFP figures include not just the details of buildings and accommodation occupied by DFP staff but also the core NICS staff from all departments. The detail against other departments excludes the details of buildings and accommodation provided to that department, by DFP.

** Service delivery element of office included in analysis

*** Members office information included in analysis

Case Studies

1. DHSSPS

The Assets & Estate Management (AEM) Branch in the DHSSPS commenced a review of its leased estate in 2010.

Through full engagement with its arms-length bodies and review of the leased property register, it was able to identify opportunities to rationalise and achieve savings in the leased estate through negotiation with landlords at upcoming break options and lease ends. Furthermore arms-length bodies were able to critically review their leased estate and identify surplus and underperforming assets which could be rationalised.

The AEM Branch has also introduced property controls relating to the grant, renewal and acquisition of leases in the health estate.

Between 2010/11 and 2011/12, the Department of Health, Social Services and Public Safety (DHSSPS) Arm's-Length Bodies (ALBs) terminated 50 leases and re-gearred 6 leases. The total savings achieved through the termination and re-gearing of leases was £1,064,891. Of the 50 terminated leases, 26 were used for office accommodation, which equates to 52% of the overall usage, and achieved savings of £429,526 equal to 40.3% of the overall total savings figure. In addition to the rental savings achieved through the termination of the 26 office leases, further savings in service charges of £106,033 were obtained of which £104,873 (98.9%) related purely to office accommodation charges.

During this period, the following five ALBs looked at their existing accommodation to identify where possible savings could be achieved. These savings were achieved by re-negotiation of existing leases which were due to expire. A total of six leases were re-gearred and achieved significant savings.

These were:

- BSO Centre House – lease re-gearred from £311,236 (including service charge) in 2011/12 to £135,000 (including service charge) resulting in savings of £176,200 which equates to an overall reduction of 56.6%.
- NISCC Millenium House – lease re-gearred from £190,879 in 2010/11 to £144,000 resulting in a significant savings of £46,900 which equates to an overall reduction of 24.5%. Through a space utilisation review of Millenium House, NISCC also terminated a lease on Rivers Edge, saving £11,250 p.a. rent excluding service.
- PCC Lesley House – lease re-gearred from £64,000 in 2011/12 to £25,000 resulting in a 60.9% reduction in its rental outlay.
- PHA Alexander House – lease re-gearred from £48,500 in 2011/12 to £36,935 which equates to 23.8% reduction.
- NIGALA Spencer House – lease re-gearred from £9,150 in 2010/11 to £8,000 which equates to 12.6% reduction.
- NIGALA Centre House – lease re-gearred in 2011/12 from £50,000 to £44,000 which equates to 12% respectively.

Case Studies

2. DOJ

DOJ Belfast Rationalisation Project

The creation of the Department of Justice (DOJ) has brought together a number of organisations. The challenge was to deliver a department, incorporating core directorates, agencies and ALBs, with a common identity, which is structured and resourced to provide efficient and effective delivery of justice to the public and support the Justice Minister and the NI Executive. The DOJ Reform Programme was established to co-ordinate this work. Within the Reform Programme, a project was set up to rationalise the DOJ's Belfast city centre estate.

Early in 2011, the Department of Justice identified the need to review leased office accommodation in Belfast city centre. The main objectives of the Belfast Estate Rationalisation Project were:

- to achieve cost savings for the Department;
- to reduce the overall footprint of office space in Belfast city centre;
- to increase occupation density; and
- to ensure that accommodation was fit for purpose and complied with all relevant legislation.

The starting point for the project was consideration of the various leases which were approaching a decision point, a review by business areas of their future accommodation needs and identification of surplus accommodation within the DOJ estate. The main properties taken forward as part of the project for review were Royston House, Lagan House and Millennium House. Each of these properties was considered to be underutilised.

The lease for the Compensation Agency in Royston House was exited on expiry, and staff moved to existing accommodation in Millennium House. The lease in Millennium House was renegotiated and extended through Land and Property Services, with appropriate break clauses agreed. Lagan House was vacated and staff relocated to share accommodation in Laganside House identified as underutilised by Northern Ireland Courts and Tribunals Service.

There were initial costs associated with the move, fit-out costs of some of the new accommodation, and dilapidation costs to be agreed with the landlord. However, annual savings are projected at approximately £650,000 to the Department, with a reduction in footprint of over 2890 m². In many instances there were increased benefits to business areas sharing accommodation or business areas reducing the size of their accommodation, including better sense of belonging, better understanding of the organisation, better communication, removal of barriers and a higher profile for senior managers in the organisation.

Other areas of the organisation were not structured efficiently to best meet business needs. Access NI is a single front line customer facing organisation within the Department which faced operational challenges as it was located in three different sites. Access NI staff moved into one central location which improved adjacencies to ensure that an efficient service was provided to the public. As Access NI works on a cost recovery model, the efficiencies brought about by its relocation ensured that there was no increase in tariff for its services.

In terms of facilitating a common identity, the co-location of Department of Justice staff from the core Department into a Northern Ireland Courts and Tribunals Service (NICTS) building went some way towards integrating two distinct organisations. This makes a contribution towards our objective of creating a common identity and DOJ brand.

Case Studies

3. DRD – NI Water

NI Water Office Rationalisation Programme

NI Water initiated an office rationalisation programme in late 2009 to create efficiencies and address accommodation issues. This resulted in a project to vacate large central Belfast properties and centralise in the NI Water freehold site at Westland House.

The office rationalisation programme was developed in response to a financial and strategic review of Water Service in the run up to the establishment of the new water company. The review identified an average unit cost gap of 20% for water and sewerage services relative to GB, and scope for delivering operating expenditure and capital efficiencies of between 20 - 40%.

The NI Water Board recognised the need to undertake fundamental changes in both the delivery of value for money from its accommodation, and the facilitation of greater efficiency, flexibility and modernisation of working practices to address these efficiency gaps.

To achieve the level of efficiencies required in relation to its accommodation costs, NI Water considered accommodation across the whole of its operations. The office rationalisation programme resulted in the rationalisation of NI Water's regional and local accommodation throughout NI, as well as its Belfast City Centre offices.

Belfast City Centre Office Relocation Project

In 2010, NI Water had 398 headquarter-based staff working from 5 offices in Belfast city centre. Following consideration of a number of options to increase efficiency from office accommodation holdings, it was decided that all headquarter operations should be centralised at Westland House.

Westland House is situated within a large operational site in North Belfast. The site accommodates a pumping station and a number of large industrial premises used for delivering and supporting front line services, industrial training and storage. Extensive refurbishment of existing premises was required to accommodate office staff, but there was no need for any new buildings.

NI Water started to relocate staff from its Belfast city centre headquarter offices in early 2010 and completed the transfer of staff and functions in early 2011.

The implementation of the project was informed by the lease renewal and lease end dates of the 5 Belfast City Centre premises.

The total capital cost of relocating NI Water staff from the leased premises in Belfast city centre to the freehold site at Westland House was £3.5m, some £400k less than estimated. However, this investment has resulted in an annual saving of £1.1m for NI Water. Additionally, all NI Water headquarters staff are now based on a shared site which is accessible by public transport and has on site parking facilities. The Belfast city centre office relocation project has also led to closer working relationships across the various disciplines in NI Water and enhanced organisational efficiency in this regard.

NI Water has overseen a significant rationalisation of its estate since it was established in 2007, the Belfast city centre office relocation project being a typical example. Once significant rationalisation projects like this are completed there is little scope for further rationalisation within an organisation.

Case Studies

4. DFP

Improving Asset Efficiency through Estate Consolidation

Background

- In 2009, DFP developed a 3-year estate consolidation plan.
- The objectives of the plan were to:
 - reduce the operational costs associated with the office estate by reducing the footprint; and
 - vacate or refurbish the poorest accommodation in the existing office estate.

Project Overview

- The plan was developed following:
 - surveys to assess the quality of the existing estate;
 - an assessment of the operational plans and requirements of building occupants;
 - an analysis of lease end and lease break dates; and
 - the identification of opportunities within the existing estate to increase the occupational density in freehold and long leasehold buildings currently occupied.

Key Challenges/Issues

- *Prioritisation of projects*
Prioritisation of projects was not always straightforward due to the twin objectives of the project. Typically potential projects identified scored well in terms of one but not the other objective (i.e. cost reduction and removal of poor quality accommodation).
- *Ensuring buy-in of the organisations being asked to transfer location.*
The majority of the projects identified required occupants to move to new accommodation and while these moves made overall commercial sense, in many cases they created operational difficulties for the organisations being moved.
- *Ensuring that timescales of interdependent projects were aligned.*
Many projects required multiple staff moves which were interdependent. Aligning the timescales for refurbishment work, lease expiry dates and availability of the buildings into which staff were moved was an issue for much of the programme.

Project Outcomes

- Over the three financial years FY09/10 - FY11/12 this centrally managed estate strategy resulted in:
 - the vacation and release of 21 buildings;
 - a reduction in floor space within the office estate of 21,000 sq.m;
 - vacation of 8,510 sq.m of accommodation graded as poor/very poor;
 - savings estimated at £4m per annum on rents, rates and service charges; and
 - estimated further savings of £1m per annum on energy costs, maintenance etc.
- The capital cost of the investments required to allow this consolidation to be achieved was £4.98m resulting in a payback of just over 1 year.

Abbreviated Department Names

DARD	DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
AFBI	AGRI-FOOD AND BIOSCIENCES INSTITUTE
CAFRE	COLLEGE OF AGRICULTURE, FOOD & RURAL ENTERPRISE
DCNI	DRAINAGE COUNCIL NORTHERN IRELAND
NIFS	NORTHERN IRELAND FOREST SERVICE
LMC	LIVESTOCK AND MEAT COMMISSION
NILA	NORTHERN IRELAND LOUGHS AGENCY
NIFHA	NORTHERN IRELAND FISHERY HARBOUR AUTHORITY
NIRA	NORTHERN IRELAND RIVERS AGENCY
-	ARMAGH OBSERVATORY
-	ARMAGH PLANETARIUM
DCAL	DEPARTMENT OF CULTURE ARTS AND LEISURE
ACNI	ARTS COUNCIL OF NORTHERN IRELAND
FNAG	FORAS NA GAELIGE
IFG	INLAND FISHERIES GROUP
LNI	LIBRARIES NORTHERN IRELAND
NMGNI	NATIONAL MUSEUMS AND GALLERIES NORTHERN IRELAND
NIMC	NORTHERN IRELAND MUSEUMS COUNCIL
NISCREEN	NORTHERN IRELAND SCREEN
PRONI	PUBLIC RECORDS OFFICE NORTHERN IRELAND
SNI	SPORT NORTHERN IRELAND
-	ULSTER SCOTS AGENCY
-	WATERWAYS IRELAND
DE	DEPARTMENT OF EDUCATION
BELB	BELFAST EDUCATION AND LIBRARY BOARD
CNAG	COMHAIRLE NA GAELSCOLAÍOCHTA
CCMS	COUNCIL FOR CATHOLIC MAINTAINED SCHOOLS
ESA	EDUCATION AND SKILLS AUTHORITY
ECB	EXCEPTIONAL CIRCUMSTANCES BODY
GTC	GENERAL TEACHING COUNCIL
GMI	GRANT MAINTAINED INTEGRATED
HSCB	HEALTH AND SOCIAL CARE BOARD (SURESTART)
MCA	MIDDLETOWN CENTRE FOR AUTISM
NICCEA	NORTHERN IRELAND COUNCIL FOR THE CURRICULUM, EXAMINATIONS AND ASSESSMENTS
NISENDT	NORTHERN IRELAND SPECIAL EDUCATIONAL NEEDS AND DISABILITY TRIBUNAL
NEELB	NORTH EASTERN EDUCATION AND LIBRARY BOARD
NICIE	NORTHERN IRELAND COUNCIL FOR INTEGRATED EDUCATION (NICIE)
SEELB	SOUTH EASTERN EDUCATION AND LIBRARY BOARD
SELB	SOUTHERN EDUCATION AND LIBRARY BOARD
SCELB	STAFF COMMISSION FOR THE EDUCATION AND LIBRARY BOARDS
VGS	VOLUNTARY GRAMMAR SCHOOLS
WELB	WESTERN EDUCATION AND LIBRARY BOARD
YCNI	YOUTH COUNCIL FOR NORTHERN IRELAND

GLOSSARY

Abbreviated Department Names

DEL	DEPARTMENT FOR EMPLOYMENT AND LEARNING
BMC	BELFAST METROPOLITAN COLLEGE
LRA	LABOUR RELATIONS AGENCY
NWRC	NORTH WEST REGIONAL COLLEGE
NRC	NORTHERN REGIONAL COLLEGE
SERC	SOUTH EASTERN REGIONAL COLLEGE
SWC	SOUTH WEST COLLEGE
SRC	SOUTHERN REGIONAL COLLEGE
DETI	DEPARTMENT OF ENTERPRISE, TRADE AND INVESTMENT
NIAUR	NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATIONS
CCNI	CONSUMER COUNCIL NORTHERN IRELAND
HSNI	HEALTH & SAFETY EXECUTIVE NORTHERN IRELAND
INVEST NI	INVEST NORTHERN IRELAND
NISP	NORTHERN IRELAND SCIENCE PARK
NITB	NORTHERN IRELAND TOURIST BOARD
DFP	DEPARTMENT OF FINANCE AND PERSONNEL
LPS	LAND AND PROPERTY SERVICES
NISRA	NORTHERN IRELAND STATISTICS AND RESEARCH
PD	PROPERTIES DIVISION
DHSSPS	DEPARTMENT OF HEALTH, SOCIAL SERVICES AND PUBLIC SAFETY
BHSCT	BELFAST HEALTH AND SOCIAL CARE TRUST
BSO	BUSINESS SERVICES ORGANISATION
HSCB	HEALTH AND SOCIAL CARE BOARD
NIAS	NORTHERN IRELAND AMBULANCE SERVICE TRUST
NIBTS	NORTHERN IRELAND BLOOD TRANSFUSION SERVICE
NIFRS	NORTHERN IRELAND FIRE AND RESCUE SERVICE
NIGALA	NORTHERN IRELAND GUARDIAN AD LITEM AGENCY
NIMDTA	NORTHERN IRELAND MEDICAL & DENTAL TRAINING AGENCY
NIPEC	NORTHERN IRELAND PRACTICE & EDUCATION COUNCIL FOR NURSING & MIDWIFERY
NISCC	NORTHERN IRELAND SOCIAL CARE COUNCIL
NHSCT	NORTHERN HEALTH AND SOCIAL CARE TRUST
PCC	PATIENT & CLIENT COUNCIL NORTHERN IRELAND
PHA	PUBLIC HEALTH AGENCY
RQIA	REGULATION & QUALITY IMPROVEMENT AUTHORITY
SEHSCT	SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST
SHSCT	SOUTHERN HEALTH AND SOCIAL CARE TRUST
WHSCT	WESTERN HEALTH AND SOCIAL CARE TRUST
DOE	DEPARTMENT OF THE ENVIRONMENT
DVA	DRIVER & VEHICLE AGENCY
NIEA	NORTHERN IRELAND ENVIRONMENT AGENCY
-	PLANNING

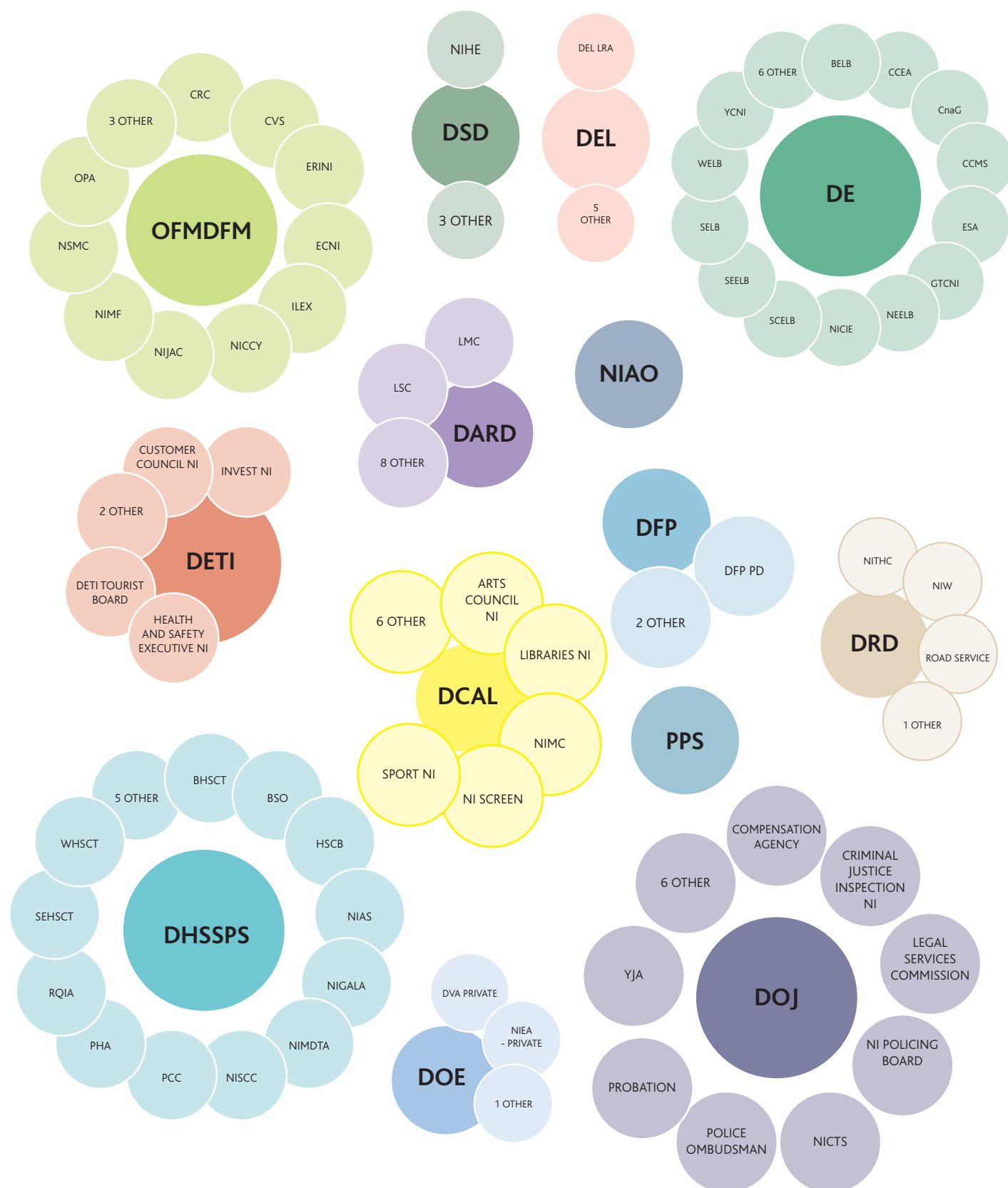
Abbreviated Department Names

DOJ	DEPARTMENT OF JUSTICE
-	COMPENSATION AGENCY
CJINI	CRIMINAL JUSTICE INSPECTION NORTHERN IRELAND
FSNI	FORENSIC SCIENCE AGENCY
NICTS	NORTHERN IRELAND COURTS AND TRIBUNALS SERVICE
LSC	NORTHERN IRELAND LEGAL SERVICES COMMISSION
NIPF	NORTHERN IRELAND POLICE FUND
NIPB	NORTHERN IRELAND POLICING BOARD
NIPS	NORTHERN IRELAND PRISON SERVICE
OPONI	OFFICE OF POLICE OMBUDSMAN NORTHERN IRELAND
PRRT	POLICE REHABILITATION AND RETRAINING TRUST
PSNI	POLICE SERVICE FOR NORTHERN IRELAND
PBNI	PROBATION BOARD NORTHERN IRELAND
YJA	YOUTH JUSTICE AGENCY
DRD	DEPARTMENT FOR REGIONAL DEVELOPMENT
NITHC	NORTHERN IRELAND TRANSPORT HOLDING COMPANY
NIW	NORTHERN IRELAND WATER
DSD	DEPARTMENT FOR SOCIAL DEVELOPMENT
DLAAB	DISABILITY LIVING ALLOWANCE ADVISORY BOARD
NIHE	NORTHERN IRELAND HOUSING EXECUTIVE
SSA	SOCIAL SECURITY AGENCY
-	VAUGHAN'S CHARITY TRUSTEES
-	CHARITIES ADVISORY COMMITTEE
CCNI	CHARITY COMMISSION NORTHERN IRELAND
OFMDFM	OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER
CVSNI	COMMISSION FOR VICTIMS AND SURVIVORS
ERINI	ECONOMIC RESEARCH INSTITUTE NORTHERN IRELAND
ECNI	EQUALITY COMMISSION NORTHERN IRELAND
HRC	NORTHERN IRELAND HUMAN RIGHTS COMMISSION
ILEX-URC	ILEX URBAN REGENERATION COMPANY
MLK DC	MAZE LONG KESH DEVELOPMENT CORPORATION
NICCY	NORTHERN IRELAND COMMISSION FOR CHILDREN AND YOUNG PEOPLE
CRC	NORTHERN IRELAND COMMUNITY RELATIONS COUNCIL
NIJAC	NORTHERN IRELAND JUDICIAL APPOINTMENTS COMMISSION
NIMF	NORTHERN IRELAND MEMORIAL FUND
OCPANI	OFFICE OF THE COMMISSION FOR PUBLIC APPOINTMENTS IN NORTHERN IRELAND
OPA	OLDER PEOPLES ADVOCATE NORTHERN IRELAND
PACNI	PLANNING APPEALS COMMISSION
SIBNI	STRATEGIC INVESTMENT BOARD
NIAO*	NORTHERN IRELAND AUDIT OFFICE
PPS*	PUBLIC PROSECUTION OFFICE

*Non-Ministerial Department

GLOSSARY

Departments & ALB Breakdown



Benchmarking

Benchmarking

Property benchmarking measures the performance of the central government office portfolio against private sector benchmarks and against government targets and standards, where these have been set. This provides a standardised basis for data definition and for consistent reporting across the estate.

Why Benchmarking?

For the public sector it is essential that all resources are managed as efficiently as possible to minimise any adverse impact on front line services. Indeed, in any organisation, monitoring and measuring performance is fundamental to improving the management of important resources.

Property is one such key resource; a hugely valuable asset of which all organisations must make the best use. Buildings must support core business operations, so occupiers must ensure they are at their most efficient, effective and environmentally sustainable. Collecting relevant data is one thing but transforming it into meaningful metrics suitable for comparing performance with others, is another. Getting that right provides the basis for effective and informed decisions that should deliver solid business benefit, realise efficiency savings and improve and communicate property performance.

Benchmarking involves looking outside the organisation to examine how others achieve their performance levels and therefore helps explain the processes behind excellent performance.

To be effective, benchmarking it must become an ongoing, integral part of a continuous process with the goal of keeping abreast of ever-improving best practice. Benchmarking of a building or property portfolio brings a number of benefits. It:

- enables the like-for-like comparison of buildings and estates
- facilitates a better understanding of how an estate is performing
- identifies where the greatest savings can be made
- enables an organisation to set and monitor realistic targets
- assists legislative and regulatory compliance
- allows an organisation to assess its impact on the environment of an individual building and across an estate

Ref: OGC *Better Measurement – Better Management* guidance

Key Performance Indicators (KPIs)

Definition of KPI

KPIs are a commonly used type of measure of performance by an organisation to evaluate how well they are performing in relation to their specific goals and objectives.

KPI Measurement

Property cost per FTE (£/FTE)

Sum of costs of estates management function, plus property occupation / ownership costs, plus building revenue operation costs, divided by the number of full-time equivalent staff (FTE). The calculation of FTE employees applies to permanent staff only. Staff on fixed-term contracts and temporary staff that have been employed by the organisation for over a year should be considered permanent. All permanent staff should be included even though they do not regularly use a workspace at their designated place of employment, e.g. home workers. Base the number of staff on the average of the number of FTEs in employment at the beginning of the year and the number of FTE staff in employment at the end of the year.

Total property cost per m² (£/m²)

Sum of costs of estates management function, plus property occupation / ownership costs, plus building revenue operation costs, divided by the net internal area (in sq. metres).

Workstations per FTE (Workstation:FTE)

This indicator examines the space use efficiency of workstation utilisation and the amount of space attributable to each workstation. This is a commonly used benchmark for space use efficiency often used to determine the amount of space needed across the organisation.

Occupied space per FTE (m²/FTE)

Total office accommodation (square metre) per FTE staff. The indicator should be based on figures for the latest financial year. The calculation of staff FTEs applies to permanent staff only. Staff on fixed-term contracts and temporary staff that have been employed by the organisation for over a year should be considered permanent. All permanent staff should be included even though they do not regularly use a workspace at their designated place of employment, e.g. home workers. Base the number of staff on the average of the number of FTEs in employment at the beginning of the year and the number of FTE staff in employment at the end of the year for the latest financial year.

Occupied space per workstations (m²/Workstation)

This indicator examines the space use efficiency of workstation utilisation and the amount of space attributable to each workstation. This is a commonly used benchmark for space use efficiency often used to determine the amount of space needed across the organisation.

Occupancy

Occupation

The actual physical possession or use of a property.

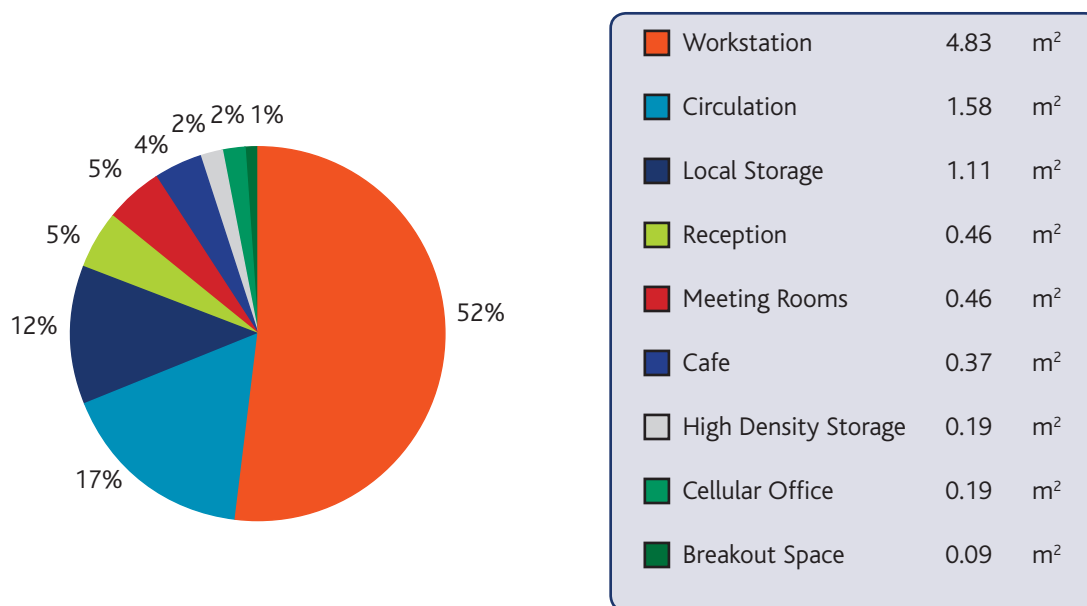
FTE

Full-time equivalent (staff). The calculation of FTE employees applies to permanent staff only. Staff on fixed-term contracts and temporary staff that have been employed by the organisation for over a year should be considered permanent. All permanent staff should be included even though they do not regularly use a workspace at their designated place of employment, e.g. home workers. Base the number of staff on the average of the number of FTEs in employment at the beginning of the year and the number of FTE staff in employment at the end of the year.

Workstations

Workstations are the number of designated workspaces within the building. This should include both occupied and vacant positions. Any workstations within designated meeting rooms or areas should be excluded. A workstation should have the capacity to act as a satisfactory place of work for one employee or contractor.

What Makes up a Workstation?



Source: Total Office Cost Survey 2011 by Actium Consult Ltd

According to the Total Office Cost Survey 2011 a good best practice benchmark for the total workstation area is 9.29 M² (NIA). This is split into its different components above. It is considered that this is a reasonable assumption for an occupier moving into and refitting new space, although in practice some occupier sectors use considerably more space.

Size

Property holding

A property asset for which an organisation has legal responsibility. It is different from a building or an occupation, and there can be many holdings to one building or many holdings to many buildings.

NIA

The usable space within a building measured to the internal finish of structural, external or party walls, but excluding toilets, lift and plant rooms, stairs and lift wells, common entrance halls, lobbies and corridors, internal structural walls and columns and car parking areas.

Occupied NIA

This is the measurement of the net internal area which is currently and physically occupied.

Vacant NIA

The vacant area is the measurement of the net internal area which is currently and physically unoccupied.

Tenure Type

Freehold

Under the Law of Property Act 1925, the definition of freehold is namely the 'fee simple absolute in possession' which in essence means the ultimate owner of a building, which usually includes the building, air above it and ground below.

Leasehold

Under the Law of Property Act 1925, the definition of leasehold is 'an estate that is held for a term of years certain', or on a periodic tenancy basis, for a length of time less than the landlord's interest.

A lease usually provides a tenant with exclusive possession for a fixed period of time, in exchange for a payment of rent or premium.

PFI

Private Finance Initiative

Energy

BREEAM

Building Research Establishment Environmental Assessment Method. One of the most widely-used environmental assessment methods for buildings. It sets standards for best practice in sustainable design and buildings' environmental performance.

DECs

Display Energy Certificates. Required from October 2008 for buildings with a total useful floor area of over 1,000m² that are occupied by a public authority and by institutions providing a public service to a large number of persons, and therefore visited by those persons. A DEC showing an Operational Rating must be displayed in a prominent place clearly visible to the public, DEC's show the energy performance of a building based on actual energy consumption as recorded and reassessed annually.

EPC

Energy Performance Certificate, EPC's provide an energy rating for a building (A-G), which is based on the performance potential of the building itself (the fabric) and its services (such as heating, ventilation and lighting). They were phased in during 2008 and are now required for all buildings when it is constructed, sold or let.

Database

e-PIMS™

Electronic Property Information Mapping Service. The central database of government's Civil Estate properties and land. It is mandatory for all government departments (including non-ministerial departments) and their executive agencies, arm's-length bodies and non-departmental public bodies (NDPBs) to capture and maintain their property information in e-PIMS™, which also covers property-related activities for the devolved administrations and for some parts of the public sector outside central government, as well as the collection of sustainability data for the Sustainable Development Commission (HM Treasury instruction to Accounting Offices DAO (Gen) 08/05).

Northern Ireland Executive

Non-Ministerial Departments

Small government departments in their own right established to deliver a specific service and not funded by a sponsor department. The precise nature of their relationship with Ministers varies according to their individual policy and statutory framework, but the general rationale is to distance the day-to-day administration of the particular activity from direct Ministerial control, while retaining some government input to the wider policy context.

Executive Agencies

An executive agency is a public institution that delivers government services for the Northern Ireland Executive. An agency does not set the policy required to carry out its functions - these are determined by the department that oversees the agency. For example, the Social Security Agency is an executive agency and part of the Department for Social Development.

Agencies are headed by chief executives, who are personally responsible for day-to-day operations. They are normally directly accountable to the responsible minister, who in turn is accountable to the Assembly.

Central Government

The central government estate is part of a wider public sector estate and spans a wide range of public bodies including central government departments; executive agencies; non-departmental public bodies (NDPBs); Health and Personal Social Services; and many other centrally funded public bodies including North/South bodies. Central government department and public bodies are responsible for procuring and managing the property assets they own or occupy to support the effective and efficient services they deliver.

Breakdown of the Central Government Estate



Arms-Length Body

An arm's-length body can be broadly defined as one which has a role in the process of government but is not a government department, or part of one, and which accordingly operates to a greater or lesser extent at arm's length from Ministers.

One such category of arm's-length body is an executive non-governmental public body (NGPBs) – sometimes referred to as a 'quango', a quasi-autonomous non-governmental organisation, though there are various other arrangements by which non-governmental bodies may be attached to, or sponsored by, a government department.

A NDPB is defined as a "body which has a role in the processes of national government, but is not a government department or part of one, and which accordingly operates to a greater or lesser extent at arm's length from ministers". For the purpose of this report, these have been collectively referred to as ALBs.

Contacting Us

If this document is not in a format that meets your needs please contact the Strategic Investment Board. We will be pleased to consider any requests for copies of this document in alternative formats such as large print, braille, audio or in other languages. This document is also available on the following internet site: <http://www.sibni.org>

You can contact us at the address below or by:

Email: contact@sibni.org

Telephone: +44 (0)28 9090 9440

Textphone: +44 (0)28 9090 9472

Strategic Investment Board Limited
Carleton House
Gasworks Business Park
1 Cromac Avenue
Belfast
BT7 2JA