



Northern Ireland Audit Office

## ***MEDIA RELEASE***

Mr Kieran Donnelly, the Comptroller and Auditor General, today issued his report to the Assembly on *Managing the Central Government Office Estate*.

Mr Donnelly said: “***The current configuration and management of the office buildings used by government departments is not delivering value for money. The existing office estate consists, to a significant extent, of highly inefficient, cellular and aging accommodation. I reported on Property Asset Management in 2012 and while some action has been taken, only two out of the ten key recommendations which I made have been fully implemented.***”

Mr Donnelly added: “***I welcome the generation of £17.7 million in savings across the office estate since the 2012 report but many opportunities still exist to release further, significant savings. DoF’s Reform of Property Management (RPM) programme will, by centralising management of the office estate, address many of the longstanding problems. Following full implementation DoF will have a clearer role in overseeing management of the office estate.***”

Mr Donnelly noted that: ***It is important that the required upfront funding is now invested to facilitate the procurement, or refurbishment of existing, buildings to accommodate higher numbers and densities of staff in modern, space efficient and fit for purpose premises. Without such investment, the predicted release of savings is unlikely to be achieved.***

The central government office estate comprises 276 offices. Around half of the offices are owned by public sector bodies and half are rented. The direct running costs of the estate amount to an estimated £96 million each year.

The office estate provides just over 35,000 workstations. The space provided for a full time equivalent staff member is currently around 18.1m<sup>2</sup> against a target of 9m<sup>2</sup> to 11m<sup>2</sup>. Around 18 per cent of workstations (6,382) are vacant and incur costs of £17.3 million each year.

The introduction of mandatory property controls (including for example, imposing space standards in new and refurbished buildings and preventing departments and Arms' Length Bodies renewing leased office accommodation without specific approval) has generated £17.7 million savings since 2011-12. However, the Department of Health incurred irregular expenditure of £441,000 by failing to comply with these controls for some leased properties.

Departments and public bodies need to attach a higher priority to gathering and maintaining data to understand the capacity, suitability and functionality of individual buildings across the government estate and to measure performance regarding its economic and efficient management. Relying on up-to-date, accurate data will help ensure production of robust Asset Management Plans and lead to fully informed asset management decisions.

There is little evidence that all departments are setting and reporting against challenging targets. As a result, it is difficult to assess whether the office estate is being effectively managed and to benchmark performance across departments and elsewhere.

Retaining surplus assets such as buildings which are no longer or only partially in use, not only incurs maintenance costs which have to be paid from the public purse, but also delays the receipt of income which the sale of those buildings would bring to the public purse. Existing guidance requires public bodies to identify and declare surplus assets promptly, however delays occur. The process from identification to sale (or transfer) of a surplus asset must be managed efficiently. The creation of a central surplus asset register where all such buildings would be listed, would ensure greater transparency across the public sector.

### Notes for Editors

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the Audit Office are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The report is available on the Audit Office website at [www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk). The report is embargoed until 00.01 hours on 30 November 2017.
3. Prior to full implementation of the RPM programme, where public sector bodies have not transferred responsibility for the day to day management to Properties Division, they are responsible for the management of those assets (currently just over 50 per cent of office properties).
4. Figures in the report relate primarily to 2015-16. DoF told us that it would be difficult to provide us with more up to date, verifiable figures and noted that these are the figures which will be used to plot progress and measure the success of the RPM Programme.
5. The Audit Office occupies its own freehold premises in University Street, Belfast. Due to staffing reductions in the past two years the Audit Office has recognised its premises are currently not used to full capacity. It has recently undertaken a review of the existing accommodation and options for the future. As a result, its Senior Management team has decided to explore sub-letting some of the building to ensure increased utilisation in the future.
6. For further information, contact the Audit Office on 028 90 251000.