

The Civil Estate Co-ordination Protocol

Property Co-ordination on the Civil Estate



Contents

Preface	1
Background	2
Annex 1: The co-ordination process and the requirements on OGC and the departments	4
Annex 2: The notification process	8
Annex 3: The data requirements	12
Annex 4: Assessing the benefits of co-ordination	14
Annex 5: Co-ordination and outsourced accommodation	15

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The Civil Estate Co-ordination Protocol

Preface

The Civil Estate Co-ordination Protocol (CECP) is the result of an in depth review of the original 1996 Civil Estate Co-ordination Agreement which was contained in Annex 4 to Appendix 2 of DAO(GEN) 1/96.

The 1996 CECA is no longer extant and was withdrawn in February 2006.

The CECP incorporates the incremental improvements to the Co-ordination process that have happened over the 9 years since the process was originally designed. As well as formalising process developments, other objectives of the review were to clarify the position of departments with outsourced property, and to streamline the agreement to make it easier to understand and use.

The improvements have been overseen by the Property Co-ordination Group (PCG), the cross-government committee which owns the co-ordination process. That the changes in process have been evolutionary, in response to changes in the environment in which Co-ordination operates, is testament to the foresight of those who developed the process in 1996.

The review was undertaken by a sub-group of the PCG, made up of representatives from departments and agencies and was facilitated by Julie Prendergast, of the Government Relocation and Asset Management Division of the Office of Government Commerce (OGC). Thanks are due to the members of the review group, and other departmental contributors. Only through their enthusiasm, coupled with their knowledge, experience and continued commitment to effective co-ordination, has this new agreement been made possible.

What is the Civil Estate Co-ordination Protocol?

1. The Civil Estate Co-ordination Protocol (CECP) sets out how Government bodies will co-ordinate their activity in acquiring, managing, rationalising and disposing of workspace on the Civil Estate. This agreement replaces that which is annexed to DAO (GEN) 1/96 which covers the accounting framework for this activity.

Why do we need to co-ordinate?

2. Government delivers its roles, functions and services through a network of Departments, Agencies and NDPBs. These bodies, hereafter referred to as “departments”, are responsible for managing their own workspace portfolios. Given the scale of the Civil Estate, co-ordinating departments’ property requirements and events and, thus, their approach to the market will normally secure better value for money for Government. This can also be achieved by rationalising departments’ needs and by co-ordinating, managing and disseminating information across the Estate.

Who is involved?

3. This Protocol covers the Civil Estate. For the purpose of this protocol, the Civil Estate is defined as workspace, offices and other property used to deliver departments’ activities that is owned, leased, or occupied by a Government body including non-Ministerial departments, agencies, Executive NDPBs and Special Health Authorities in Great Britain. It does not include the operational NHS Estate, the Prisons Operational Estate, the Foreign Office Overseas Estate, the DEFRA Rural Estate, the privatised rail entities, public corporations or the Defence Estate (except for certain civil elements) although these bodies may participate if it is in both their and the Exchequer’s best interest.
4. Restricted working arrangements will apply in respect of Government workspace where some or all of the property market risk has been transferred to the private sector through a PFI contract. This class of accommodation is defined as outsourced accommodation and particularly includes the PRIME and STEPS contracts as well as single building PFIs such as HM Treasury’s 1 Horse Guards Road, London. See Annex 5 for details.
5. The Office of Government Commerce is responsible for discharging the central co-ordination role, acting as clearing house, and providing advice, support and guidance to enable co-ordination opportunities to be maximised. OGC focuses its co-ordination activity at the Property Centre level. Property Centres are the business units to which departments have devolved responsibility for one or more properties. Departmental management structures vary, however all departments will have at least one Property Centre and many have more.

What is the role of OGC?

6. The role of OGC in relation to co-ordination is to support all departmental workspace procurement by providing relevant and timely information. OGC will facilitate and promote co-operation between departments, and, where beneficial, will develop and manage collaborative negotiations so ensuring that the potential for obtaining better value is captured.

What is the role of departments?

7. Departments are accountable for their own workspace decisions. Each department also has a responsibility to ensure best value is achieved through the subsequent procurement activities. Collaboration with other departments will often help to ensure that these decisions secure the best value for money outcome for Government.

When does the need for co-ordination arise?

8. Opportunities for co-ordination arise when there is more than one government workspace transaction (for example, lease transaction, acquisition or disposal) in any particular market within the same timeframe. For example this can arise in one or more of the following circumstances:
 - Matching new workspace requirements to vacant space
 - Using available space in the event of an emergency
 - Exploiting the Government's market advantages and avoiding inflationary competition
 - Rationalising departments' workspace strategies and schemes
 - Linking a sequence of property events in one distinct market area.
9. In each case the justification for co-ordination will be that better value for money can be achieved through a collaborative approach.

Where does co-ordination happen?

10. Most co-ordination opportunities arise in larger conurbations where Government has a significant presence. These opportunities are likely to be of higher value but also present higher risks.
11. Other locations should not, however, be disregarded as Government is often a major player in these smaller office markets. Because of this, the potential impact of co-ordination can still be significant.

How does the co-ordination activity work?

12. There are three different approaches which vary only in the extent to which OGC facilitates the co-ordination process. The level of OGC's support is determined by the level of risk and value for money achievable from the co-ordination opportunity. Further details of the process requirements for OGC and Departments are set out in Annexes 1 & 2.
13. Value for money gains will arise from either cross-departmental estate rationalisation activity, where savings arise from the more efficient use and reuse of Government workspace, or from orchestrating the activity of different departments in the market place to ensure the optimum overall outcome for the Exchequer. The calculation and reporting of these VFM gains is dealt with at Annex 4.
14. Co-ordination activity is underpinned by a property database known as e-PIMS, use of which is mandatory for all departments. This holds a comprehensive record of Government workspace information, both in data form and mapped. It allows OGC and departments to identify opportunities for co-ordination through such means as the availability of vacant space for reuse. e-PIMS is the main tool for delivering co-ordination and departments will be increasingly able to access and identify opportunities for themselves.
15. Departments are responsible for ensuring the quality of their data in e-PIMS. The core data fields in e-PIMS are shown at Annex 3. Departments will increasingly be able to update data in e-PIMS themselves or exceptionally, through OGC.

The co-ordination process

MARKET ACTIVITY

1.1 The market activity processes are summarised in the following flow chart.

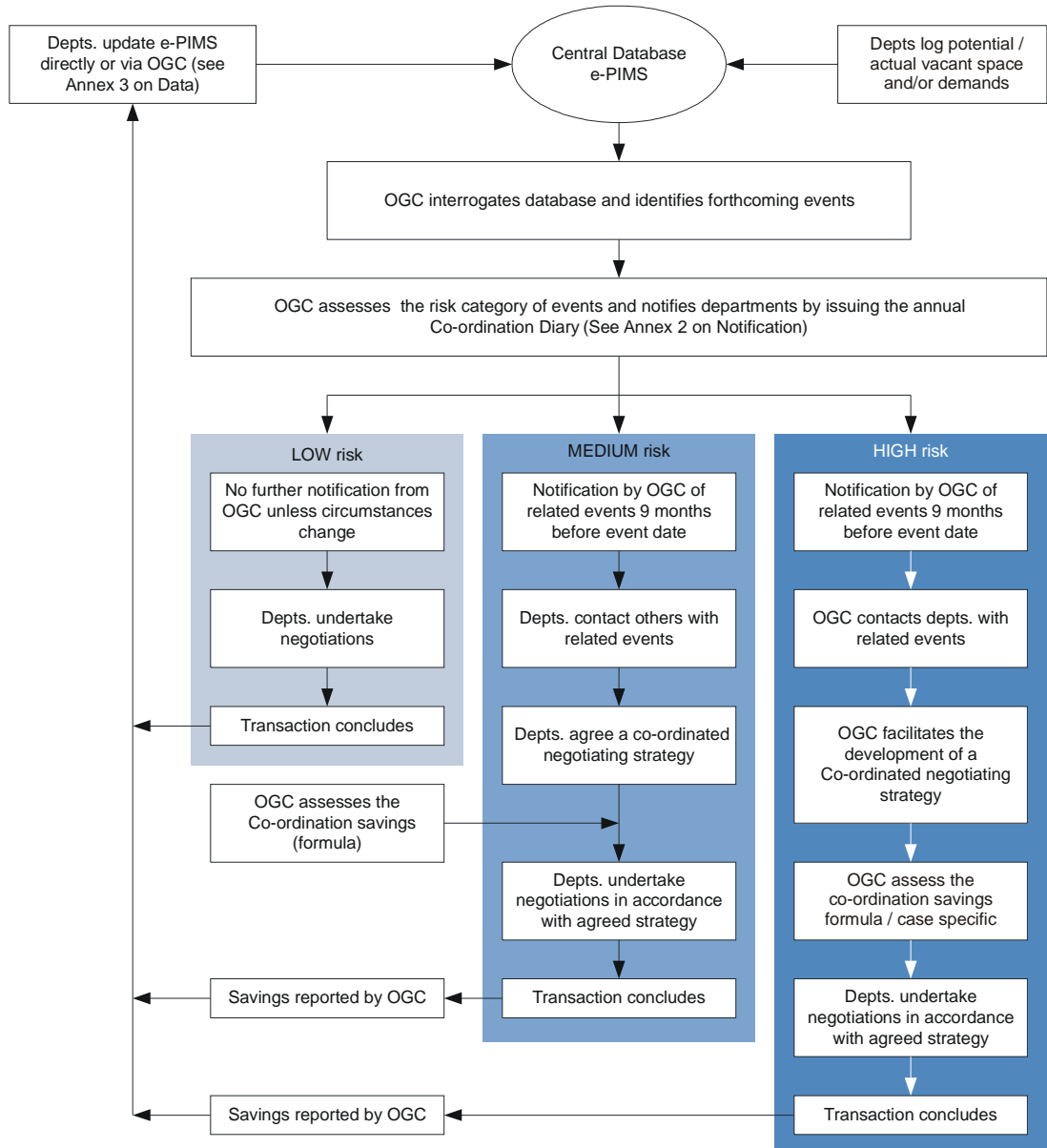


Fig 1.1. The Co-ordination Process

- 1.2 These processes do not apply to outsourced accommodation. Annex 5 sets out the more limited approach to Market Activity that can be applied in these circumstances.
- 1.3 The central database of Civil Estate property and workspace information is called e-PIMS and is managed by OGC. Its use by Government was mandated in December 2004.

- 1.4 The data contained in e-PIMS belongs to the individual departments and they are responsible for updating their data on e-PIMS. Departments have direct access to e-PIMS in order to carry out updates. Exceptionally, where they do not have direct access, they should notify OGC of changes and OGC will update the data. The data fields which it is considered essential to maintain up to date are shown in Annex 3.
- 1.5 OGC interrogates the e-PIMS database, identifies forthcoming property events (rent reviews, lease breaks and lease expires) over the following 2 year period and assigns one of three risk categories (low, medium or high) to the event, dependent on the extent to which it appears that co-ordination between departments will be required, and the potential consequences of departments not co-ordinating. An illustration of the considerations in assignment of risk categories is in the diagram below. Value for money is the prime consideration guiding both the risk categorisation and subsequent co-ordination action.

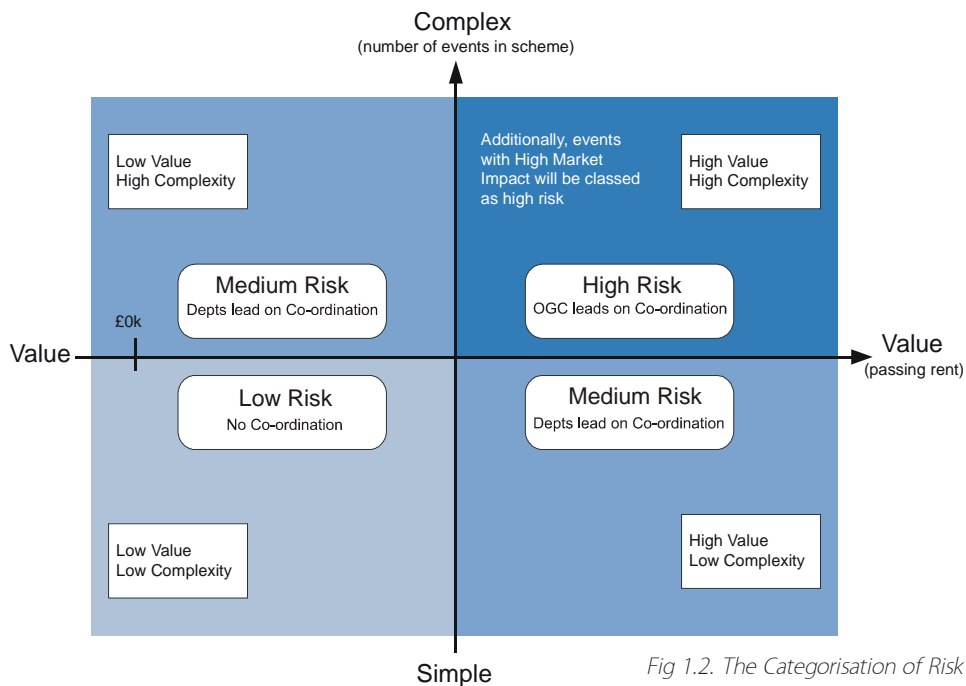


Fig 1.2. The Categorisation of Risk

- 1.6 The Co-ordination Diary is produced by OGC from information on the e-PIMS database and is issued to all Departmental Property Centres once a year, usually in December. The diary contains each known property event for which that Property Centre is responsible, over a forthcoming period of 2 years. The purpose is to give departments advance notification of the risk category that OGC has attached to each event and thus the processes that will flow from that risk category (see Annex 2).
- 1.7 Additionally, events will arise at short notice and will not be included in the relevant Co-ordination Diary, such as events arising from properties which are added to the database after issue of the Co-ordination Diary. Similarly, departments' market acquisitions and disposals may arise at short notice after they have established that there are no opportunities for reuse within Government. These events may have an impact on the assessment of risk already made for other events. Where this happens, departments with affected events will be notified of the change in risk category as soon as possible.
- 1.8 What happens next will depend on the risk category of each event.

Low risk (no co-ordination)

- 1.9 Where an event is classified as Low Risk, it means that there are no other relevant events in a similar timescale and location and that no opportunity for co-ordination arises. There will be no further notification from OGC and the department concerned can proceed to deal with the event and make any necessary changes to the e-PIMS database once the event has been completed.

Medium risk (departments lead on co-ordination)

- 1.10 Where an event is classified as Medium Risk, it means that other departments have events in a similar timescale and location and there is some potential for achieving gains (savings) from a co-ordinated approach to these events. OGC will issue a notification 9 months before the event. This will give details of the other relevant events and give contacts at the departments responsible for those other events. On receipt, the department should consider initiating co-ordination by:
- Reviewing the events.
 - Considering the potential for achieving savings through co-ordination.
 - Contacting the owners of the other events, where appropriate.
 - Devising, agreeing and implementing with other departments, a joint strategy where it will deliver benefits.
- 1.11 It is for the department with the largest floor area to take the lead in contacting the others. That department will be identified in the report from OGC.
- 1.12 Upon completion of the event concerned, the department should make any necessary changes to the e-PIMS database.

High risk (OGC leads on co-ordination)

- 1.13 Where an event is classified as High Risk, it means that other departments have events in a similar timescale and location and there is substantial potential for achieving gains (savings) from a co-ordinated approach to these events and/or a substantial risk attached to a failure to do so. The potential for high market impact would also justify a classification as High Risk. OGC will issue a notification 9 months before the event. This will give details of the other relevant events. However, under High Risk co-ordination, OGC will take the lead in initiating and facilitating co-ordination and will contact the departments involved to discuss and agree the best way forward to develop and implement a strategy.
- 1.14 Upon completion of the event concerned, the department should make any necessary changes to the e-PIMS database.

ESTATE RATIONALISATION

Accommodation strategies

- 1.15 Departments should share with OGC their accommodation strategies or those extracts that are relevant to potential co-ordination.

Demands

- 1.16 Departments should notify OGC of any potential new requirements as soon as the requirement becomes known. OGC will interrogate the e-PIMS database and check other sources for any opportunities on the civil estate for the reuse of surplus space and will advise the department accordingly. Departments with e-PIMS can view available surplus civil estate space direct but should also notify OGC of the requirement, as OGC may be aware of opportunities which for reasons such as sensitivity are not recorded on e-PIMS or not visible to others. OGC

will also advise of any potentially suitable surplus space which becomes available while the requirement remains unfulfilled.

- 1.17 Where there is an apparent match of a requirement with surplus space that will offer vfm, OGC will work with the departments concerned to investigate the option and to appraise the option against others in order to quantify the vfm gains that would flow from reuse to assist in decision-making. The decision on whether to proceed rests with the departments concerned.
- 1.18 Where there is no suitable match, OGC will notify the department accordingly, and provide an assessment of the potential for achieving gains through co-ordinating the acquisition event with other activities in a similar timescale and location. See 1.7. Departments should notify OGC if the status of the requirement changes, so OGC can reassess the co-ordination potential.

Vacant space

- 1.19 Departments should notify OGC as soon as they become aware of space which may become surplus, even if it will not become available immediately. OGC will interrogate the e-PIMS database and check other sources for any Government requirements which might be met by the surplus space and will advise the department accordingly. Departments with e-PIMS can view current requirements direct but should also notify OGC of the surplus space, as OGC may be aware of requirements which, for reasons such as sensitivity, are not recorded on e-PIMS or not visible to others.
- 1.20 Additionally, OGC will interrogate the e-PIMS database for any opportunities for reuse that are offered by other departments with lease expires or lease breaks, where the possibility exists of transfer to the surplus space at lease expiry or lease break.
- 1.21 Where there is an apparent opportunity to reuse the surplus space that will offer vfm, OGC will work with the departments concerned to investigate the option and to appraise the option against others in order to quantify the vfm gains to assist in decision-making. The decision on whether to proceed rests with the department concerned.
- 1.22 Where there is no apparent opportunity to reuse, OGC will notify the department accordingly, and provide an assessment of the potential for achieving gains through co-ordinating the disposal event with other activities in a similar timescale and location. See 1.7. Departments should notify OGC if the status of the requirement changes, so OGC can reassess the co-ordination potential.
- 1.23 Any changes to the e-PIMS data that flow from an estates rationalisation should be made by the department, either directly or, exceptionally, by notifying OGC.

The purpose of the notification process

- 2.1 The purpose of the notification process is to alert departments with property events to the market activity of other departments in a similar timescale and location, which they should take account of when dealing with their own events. The notification process also advises departments when there is no such other Government market activity to take account of.

The co-ordination diary

- 2.2 The Co-ordination Diary is issued annually, usually in December, to all property centres by OGC and covers known property events over the next two years for which the property centre is responsible. The purpose is to give advanced notification to departments of the risk category that OGC attaches to each property event - either Low, Medium or High. An example of the Co-ordination Diary is illustrated in Fig 2.1.

The event specific notification

- 2.3 Where the risk category is Low, there will be no further notification from OGC unless there is a change of circumstances.
- 2.4 Where the risk category is Medium, departments will receive an e-mail notification automatically generated from e-PIMS, 9 months before the event date, advising of other departments' events in a similar location and timescale and it will be for departments to implement any necessary Co-ordination. An example of a Medium Risk notification is illustrated in Fig 2.3.
- 2.5 Where the risk category is High, departments will receive an e-mail notification automatically generated by e-PIMS, 9 months before the event date, advising of other departments events in a similar location and timescale, and of the fact that OGC will take the lead in facilitating Co-ordination. An example of a High Risk notification is illustrated in Fig 2.2.

Event Type	Event Date	Area	Department Contact	OGC Contact
QUEENS HOUSE - 99-105 HIGH STREET, LONDON, SW1X 1AA				
BASEMENT GROUND FIRST SECOND FLOORS				
Review	24/06/2006	2000	JOHN SMITH 020 7200 1234 john.smith@adept.gsi.gov.uk	CLARK KENT 020 7210 1234 clark.kent@ogc.gsi.gov.uk
A DEPT PROPERTY CENTRE				
4 CHURCH STREET, VICTORIA, LONDON, SW1T 1AA				
BASEMENT (CAR PARK) AND G-4TH FLOORS (OFFICES)				
Review	05/11/2005	3000	PETER PARKER 020 7215 1181 p.parker@anotherdept.gsi.gov.uk	CLARK KENT 020 7210 1234 clark.kent@ogc.gsi.gov.uk
ANOTHER DEPT - HQ				
BLAIR TOWER, LONG ROAD, VICTORIA, LONDON, SW1T 1AA				
Whole Building B G 1-7 Floors				
Review	29/09/2006	2500	BRUCE WAYNE 020 7230 1234 bruce.wayne@dept3.gsi.gov.uk	CLARK KENT 020 7210 1234 clark.kent@ogc.gsi.gov.uk
DEPT THREE - CS DIVISION				
BROWN HOUSE, LONG ROAD, VICTORIA, LONDON, SW1T 1QQ				
SECOND FLOOR OFFICES. HELD ON THIS BUILDING.				
Expiry	24/12/2006	1200	LUKE WALKER 020 7210 1234 luke.walker@ogc.gsi.gov.uk	CLARK KENT 020 7210 1234 clark.kent@ogc.gsi.gov.uk
DEPT FOUR - HEADQUARTERS				

HIGH RISK NOTIFICATION

Restricted Commercial



CIVIL ESTATE CO-ORDINATION PROTOCOL

QUEENS HOUSE & CROWN HOUSE, HIGH STREET

The e-PIMS database shows that you have a workspace event in the next 3-15 months, as shown below.

For Coordination purposes OGC has classified this event as **high risk**. Events in properties owned by OGDs taking place in a similar timescale and location are also shown below. There is significant potential for achieving savings/gains from a coordinated approach to dealing with these events.

Action needed

The actions required by all departments having events in this scheme are:-

1. Review your events in this notice, and notify OGC of any changes.
2. The OGC property adviser shown below will contact all event owners to agree a strategy for handling these events. If your department needs to take urgent action and agree or settle the event early then please refer immediately to the OGC property adviser;
3. Participate in the strategy for handling these events with the other departments.

e-PIMS

Further useful information may be available to registered users on the e-PIMS system. Non users can find information about e-PIMS through the following hyperlink <http://www.ogc.gov.uk/index.asp?id=154>

In high risk Coordination the role of OGC is facilitate an agreed strategy between departments to secure savings/gains from a joined up approach to handling property events. If your department needs to take urgent action or settle events in a way that may have an adverse impact on the strategy, please contact the OGC property adviser listed above before taking action.

Data updates

Once your event is complete, please update your data on e-PIMS as necessary. If your department is not an e-PIMS user please pass details of the changes to the OGC contact shown above and OGC will make the necessary changes to the e-PIMS database.

Notes

1. All relevant events for all owning departments are included in the scheme. If a new event is created after the issue of this notice e.g. a proposed new hiring, then the owning department should contact OGC with details and consider whether the new event has the potential to affect existing events.
2. A copy of this report goes to the OGC contact.
3. The information in this report is taken from the data in e-PIMS, the accuracy of which is the responsibility of the relevant owning department. This report is also generated by e-PIMS, but the contents have been reviewed OGC property adviser. Any suggestions for improvement are welcome, and any inaccuracies in the data should be amended and notified

Fig 2.2. High Risk Notification

Event Type	Event Date	Area	Department Contact	OGC Contact
SECKINGTON HOUSE - 300 WEST STREET, ANYTOWN, AT14 9AT				
Part Ground Floor				
			MR A NYONE	LOIS LANE
Review	29/10/2006	460	0121 333 4567 a.nyone@dept1.gsi.gov.uk	? 020 7271 1234 lois.lane@ogc.gsi.gov.uk
DEPARTMENT 1 – STANDARDS BRANCH				
14 HIGH COURT – WOODLAND ST, ANYTOWN, AT12 1AT				
UNIT 1				
			MR N O'BODY	LOIS LANE
Review	30/11/2006	280	020 7222 3456 n.obody@dept2.gov.uk	020 7271 1234 lois.lane@ogc.gsi.gov.uk
DEPARTMENT 2 – HEAD OFFICE				
14 HIGH COURT – WOODLAND ST, ANYTOWN, AT12 1AT				
UNIT 2				
			MR N O'BODY	LOIS LANE
Review	30/11/2006	240	020 7222 3456 n.obody@dept2.gov.uk	020 7271 1234 lois.lane@ogc.gsi.gov.uk
DEPARTMENT 2 – HEAD OFFICE				
14 HIGH COURT – WOODLAND ST, ANYTOWN, AT12 4AT				
UNIT 6				
			MR E SOLVED	LOIS LANE
Review	30/11/2006	240	020 7211 2345	020 7271 1234
DEPARTMENT 3 - ESTATE MANAGEMENT UNIT				

MEDIUM RISK NOTIFICATION

Restricted Commercial

Office of Government Commerce

CIVIL ESTATE CO-ORDINATION PROTOCOL

ANYTOWN NORTH RRS/EXPIRY 2006

The e-PIMS database shows that you have a workspace event in the next 3-15 months, as shown below.

For Coordination purposes OGC has classified this event as **medium** risk. Events in properties owned by OGDs taking place in a similar timescale and location are also shown below. There is some potential for achieving savings/gains from a coordinated approach to dealing with these events. The lead event, having the largest floor space, is shown in bold and italics.

Action needed

The actions required by all departments having events in this scheme are:-

1. Review your events in this notice, and notify OGC of any changes;
2. Contact the owning departments for the other events, where appropriate;
3. Consider the potential for achieving savings/gains through Coordination.
4. Agree a strategy for handling these events with the other departments.

ePims - Electronic Property Information Mapping Service

Date Printed: 07/06/2005

Further useful information may be available to registered users on the e-PIMS system. Non users can find information about e-PIMS through the following hyperlink: <http://www.ogc.gov.uk/index.asp?id=154>

In medium risk Coordination the role of OGC is to provide sufficient information for the owning departments to be able to reach and implement decisions on Coordination. If you require any further information please contact the OGC property adviser listed below.

Data updates

Once your event is complete, please update your data on e-PIMS as necessary. If your department is not an e-PIMS user please pass details of the changes to the OGC contact shown below and OGC will make the necessary changes to the e-PIMS database.

Notes

1. All relevant events for all owning departments are included in the scheme. If a new event is created after the issue of this notice e.g. a proposed new hiring, then the owning department should contact OGC with details and consider whether the new event has the potential to affect existing events.
2. A copy of this report goes to the OGC contact.
3. The information in this report is taken from the data in e-PIMS, the accuracy of which is the responsibility of the relevant owning department. This report is also generated by e-PIMS, but the contents have been reviewed by the OGC property adviser. Any suggestions for improvement are welcome, and any inaccuracies in the data should be amended and notified to OGC as soon as possible.

ePims - Electronic Property Information Mapping Service

Page 1 of 2

Date Printed: 07/06/2005

Fig 2.3. Medium Risk Notification

Property information to be exchanged between departments and OGC

- 3.1 Fig 3.2 shows the categories of information that should be passed by departments to OGC, and the timing of its provision, in order to facilitate successful co-ordination. Where possible the information should be passed by an entry or update in e-PIMS by the department. Otherwise, by a notification to the appropriate OGC Property Adviser.
- 3.2 Fig 3.1 is an aide-mémoire which shows the core property data items from e-PIMS which need to be updated, by the department, on completion of various property events, either directly or, exceptionally, by notifying OGC.
- 3.3 Data Requirements in relation to outsourced accommodation are set out in Fig 5.1. and 5.2., incorporated into Annex 5.

Information	Timescale
Impending Property Events	
New Requirements	as soon as potential need is identified
Acquisitions	as soon as decision has been made to investigate market options
Intentions to vacate	as soon as potential surplus is identified
Disposals	as soon as a decision has been made to dispose to the private sector
Core Data	
All changes to core data fields	as soon as change occurs
Accommodation Strategies (copies or relevant extracts)	annually
Ongoing Liaison	
Market Activity - changed circumstances in relation to lease transactions which could affect vfm benefits	as soon as change occurs
Estate Rationalisation - changes in circumstances which could affect vfm benefits	as soon as change occurs

Fig 3.1. Updating Core Data on e-PIMS

Information	Rent Review	Lease Renewal	Acquisition	Total / Part Disposal (ownership)	Lettings / Changes in Minor Occ
Building Address	•	•	•	•	•
Main use of Building			•		
Tenure Type (lease/freehold/PFI)			•		
Landlord Name and Address		•	•		
Holding Co. Name and Address		•	•		
Owning Dept		•	•	•	•
Owning Dept. Space (ALA/GIA/NLA)		•	•	•	•
Sub-Tenants		•	•	•	•
Sub-Tenants Status (Crown/non-Crown)		•	•	•	•
Sub-Tenants Space (ALA/GIA/NLA)		•	•	•	•
Vacant Space (ALA/GIA/NLA)		•	•		•
Rent Paid (assessed)	•	•	•		•
Date from which Rent payable	•		•		
Start Date of Lease		•	•		•
Rent Review Dates		•	•		•
Review Basis		•	•		•
Lease Break Dates		•	•		•
Break Option (landlord or tenant)		•	•		•
Lease Expiry		•	•		•
Asset Value			•		
Asset Valuation Date			•		
Rateable Value			•		
Acquisition Date			•		
Purchase Price			•		
Disposal Date				•	
Site Area (where significant)			•	•	
Premium Paid (in consideration for lease)			•		•
Amortisation Term			•		•
Repairs Liability (full or not full)		•	•		•
Number of Floors			•		•
Construction Date			•		
Extension/Refurbishment Date			•		

Fig 3.2. Categories of Information to be Provided by Departments

Formula calculation of market activity gains

- 4.1 The VFM gains from Market Activity will normally be assessed by the application of a formula calculation.
- 4.2 VFM gains will arise from Medium and High Risk Market Activity events but not from Low risk events.
- 4.3 The formula comprises the application of a predetermined percentage to the pre-event passing rent of all transactions that result from Medium Risk and High Risk events where some co-ordination activity has taken place (as a minimum the issue of a Co-ordination Report).
- 4.4 The percentage to be applied will be 4% for Medium Risk events and 6% for High Risk events. The resultant annual figures will be capitalised over the period of the savings. These percentages will be reviewed, from time to time, by the Property Co-ordination Group.
- 4.5 The VFM gains will be calculated by OGC, using the formula, and will be notified to the department and internally to those within OGC who are responsible for collating gains from collaborative activity. The VFM gains will be attributed on the date of the event.
- 4.6 Although the above will be the default and usual approach, it will be open to OGC to carry out a case specific calculation of gains where they believe it is warranted and where adequate data is available to support the calculation. Case specific calculations are more likely to be appropriate for High Risk events.

Calculation of estate rationalisation gains

- 4.7 The VFM gains that arise from Estate Rationalisation will normally be assessed by comparing the net present cost to Government of the internal reuse of surplus space with the net present cost of other options such as taking additional space from the market and disposing of surplus space on the market.
- 4.8 The methodology to be used in these calculations is that set out in the latest edition of Treasury guidance – “The Green Book, Appraisal and Evaluation in Central Government”.
- 4.9 Departments are required by the Green Book to undertake an economic appraisal (showing the exchequer position) in support of all property decisions or projects. Where OGC promotes an Estate Rationalisation scheme it will normally carry out economic appraisals (using its Discounted Cash Flow programme “EXOCAT” which adopts “Green Book” methodology) for agreement with the departments involved. Such economic appraisals model the cash flows for the Exchequer as a whole. In addition, OGC may undertake separate financial appraisals where requested to establish the financial impact of the scheme on each of the departments involved.
- 4.10 The VFM gains will be notified to the departments as part of the presentation of the scheme strategy. The VFM gains will be attributed on the date that departments commit to implementing the strategy.

Co-ordination arrangements with departments that have outsourced their accommodation

5.1 This annex explains certain modifications to the co-ordination process to reflect the outsourcing of the departmental estates under arrangements such as the PRIME and STEPS contracts, and also single building PFI arrangements, such as HM Treasury’s 1 Horse Guards Road, London. As departments are no longer responsible for the lease-based negotiations related to their PFI workspace, the opportunities for co-ordination are restricted, however there are still benefits to be gained from working closely with OGC and other government departments.

Commercial service providers

5.2 By the nature of the contractual arrangements, outsourced providers such as LSTrillium and Mapeley have specific roles and responsibilities. In any dealings OGC, OGDs, and Outsourced departments such as DWP and IR/CE must recognise their position.

Core data

5.3 The department’s property centres will be responsible for providing updates for the reduced core data requirement as shown in the table below (Fig 5.1.) either directly or via the service provider. New properties will need to be added to the database and properties historicised as they come off the estate. Additional information may occasionally be requested by OGC, where it is justifiable in relation to the development of a co-ordination proposal. Depending on the department’s own assessment of the sensitivity of the information supplied, any such information may be treated as “Restricted”.

CORE DATA FIELDS
Building Address
Main use of Building
Tenure Type (lease/freehold/PFI)
Owning Department
Owning Department Space (ALA/GIA/NLA)
Sub-Tenants
Sub-Tenants Status (Crown / non-Crown)
Sub-Tenants Space (ALA/GIA/NLA)
Sub-Tenants Terms of Occupation (MOTO details / Sublease)
Vacant Space (ALA/GIA/NLA)
Acquisition Date
Site Area (where significant)
Number of Floors

Changes to the core data can arise in a variety of ways, for example a reorganisation leading to vacant space or the renewal of a MOTO.

When a change occurs, e-PIMS should be updated, either directly by the department where they are registered e-PIMS users, or through notification of the OGC contact.

Fig 5.1. Core Data on e-PIMS

Market activity

- 5.4 OGC no longer holds current information on the leases of outsourced accommodation, as the responsibility for these now rests outside Government. Because of this, the co-ordination of market activity with outsourced occupations is discontinued in respect of rent reviews, lease breaks and expires. See below for the position on Acquisitions and Vacant/Surplus space.

Co-ordination diary

- 5.5 As rent review, expiry and break events do not impact on departments that have outsourced their accommodation, the co-ordination diary is no longer issued to these departments.

Acquisitions

- 5.6 A department which has outsourced its accommodation will notify OGC, either directly or via their service provider, of any new requirements so that OGC can advise whether there is any suitable vacant space on the government estate. If satisfactory space is found OGC will facilitate further discussion between the department with the requirement, the department with the surplus space and the service provider and develop an estate rationalisation proposal (see below).
- 5.7 If no suitable space is available on the government estate the acquiring department will instruct their service provider to proceed with the acquisition on the open market under the terms of the outsourced contract. OGC's role in this case is to ensure that acquiring departments are alive to other departmental activity so that they can avoid risks from competing for the same building or negotiating in the same market.

Vacant space

- 5.8 Departments with outsourced accommodation will notify OGC, either directly or via their service provider, when they have potential vacant space where re-occupation by another Government department might offer exchequer savings. OGC will respond with details of potential occupiers within 10 working days of notification, to ensure contractual notice periods can be served so avoiding unnecessary additional costs.
- 5.9 Where opportunities for co-ordination arise the existing procedures will be followed.

Information	Timescale
Impending Property Events	
New requirements	as soon as potential need is identified
Intentions to vacate	as soon as potential surplus is identified
Core Data - see table (Fig 5.1.)	
All changes to core data fields	when departments' records are updated
Accommodation Strategies	
Copies (or relevant extracts)	annually

Fig 5.2. Updating Core Data on e-PIMS

Savings from estate rationalisations

- 5.10 As a result of outsourcing there are implications for the calculation of savings in certain circumstances.
- 5.11 Non-operational space: if existing Civil Estate space is identified which meets the needs of a department with outsourced accommodation, OGC will, in consultation with departments, develop a strategy and issue estate rationalisation reports recording the proposals and showing the savings generated. If the space is to be taken into an outsourced contract it will be necessary to estimate the facilities price that will be paid by the outsourced department in order to complete the vfm assessment.
- 5.12 Outsourced space: If outsourced space is identified for reuse by another department the savings will take account of any exit costs that would be incurred by the outsourced department if they handed the space back to the service provider.

Links between departments

- 5.13 Under outsourcing arrangements the quasi-commercial links between departments remain the same, as governed by the CEOA and the individual MOTO agreements. Departments would continue to offer occupation by MOTO, and ingoing departments would still be obliged to meet the payment and other conditions set out within the MOTO.



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About OGC

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OGC Service Desk

OGC customers can contact the central OGC Service Desk about all aspects of OGC business.

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