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Chief Executives of all Public Bodies

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Dear Chief Executive

Property Asset Management: Smarter Workplaces Programme

In 2012, the then Cabinet Secretary for Infrastructure & Capital Investment, Alex Neil, wrote to all Public Body Chief Executives to highlight the financial constraints across the public sector and difficult decisions that were being faced around how to manage our assets and estates. He encouraged engagement with a new programme of work focussing on asset management.

Programme

With the support of Scottish Government Property Division and the Scottish Futures Trust, a programme of work was created to champion a more corporate and collaborative approach to property asset management across the public sector. This is known as the Smarter Workplaces Programme. Targets were set around a five year plan to reduce the size and cost of the central government office estate. The central estate covers buildings owned or leased by Scottish Government, NDPBs, Agencies, non-Ministerial Departments and NHS Special Health Boards.

With your support since then, I am very encouraged that with just one year to go the **forecasted annual saving of £28m** (from a baseline of £107m) and a **reduction in the size of the estate by 25%** should be achieved. This represents in excess of 50 properties exited or reduced in size over the period.

The Programme has a formal governance structure with a Board chaired by Barbara Allison, Director Communications, Ministerial Support & Facilities, together with membership from key corporate areas of government and senior representation from the public body network. To ensure we meet the current target and in the knowledge that there are further efficiencies

to be gained as future leases expire and as we review our owned estate, with my support, the Board will ensure sufficiently stretching targets are set. I have asked to be kept advised of progress.

New Ways of Working

As well as financial savings and a reduction of our carbon footprint the Programme team is providing advice to organisations on how to get the best use of their workspaces and of enabling technologies to meet the pace of change we are all experiencing, and how this can help the way we work. I am encouraged with the progress being made and I urge you to continue to take up this offer of advice and support, and to share the experience of best practice the team is gathering.

Property Controls

Ministers remain clear that, in considering future accommodation needs, the presumption should be in favour of suitable solutions from within the Government estate; and that existing expiry and break opportunities on all leases and other property holding arrangements will be exercised unless there is a compelling justification which I am required to approve. It is important, therefore, that value for money considerations go beyond the financial impact on the incumbent organisation and take into consideration the impact on the public purse as a whole.

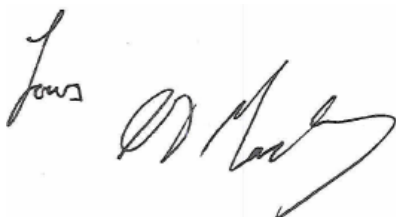
To support this a 'Property Controls' arrangement is in place under the Scottish Public Finance Manual. In all but a few instances a business case will therefore require Ministerial approval and as a reminder, early contact should be made with the Property Controls team either through Property Division or Smarter Workplaces, well before such a property event to ensure decisions are made within a wider strategic framework and before a business case is sent up to my office for approval.

Managing the estate going forward

A smaller more efficient estate provides the opportunity to review how we can deploy our estate and our facilities management services in the most effective and efficient way. I have therefore asked the Smarter Workplaces team to also explore options around how we best deploy these services across the wider estate in the future. A data gathering exercise will be undertaken as an initial step to inform the review and I would ask that you support this work.

The Smarter Workplaces team will be in touch shortly but if you require advice or have any questions in the meantime please contact the Programme Manager, Stephen Aird stephen.aird@gov.scot or propertycontrolsteam@gov.scot

Yours faithfully



DEREK MACKAY