

## **Written evidence from Government Property Unit**

### **Additional questions and notes requested from GPU**

**Q124/125** - transferred to HMRC.

**Q 129** - Ms Aminossehe gave verbal assurance that GPU have no plans to enter into large PFI contracts as was done in 2001. In respect of how we procure buildings in future, GPU aim to maintain flexibility in building procurement and management, with varied lease lengths, rather than enter into a large contract that might not give us that flexibility.

### **Q172 - Government Property Agency (GPA)**

#### **Is there a business case?**

Yes the strategic Outline Business Case was approved in December 2016 . A Final Business Case will need to be completed and approved in the summer before launch.

#### **When is it going to be launched?**

The GPA entered shadow running phase in January to test structures and processes. This will be followed by a mobilisation period between April and September 2017, prior to going live in Autumn 2017.

#### **Who will the chief executive be?**

Ian Playford (formerly Property Director at Kingfisher Plc and Non Executive Director at HMCTS) has been appointed as Interim CEO. We have also appointed an Interim Executive Team, consisting of Finance, Operations and Client Solutions Directors, with Commercial and Programmes Directors transferring from the Government Property Unit.

#### **Where will it be based?**

The Agency employees will be nationally/regionally based. The exact location of this is yet to be determined, with the shadow agency currently running out of temporary accommodation in Victoria Street, London. The Agency will operate mobile and flexible working to reduce office space and costs consistent with the Government Property Unit strategic workplace objectives.

#### **What will its budget be?**

Budget will depend on the volume and timing of transfers of property into the Agency, but much of the initial resource will come from existing budgets that perform the same property management function. An independent Corporate Finance Model is being co-built with HM Treasury to verify the point at which the incremental cost of the Agency becomes self-funding.

#### **What will its remit be?**

The new body, which will be called the Government Property Agency, will expedite further savings and quality improvements by providing professional strategic asset management services across the government portfolio. It has been established in order to take a more commercial approach to leases, in competition with the best of the private sector.

## **Will there be commercial and property expertise within the agency?**

The GPA will be a commercial organisation, delivered through a thin client model which will provide focus to enable the agency to deliver strategic solutions and high quality services . Our shadow organisation has been populated with 130 people from the Government Hubs programme, UKSBS and Cabinet Office Estates teams and the New Property Model programme, and will partner with market leading capability as required.

The agency is committed to the ongoing professional development of its people and also recognises the importance of membership of professional bodies. It will actively support people to gain and maintain membership of the relevant professional bodies, whilst also recruiting people who are members of RICS, RIBA, the professional bodies for Facilities Management (BIFM), and staff qualified in Project Management (Association of Project Management (MAPM) or similar), Managing Successful Programmes (MSP) and PRINCE 2.

The agency will require a breadth of property expertise and skills including: surveyors, asset management, facilities management, combined with high powered commercial expertise in the wider property market. In addition the agency will employ other professional skills to provide corporate services functions including HR, Finance and Communications, programme management, strategy and planning.

### **Q 184**

#### **Admiralty Arch**

The Government retains the freeholds on a long lease on Admiralty Arch, and received the premium on the completion of the lease. "Clawback", or Overage, is accounted for to provide assurance of value for money should the value of the property increase. We are unable to release specific details of overage arrangements as they are commercially confidential. Should the current tenant breach the terms of the lease, our remedy would be to seek forfeiture - reclaiming the lease and selling the building to another buyer.

#### **Old War Office**

Disposal of the Old War Office building was negotiated by the Ministry of Defence, on the advice of their marketing agents. GPU's involvement was to confirm the building was surplus to Government requirements, and that disposal was the appropriate course of action. As with Admiralty Arch, should the current tenant breach the terms of the lease, remedy would be to seek forfeiture - reclaiming the lease and selling the building to another buyer. We are unable to disclose whether the contract contains overage provisions given the commercial sensitivity of this issue, but we are working with MOD on what aspects of the contract they are content to disclose.

### **Q191**

The Government Hubs programme is in the process of confirming locations of the 18-22 strategic regional hubs, and the supporting 200 mini-hubs. We have so far only announced the location of three government hubs, in Bristol, Croydon, and East London, and are unable

to release details on the location of other hubs/ mini-hubs at this point given commercial sensitivities around completing deals, which could compromise our commercial position.

Decisions on how many and where to locate government hubs are based on the workforce plans and business needs of departments, as well as public transport connectivity and available facilities in locations. These factors will all be taken into account in assessing locations in North Wales.