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The Reform of Property Management Programme

Closure Report

CONTENTS

1.0 Acronyms used in this report

AMS   Asset Management Strategy

BAU   Business as Usual

CPD   Construction and Procurement Delivery

DAO   Departmental Accounting Officer

DoF   Department of Finance

KPI   Key Performance Indicator

NICSHR   Northern Ireland Civil Service Human Resources

NWW   New Ways of Working

OPA   Operational Partnership Agreement

PD   Properties Division

PMO   Project Management Office

RICS   Royal Institution of Chartered Surveyors

RPM   Reform of Property Management

SRO   Senior Responsible Owner

2.0 Executive Summary

The Reform of Property Management (RPM) Programme leaves an important legacy of benefits, some of which will be realised beyond the Programme's lifetime.

The Programme has made a significant contribution to the realisation of the Executive's Asset Management Strategy's (AMS) aims.   In respect of the AMS' aim to reduce the net costs of service delivery through the efficient use of public assets, it can be demonstrated that the Programme has delivered £14.4m in annual savings from Programme activities. The Programme also leaves behind much improved processes for governance and oversight and a management information system, all of which have assured and enabled the continuing efficient use of public assets and associated realisation of savings.

Since the Programme's inception it has responded to constant change. It has been used to support wider objectives including the NICS's response to the Covid-19 Pandemic, and to realise NICS wide reform through the development and implementation of the Hybrid Working Policy and New Ways of Working across the NICS.

The RPM Senior Responsible Owner (SRO) believes it is both timely and appropriate that the remaining responsibilities of the Programme be continued within Departmental Business as Usual (BAU) operations and recommends that the Programme now be closed.

The report offers lessons learned that will support the delivery of future programmes and projects across the NICS.

Finally, the report makes the following recommendations.

	Recommendations	Comment
1.	Implement the Royal Institution of Chartered Surveyors (RICS) Model into DoF for Property Management.	Properties Division (PD) should continue to evolve and implement the principles of the RICS operating model into its day-to-day activities and seek additional interim/ad hoc support, where required, until such time that the competencies associated with the model are fully embedded into the organisation.
2.	Fill the gap regarding Strategic Asset Management.	In the short to medium term PD working with the Investment Committee function may wish to consider support from organisations outside the NICS to assist in the development of future plans, where competencies have not been fully developed or readily available from within the Department.
3.	Assign ownership and continue with New Ways of Working Workstream to prevent homeostasis.	It is a strong recommendation that new ways of working and its implementation groups and associated governance continue under the leadership of DoF for an additional 12 months in order to prevent the NICS reverting to previous ways of working and mindsets. Consideration should be given as to where this is best located given that this work does not align with the core business operations of CPD.
4.	Re-evaluate funding model and Departmental structures based on current and future known priorities.	The Department should secure the appropriate skilled resource to evaluate appropriate potential funding models and their potential impacts while PD continue to implement the RICS model. The review should incorporate extensive engagement across the NICS and wider central government. When complete it should arrive at an agreed model for PD supported by the appropriate funding arrangements.
5.	For future reform projects, those responsible for reform should have the formal authority and the resources needed to effect real change.	When leading reform, it is important that the leader who is accountable for reform should also have the authority to make real and positive changes to realise the objectives of the transformation.

	Recommendations	Comment
6.	PD should continue developing a culture of continuous improvement through the continued use of Lean Six Sigma.	PD should consider the use of the methodology to assist in finding innovative data driven solutions to realise potential revenue savings which would: ease existing pressures within the organisation; provide further return on the investment in the Lean Six Sigma deployment in the organisation; and, ultimately embed a culture of continuous improvement.
7.	The following Key Performance Indicators (KPIs) should be implemented as the primary means of measuring estate efficiency.	The KPIs of 'Square Metre per Full Time Equivalent (m2 / FTE)' and 'Cost per Full Time Equivalent (£/FTE)' should be adopted to measure estate efficiency going forward. Additionally, this report recommends that 8m2 per FTE be the benchmarked target to be achieved for interventions going forward and ultimately to be achieved.
8.	Continue to observe the Property Controls.	Oversight of the Property Controls continue though the support of the Strategic Investment Board's Asset Management Unit who, through regular engagement and collaboration with DoF Properties Division via the Investment Committee and lease management working groups, should continue to realise the spirit and intent of the centralisation objective.
9.	Commission the Asset Management modules within AMPS (formally Concerto) as a matter of urgency.	It is a recommendation of this report that this work be prioritised within CPD to start to realise a return on the investment associated with the product and the wider benefit to PD in the form of real time investment decision capability.

3.0 Purpose of the Report

The purpose of this report is to formally close the RPM Programme Board. Programme closure comprises the final assessment of the Programme and the decommissioning of its resources and infrastructure.

This report assesses the delivery of the Programme against the objectives as set out in the Blueprint, identifies lessons learned and makes recommendations which can be incorporated into future business as usual (BAU) activities. This paper confirms where ongoing support is in place to ensure and transfer the remaining objectives to BAU which includes handovers to Properties Division and NICS Human Resources..

4.0 Background to the Programme

4.1 The Strategic Context

4.1.1 Asset Management Strategy
The Reform of Property Management (RPM) Programme was set up to deal with proposals coming from the first region wide Asset Management Strategy (AMS) which was approved by the Northern Ireland Executive on 27th June 2013.

The objectives of the Asset Management Strategy are to:

- reduce the net costs of service delivery through the efficient use of public assets; and

- promote effective asset management processes that unlock value.

On 17th December 2013, the AMS Implementation Plan was agreed by the First Minister and the Deputy First Minister. The AMS contains a proposal for tackling the fragmentation which exists across government in the management of office accommodation and surplus land. The proposal includes recommendations designed to support long term and sustainable efficiency savings from a centralised team managing a rationalised asset base.

The Reform of Property Management Programme has a strong mandate from the NI Executive which is reflected by the governance outlined in the AMS. The

RPM Programme has been referenced by the Northern Ireland Executive within the Fresh Start Stormont Agreement and Implementation Plan. Specifically, it states in Section B 1.4 (p19);

"Reform of Property Management: This will reduce the running costs of the central government property estate."

4.1.2 RPM Programme's Strategic Outcomes

The RPM Programme's strategic outcomes are:

1. To review, revise and implement a fit for purpose business model that facilitates the effective operation and governance of Properties Division in line with the strategic direction provided by Public Sector Shared Services.

2. To review and improve key business processes resulting in improved service delivery, increased capacity, a reduction of operating costs, increased customer satisfaction.

3. To embed a culture of continuous improvement and innovation across Properties Division resulting in improved service delivery, and increased customer satisfaction.

4. To achieve the Asset Management Strategy's space utilisation target of 9 – 11m2 per workstation on average across the office estate.

5. To support the wider public sector reform programme by providing a modern fit for purpose workplace environment.

6. To centralise management of office accommodation.

7. Development and implementation of an Asset Information Management System to facilitate data driven, informed strategic and day to day decision making in Properties Division.

8. Establish Key Performance Indicators (KPIs) and benchmarking framework for the management of estate in line with best practice.

4.1.3 Programme for Government Contribution

Delivery of the RPM Programme was designed to contribute to the Programme for Government (PfG) outcomes as set out in the following table.

PfG Outcome/Policy Objective	RPM Programme Contribution
We live and work sustainably – protecting the environment.	The implementation of the RPM Programme leaves behind a significantly modernised office estate occupying a significantly smaller footprint. These interventions will ensure lower energy costs (per full time equivalent employee) and reduce government's carbon footprint. Through centralisation and better information management, the approach to property management itself will be less wasteful, reducing unplanned maintenance. The development of regional hubs through the Connect2 project should lead to reduced commuting distances and a corresponding reduction in carbon emissions. Measures and SMART targets are being developed to capture and report on progress.
We have high-quality public services.	The widespread modernisation of the estate via RPM will go hand-in-hand with greater use of technology to facilitate agile working and other practices that can result in improvements in productivity and service delivery. The transformation of the Properties Division to a shared service will contribute to the PfG objective to have high quality public services.

PfG Outcome/Policy Objective	RPM Programme Contribution
We have created a place where people want to live & work, to visit & invest.	Reducing the office footprint that government occupies (e.g. by vacating leasehold or disposing freehold) will improve capacity for inward investment, activity in the developer market and unlock regeneration opportunities.
We connect people and opportunities through our infrastructure.	The application of the 2022 Office Accommodation standards brings a focus to 'how we work' rather than 'where we work'. Changes to the IT infrastructure associated with office working will allow staff to be more agile and not necessarily tied to the one office location.
We prosper through a strong, competitive, regionally balanced economy.	Through delivery of the Connect2 project, RPM will provide opportunities for the regeneration of local economies by decentralising places of work from Belfast to regional hubs.

4.2 RPM Programme Timescales

From the outset of the Programme, internal and external drivers have necessitated significant changes to the scope and approach to the Programme.

RPM operated in an environment of uncertainty since the initial draft of the Programme's Blueprint in 2015. An Addendum was produced in 2017. In particular, the lack of a formal 4-year capital spending review and the subsequent single year revenue budgets coupled with the turbulent political climate in the region impacted on progress, and RPM's ability to plan and budget to realise the Programme benefits.

4.2.1 Review 2017

As a result of the uncertainty, the RPM Programme Board requested a stock take to ensure the mandate and strategic objectives were still both relevant and remained the primary focus of Programme delivery. The outcome of the review resulted in agreement in January 2017 that:

- the benefits of the Programme were still required; and,
- work should continue to develop and deliver the Programme to realise those potential benefits.

As of 2017, the three projects in scope were: Business Transformation; Estate Rationalisation (including Lease Management); and Asset Information. To further support the Programme, the SRO requested a governance review which resulted in a change of Programme Board membership and a shift from project silos to a cross-cutting workstream approach to the programme management. As a result, the Programme was refocussed to the following workstreams: Data Analysis; Investment Strategy and Project Pipeline; Service Offering (Future Operating model); Data Systems; and Capital Investment.

This new approach was identified as optimal as part of the continual review of governance arrangements and was endorsed by the RPM Board in June 2017, realising a positive impact on both team ethos and progress on deliverables since its implementation.

As part of the Business Transformation Project the functions of Properties Division were re-assessed and a new operating model was agreed by the RPM Programme Board. On 1st April 2018 two branches (Property Management Branch and Supplies and Stores Branch) transferred from Properties Division to Central Procurement Directorate (CPD) as their work was more closely aligned within CPD. As part of this it was agreed that the transformation of Properties Division would be taken forward by Properties Division.

LESSON LEARNED
REFORM, ACCOUNTABILITY AND AUTHORITY

When leading reform, the leader who is accountable for reform should also have the authority to make real and positive changes in order to actually realise the objectives of the transformation. This was a very real issue faced within this Programme, and one that must be recognised for any future reform work across the NICS.

In the case of RPM, the considerable and constant day to day pressures faced by PD always put the Head of PD in a nearly impossible situation whereby on a daily basis he would have to choose between keeping the operation of the organisation going within its limited resource envelope (both human and financial) or the introduction of formidable change that was recommended by the Programme Director. The Head of PD, knowing that the resource to make the changes was limited, was acutely aware that to introduce change would have most certainly caused wider disruption to the NICS. This in turn would ultimately have drawn significant criticism from across departments onto both PD and DoF for the disruption caused, demonstrating the very real and understandable tension between reform and business as usual activities.

One of the key drivers for closing the Programme at this stage is the fact that is has been recognised that the remaining reform is much more likely to be successful within the existing governance framework of the Department where the reform and its impacts are wholly owned within PD and the Department. This in turn should prompt the appropriate support from the department to mitigate the risk of disruption to the wider NICS in the form of appropriately resourced PD to realise the transformation. This will in effect ensure that the both the accountability for the reform and the authority to make changes sit with the appropriate leader.

Reform activities across the NICS should be cognisant of this alignment when embarking on any transformation activities and care should be taken to ensure that those responsible for reform actually have the authority to make the requisite changes with the appropriate resource to both realise the objectives and manage the tension between reform activities and business as usual.

4.2.2 Refocus - 2018 and 2019

In July 2018, it was recognised that in order to realise the AMS outcomes, the Programme must focus on the softer issues pertaining to workspace use. Namely the people and organisational issues that affect how work is carried out, how organisations and individuals interact with the workplace, and the existing culture that currently promotes work as "place" rather than an "activity".

Since this point, the RPM Programme worked to shift the focus from the technical aspects that focused on savings derived from estate rationalisation to those that focused on the softer human or people aspects. In doing so the Programme would realise wider benefits than originally envisaged at the programme outset. These additional benefits include improving how work is done, improved diversity, improved flexibility for staff, and potential improvements in productivity.

Concurrently the Programme adjusted its approach to capital spending by working with the DoF Finance Director to focus on property interventions that could be realised utilising in year capital as opposed to multiyear budgets. In essence, the Programme shifted its investment focus from capital plans over multiple years to realising meaningful benefits with money that was available in year. This has had the benefit of realising savings, for example those associated with the acquisition of James House and its ground rent. However the uncertainty associated with no multiyear capital has resulted in limited interventions or investment in our overall portfolio, directly impacting on the Department's ability to make additional savings.

In January 2019 the RPM Programme Board agreed for the Asset Information Project (Concerto) to be transferred to CPD as a BAU project.

4.2.3 Pandemic Response - 2020

The NICS mobilised to deliver many of its services remotely in reaction to the Covid-19 pandemic. The scale of home working has been unprecedented and it has proven the ability and capability to deliver key functions remotely. Recognising the need to capture and build on lessons learned, the Programme incorporated a NICS recovery workstream which included the New Ways of Working project and development of the new NICS-wide Hybrid Working Policy.

In addition to the above, the Programme has developed a highly successful governance and engagement structure through the New Ways of Working Project. This structure has been very effective in bringing together all NICS Departments and the strands of People, Place, Technology and Communications thereby ensuring that the introduction of New Ways of Working has been consistently co-ordinated and communicated across the Service. This governance structure would be highly transferable to other projects such as the roll-out of the new Estate Strategy.

4.2.4 Development of a New NICS Estate Strategy - 2021 and 2022

The New Ways of Working project highlighted that the introduction and the roll-out of the Hybrid Working Policy and Connect2 hubs would significantly change the way NICS accommodation is used. An expected estate occupancy rate of 50% has been built in to a new NICS Estate Strategy which aims to deliver a modern, fit for purpose and right-sized office estate that supports the needs of business areas and people. Full implementation of the Strategy by Properties Division will ensure that the NICS is:

- maximizing our space usage to reflect the news ways of working;

- reducing carbon by reducing our Net Internal Area (NIA) and thus our carbon footprint; and

- investing in a 'right-sized', modern estate to help attract and retain staff.

4.2.5 Programme Closure - 2022

In late 2021 the DoF Accounting Officer expressed his wish to have the Programme responsibilities and activities incorporated into BAU, ultimately resulting in Programme closure. When the Programme closes at the end of October 2022, the projects incorporated within the RPM portfolio will be as shown within the following table.

Programme Portfolio on Closure		
Workstream		**Projects**
1	Reform of Property Management	- Investment Strategy/ post Covid Estate Strategy - James House - Dundonald House
2	Connect 2	- 11 Connect2 hubs
3	NICS recovery and New Ways of Working	- Working from Home/Hybrid Working Policy - New Ways of Working

5.0 Programme Definition

At the beginning of the Programme, appropriate governance was not clearly established. At its initiation the Programme objectives were not clearly defined. The result was that staff were appointed to carry out a series of transactional activities with the intention that the transactions would ultimately bring about transformation. At that point the Programme was not necessarily driven by a clear definition or vision.

Upon the initial Gateway (Gate 0) 2015, the recommendation suggested that the Programme might benefit from a change in leadership where the Programme could be refocused on transformation or reform activities that would result in the realisation of defined outcomes or objectives.

At this point an interim Programme Director was appointed and the Programme was clearly defined. This included work to establish the infrastructure to provide those responsible with the means to conduct the definition activities. This also included the recruitment to the core Programme team of additional staff with the appropriate transformation skill set. The work involved the identification and analysis of stakeholders and developing the Blueprint that would deliver the objectives of the Programme.

This provided a platform and information upon which renewed Programme governance could be established, through workstreams that would realise the Programme benefits. This facilitated the identification of the tranches of work that could realise cost reduction through phased office refurbishment work.

A RPM Programme business case was developed outlining potential capital requirements that are supported by individual project business cases. The Programme Blueprint and business case were presented initially to the SRO and Programme Board, where approval to fund and implement the Programme was obtained.

As definition work completed, a Programme plan was drafted. The Programme comprised initially of three projects: Business Transformation Project, Estate Rationalisation (including Lease Management) Project and an Asset Information Project.

6.0 Delivering the Programme

6.1 Delivery Overall

The Reform of Programme delivery has been hallmarked by a turbulent and uncertain environment since its initiation. Factors such as the following have all impacted on the Programme's ability to deliver:

- the Voluntary Exit Scheme (VES) in 2014-15;
- shared resources between BAU and the Programme;
- Brexit;
- the collapse of the NI Executive in 2017;
- the Fresh Start Agreement and New Decade, New Approach deal;
- the Covid 19 Pandemic;
- a second collapse of the NI Executive in 2022;
- most recently the dramatic budgetary pressure within public spending; and
- the recent restructure of DoF (PD into CPD).

Notwithstanding the above factors, the Programme has delivered many outputs and associated benefits including very significant wider benefits (see section 9 for more detail).

6.2 Governance and Reporting

Clear governance and reporting structures were established. The Programme Board Terms of Reference details the roles, responsibilities, accountabilities and reporting processes for the Programme and the projects within it.

The Programme Director continually reviewed the suitability of governance structures and their effectiveness. From its inception, where the Programme was perhaps governance light, additional governance structures were put in place to ensure effective Programme delivery. Over a period of time, this governance was found to be burdensome and bureaucratic focusing on reporting rather than delivery hence impeding delivery. Ultimately the governance was constantly reviewed and realigned appropriately to support Programme delivery.

Appropriate governance has been a critical factor in the success of the Programme and has enabled:

- informed discussion and debate in the right forum/s;

- decisions to be made, by those with the authority to make them, based on timely information and with real consideration for how benefits realisation might be affected;

- the project and Programme team to be supported when challenged; and,

- issues to be escalated and resolved.

LESSON LEARNED
THE IMPORTANCE OF UNDERSTANDING INTERDEPENDENCIES

Understanding the Programme impacts and interdependencies when establishing the scope is challenging. In the case of RPM, in order to progress the objectives of the Executive's Asset Management Strategy (AMS), initial thinking when the Programme was established suggested that by focusing on property intervention we could progress the objectives of the AMS.

This thinking was flawed. First and foremost the successes of the Programme that have been achieved have been done so since the refocus in 2018 and the opportunities that have been realised as a result of the Pandemic.

The reality is that the implementation of the Hybrid Working Policy and NWW, supported by technology has realised the agreement of the new accommodation standards and the associated space metric that only now enable the realisation of the AMS and Programme objectives.

Had these key enablers been identified and their impact clearly understood at Programme outset then questions as to what type of Programme RPM should be (i.e: property vs HR) would have been raised, and consideration as to where or which Department should sponsor the Programme may have been raised.

The SRO role has been key to Programme success. The SRO provided the right level of direction and leadership and accepted personal accountability for the Programme's outcome. The Chair role has been key to the chairmanship of Programme Board meetings ensuring the right level of discussion and informed decision making by the Board.

6.3 Programme and Project Boards

Each project and the overall Programme held regular board/working group meetings where the relevant Project or Programme Manager presented:

- Highlight Report; Risks and Issues Log;
- High Level Plan (Programme Board only);
- Papers or reports for information;
- Papers or reports requiring a steer or approval from the Board.

The regular reporting cycle meant risks and outputs for projects and the Programme were managed so that ongoing issues could be flagged, escalated and resolved in the right forum.

Each board was made up of:

- Chair;
- Senior Responsible Owner (for Project Boards)/DoF Permanent Secretary (for Programme Board);
- Project/Programme Manager;
- Senior Stakeholders;
- Senior User/s.

The purpose of the Boards and the role of each member was clearly defined in the Terms of Reference document. The Programme Manager met with each new member of a Board prior to their joining to ensure they understood the purpose of the Board and their specific role on it.

The Programme Boards were particularly valuable as there was good commitment and engagement from all members and it was viewed by stakeholders as being the ultimate decision-making body – Programme Board decisions were respected and viewed as final.

In the case of the Programme Board, roles were understood, and each ran to a clear agenda and resulted in minutes and actions that were followed up on. Programme Boards were well run through the effective support of the Chair.

The Project Boards' roles were understood, and each ran to a clear agenda and resulted in minutes and actions. Any risks/ issues that arose that were not able to be resolved were escalated to the Programme Board.

6.4 Project Delivery

Initially three projects were established to deliver the future state described in the Blueprint:

1. Business Transformation Project - the scope of this project was the preparatory work required to ensure that Properties Division is prepared and ready to undertake the additional work in relation to property management and new work relating to estate rationalisation enabling Properties Division for change and instilling a continuous improvement culture throughout the organisation.

2. Estate Rationalisation (including Lease Management) Project - the Estate Rationalisation (ER) Project was focused on the work required to rationalise the size of the office estate and to centralise its management within Properties Division. Estate Rationalisation projects included:

    -   The Belfast Optimisation Project (BOP) which focused on the optimisation of the estate in the Belfast City Centre;

    -   The Stormont Optimisation Project (SOP) which focused on the optimisation of the Stormont Estate; and

    -   The Regional Optimisation Project which focused on the optimisation of the BMO estate outside of Stormont and Belfast.

3. Asset Information Project - the Blueprint for the RPM programme recognises that good quality property data is considered a crucial prerequisite for effective decision-making and planning in estate and property management, but that issues remain in relation to the quality and integrity of asset information.

6.5 Staffing

The clear and effective organisation as described above was critical to Programme success. Effective Programme organisation meant defined roles, clear responsibilities, management structures and reporting arrangements to enable delivery of the outcomes.

Having established Programme governance with concise roles, clear responsibilities and accountabilities, the Programme was staffed from within the NICS and through the SIB.

Historic challenges associated with recruitment within the NICS threatened to be a barrier to the delivery of the programme. Innovative means of resourcing the Programme from within the Department were employed to support the delivery of the Programme.

Early team building in the Programme was hugely valuable. The governance and early work on the development of the vision and Blueprint provided a clear, common vision shared by the team instilling a sense of purpose about what the team was working towards.

Managing the Programme was not without its challenges. The Programme had effectively two teams, one from SIB and one from NICS. The NICS team were faced with competing priorities between PD and RPM due to line manager roles and existing operational pressures. Likewise, in the early days of the Programme, some SIB team members did not understand the NICS environment and as a result could at times cause unnecessary tension or confusion within the team or the wider stakeholder groups regarding deliverables. Nevertheless, these issues were overcome through constant communication, collaborative teamworking and consistent leadership from the SRO.

LESSON LEARNED
STAFF SHORTAGES & COLLABORATIVE TEAMWORKING

Given the high level of uncertainty the Programme faced, and indeed the level of uncertainty any programme in the NICS is likely to face going forward, an agile and nimble approach to adapting to the environment is critical to success. If a programme is to deliver within its relatively short lifespan, recruitment challenges associated with securing the support staff across timescales that exceed 18-24 months make an already challenging operating environment even more so. Nevertheless, programme and project directors cannot let recruitment challenges hamper delivery.

Working with colleagues from across NICSHR, ESS and CPD, skills gaps were able to be filled from within the Department on an ad hoc and often short-term basis in order to realise collaborative team working across business areas. This was critical to the Programme's success.

It was recognised in 2018 that a new approach to the Programme was needed to achieve a reduction in the office estate and a new focus on People and IT would bring added benefits. The Gateway report 2022 noted that the New Ways of Working project is seen to have been particularly successful not only in the initial phases of promoting the concept but also in the response to the pandemic and the opportunities that has provided to accelerate the move to a more agile hybrid working style.

! LESSON LEARNED
COLLABORATIVE DESIGN AND IMPLEMENTATION

The governance and engagement structure for the New Ways of Working enabled the Programme team to move at pace in the delivery of a Hybrid Working Policy, the implementation of hybrid working across the NICS, and putting in place the associated Workstyle Agreements.

The structures included oversight from Permanent Secretaries, a Grade 3 Recovery Group, a Grade 5 Delivery Group and various working groups across the NICS working on the strands of People, Place, Technology and Communications. A New Ways of Working Public Sector Management Committee allowed consultation with TUS colleagues and progressed issues quickly to a resolution.

The delivery method focused on collaborative design and implementation where challenges and lessons learned were shared in real time across the NICS. This ensured that innovative solutions proposed and tested in one Department could be quickly adopted across the other NICS Departments bringing consistency of approach. This approach had added benefits in terms of messaging across the NICS where the key messages were shared across Departments then tailored to the specific operational needs of each Department.

7.0 Risks and Issues

For the duration of the Programme, risk and issue logs were maintained continually at both Programme and Project level.

On a large and complex Programme of this type it is possible to be swamped with a minutia of detail across many risks and issues. The RPM approach to risk and issue management was that ideally only risks to the Programme or objectives and outcomes be logged and managed at Programme level. These included risks escalated from the various projects and into the appropriate DoF business area risk registers.

Another aspect of RPM risk and issue management was that each risk was assigned an owner. This ensured focus and detailed updates provided at Programme boards if requested.

The risk register shows the remaining live risks associated at the Programme close.

8.0 Benefits

8.1 Strategic outcomes achieved

The primary purpose of the RPM Programme was to, in part, assist in the realisation of the objectives contained within The Executive's Asset Management Strategy (AMS). Namely to;

- reduce the net costs of service delivery through the efficient use of public assets; and

- promote effective asset management processes that unlock value.

In its aim to support these objectives, the Programme developed the following eight strategic outcomes which are listed below together with a summary of progress and recommendations where the objective is not entirely achieved.

OBJECTIVE 1
To review, revise and implement a fit for purpose business model that facilitates the effective operation and governance of Properties Division in line with the strategic direction provided by Public Sector Shared Services.

STATUS: PARTIALLY ACHIEVED
Significant work was carried out in 2016 and 2017 to prepare a new operating model for Properties Division. The RPM Programme Board met in September 2016 and endorsed a new operating model. A paper outlining the options considered was presented to the RPM Programme Board in October 2016. In June 2017 a paper setting out organisational arrangements was presented to the RPM Programme Board and discussed. A further paper was endorsed by the Programme Board in June. It was agreed that the transformation of Properties Division would be taken forward by Properties Division itself.

Progress has, however, been impacted by ongoing political turbulence, single year budgets, and the response to the COVID pandemic. Hence Properties Division has not been in a position, as of yet, to focus their activities on reform. To simply state that there has been no reform in this area would be incorrect. A significant body of work was carried out to support and train PD in the benefits of the RICS Model even to the extent that PD staff underwent additional asset management training by the Institute of Asset Management. Since the recognition of the RICS Model as the preferred operating model much of how PD operates and thinks in regard to its portfolio has shifted to the precepts contained within this framework.

RECOMMENDATION
PD should continue to evolve and implement the principles of the RICS operating model into its day-to-day activities and seek additional interim/ad hoc support, where required, until such time that the competencies associated with the model are fully embedded into the organisation.

OBJECTIVE 2
To review and improve key business processes resulting in improved service delivery, increased capacity, a reduction of operating costs, increased customer satisfaction.

STATUS: ACHIEVED
Key business processes such as lease management and investment planning have been improved through the introduction of both the Lease Management Working Group, the clearly developed Estate Strategy, and the Property Controls which has resulted in a portfolio approach to the management of the NICS estate by PD. This is a marked shift from the reactionary tendencies of the organisation pre-RPM. In effect, PD has become significantly more forward thinking and aligned to the RICS operation model in the management of the estate as a whole. This is largely attributable to the leadership exhibited within PD. However continued focus is still required to ensure this operating model continues to mature into the organisation as recommended above.

OBJECTIVE 3
To embed a culture of continuous improvement and innovation across Properties Division resulting in improved service delivery, and increased customer satisfaction.

STATUS: PARTIALLY ACHIEVED
In 2017 the Programme introduced the Lean Six Sigma methodology to PD. Subsequently PD adopted the methodology and trained many of its staff to the level of Yellow and Green Belt.

In 2017 the Programme introduced the Lean Six Sigma methodology to PD. Subsequently PD adopted the methodology and trained many of its staff to the level of Yellow and Green Belt. This provided the business improvement skills within the organisation to review and improve its processes. Several projects were run across the Division. However, given the operating pressures faced by the organisation, no additional projects have been run to identify potential process improvements or operating efficiencies.

RECOMMENDATION
Given the severe budgetary pressure faced by PD, PD should consider the use of the methodology to assist in finding innovative data driven solutions to realise potential revenue savings which would ease existing pressures within the organisation, provide further return on the investment in the Lean Six Sigma deployment in the organisation and ultimately embed a culture of continuous improvement.

OBJECTIVE 4

To achieve the Asset Management Strategy's space utilisation target of 9 – 11m2 per workstation on average across the office estate.

STATUS: NOT ACHIEVED

As a means of measuring the efficiency of the estate, this target has gone through significant iterations of thought. The outcome of current thinking would suggest that this measure is not effective as a means of measuring the efficiency of the estate. This target as established, if continued to be measured, will result in a meaningless performance indicator. Post Pandemic thinking regarding office accommodation space is proving the need for much more square meterage to be allocated to project and collaborative space within a team environment rather than traditional workstations.

This is best demonstrated by the most recent James House Project. During the Pandemic, this project realised the potential for this shift and underwent a collaborative redesign with the future occupants to support them to think differently about how the office might function with the introduction of hybrid working in public sector organisations. This in effect shifts the metric from one that focuses on workstations to one that focuses on m2 per headcount. If the above utilisation target is continued to be adopted as a Key Performance Indicator it will ultimately lead to a worsening of the current recorded performance as collaboration space increases and workstations decrease in line with current business needs.

Through the life of the Programme, it has become clear that the most effective means of measuring efficient use of the estate is by measuring two specific KPIs. Namely:

· Square Metres per Full Time Equivalent (m2/FTE); and,
· Cost per Full Time Equivalent (£/FTE).

Considerable work and research across other equivalent jurisdictions and industries has demonstrated the two measures above as being effective indicators of estate performance. Likewise, colleagues in the UK Civil Service use a 6m2/FTE target for space efficiency. This target is largely based on the premium paid for office space within the greater London area. It is recognised that the wider central government estate in Northern Ireland will not suffer the same cost pressure as in London. However, the considerable waste as measured by the current performance of the BMO (15m2/FTE) must be addressed and a suitable target set.

The Programme, through the development of both the new 2022 Accommodation Standards, the impacts of New Ways of Working/Hybrid Working Policy, and the 2022 Office Estate Strategy has focused on the realisation of a space target of 8m2 per FTE for new property interventions and refurbishments.

RECOMMENDATION

The above KPIs should be adopted to measure estate efficiency going forward. Additionally, this report recommends that 8m2 per FTE be the benchmarked target to be achieved for interventions going forward and ultimately to be achieved.

OBJECTIVE 5
To support the wider public sector reform programme by providing a modern fit for purpose workplace environment.

STATUS: PARTIALLY ACHIEVED

Throughout its life, the Programme was able to realise the introduction of an agreed accommodation standard. The standard was formally agreed with CTUS, and its outworkings are reflected within the new 2022 office Estate Strategy which is currently being implemented. This standard now focuses on the needs of the business and meeting its operational requirements through an innovative set of design principles that can be altered to meet the unique needs of each individual occupant of the estate. The space standards facilitate organisations who wish to utilise more collaborative and project space or indeed those whose work may still require individual workstations. However, the standards work on the basis that the design provides space at 8m2 per headcount within the organisation.

While clearly the Programme did not have the funding or resource to modernise the entire estate, it has delivered the following accommodation projects that have delivered modern fit for purpose accommodation:

· 9 Lanyon Place;
· Lanyon Plaza;
· Agile Working Pilot (7th and 8th floors of Goodwood House);
· James House;
· Connect2 hubs (Ballykelly, Ballymena, Bangor, Craigavon, Downpatrick, and Omagh).

Each of these projects clearly demonstrates the positive impact a modern work environment will have on organisations.

In addition to the above, the Programme has also not simply "supported wider public sector reform" it has indeed been responsible for successfully delivering NICS wide reform. The implementation of New Ways of Working and the Hybrid Working Policy represent a step change in working across the NICS and the wider benefits will be reaped for a considerable time to come. Indeed the NICS's New ways of Working and the Hybrid Working Policy is a model of best practice for local public sector reform demonstrating clear thought leadership from the Department.

RECOMMENDATION
The New Ways of Working governance structure has been very effective in bringing departments together, achieving consensus and making progress. New Ways of Working is, however, very much subject to homeostasis. To that end, it is a strong recommendation that New Ways of Working, its implementation groups and associated governance continue under the leadership of DoF for an additional 12 months in order to prevent the NICS reverting to previous ways of working and mindsets and to prevent the Departments from inadvertently creating individual interpretations and precedents that may adversely impact on the wider NICS. Consideration should be given as to where this is best located given that this work does not align with the core business operations of CPD.

OBJECTIVE 6
To centralise management of office accommodation.

STATUS: PARTIALLY ACHIEVED

Initial thinking guided by the Executive's AMS suggested that centralising the entire wider central government office estate into DoF would result in better centralised decision making regarding the wider central government portfolio. While the premise is accurate, the practical implications of how financial liabilities associated with the transfer of assets into a central portfolio is problematic.

If DoF were to accept an asset into its portfolio it would also accept the risk of additional future annual costs associated with the asset into the departmental budget. While logically the asset transfer would be accompanied by a respective budget transfer from the associated department / public body that budget would only cover the liabilities associated with the transfer at the point in time or the aggregated costs over the preceding 5 years at best. It would not cover extraordinary maintenance costs as result of the asset condition or indeed contractually obligated dilapidations payable to private sector landlords at the end of a lease. Transferring the ownership and responsibility of the assets into DoF control would have realised an unsustainable financial pressure as leases matured and maintenance liabilities were realised. Understandably the centralisation of the wider central government estate into DoF did not happen.

However, this did not stop the Programme from effectively strategically managing the wider central government estate. The introduction of the Property Controls (DAO 06/12) and the subsequent guidance (DAO 08/21) through the Public Sending Directorate ensured that all wider government leases were controlled according to the principles of the Executive's AMS and the Office Estate Strategy of rationalisation. This, through a process of attrition over the course of the Programme, effectively reduced the wider government estate in line with the Executive's AMS and the Programme objectives while seeking opportunities where possible to locate occupants subject to lease exits into the PD estate maximising the estate efficiency.

Additionally, the James House project also realised the rationalisation of over 40% of wider public sector leases within the Belfast leasehold portfolio into a DoF controlled asset.

RECOMMENDATION

This report recommends that oversight of the Property Controls continue though the support of the Strategic Investment Board's Asset Management Unit who, through regular engagement and collaboration with DoF Properties Division via the Investment Committee and lease management working groups, can continue to realise the spirit and intent of the centralisation objective.

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LESSON LEARNED
DO NOT LET THE OBJECTIVE BECOME THE SOLUTION - EVOLVING BENEFITS

At the outset of the Programme careful consideration should be given to ensuring that the Programme objectives in themselves do not inadvertently become the solution without due consideration for the potential wider consequential impacts.

The RPM Programme had a clearly stated objective:

"To centralise management of office accommodation"

Early thinking would have suggested that by centralising the entire wider central government office estate into DoF this would result in better decision making and better control.   While the premise is accurate, the practical implications of how financial liabilities associated with the transfer of assets into a central portfolio is problematic. If the centralisation of the assets had happened, it would have resulted in future unsustainable financial pressures to be carried by DoF.

When considering Programme or Project Objectives, care must be taken to clearly understand the potential unintended impacts of objectives being realised to ensure that the intended benefits are not diminished and that unintended consequences are prevented elsewhere across the organisation.

OBJECTIVE 7
Development and implementation of an Asset Information Management System to facilitate data driven, informed strategic and day to day decision making in Properties Division.

STATUS: PARTIALLY ACHIEVED
The Programme successfully specified and procured a Computer Aided Asset Facilities Management System (Concerto now referred to as AMPS) to support day-to-day and investment decision making within PD. In January 2019 the RPM Board decided to transfer the project into Business as Usual within the Central Procurement Directorate in order to realise business objectives within the CPD.

Prior to the project being transferred, the Asset Management modules were populated with validated data and the module was ready to launched. Business priorities within the CPD shifted towards the commissioning of the maintenance modules ahead of the asset/investment modules. Commissioning of the asset management module is imminent, and PD are working with colleagues within CPD to finalise and launch the module.

RECOMMENDATION
It is a recommendation of this report that this work be prioritised within CPD to realise a return on the investment associated with the product and the wider benefit to PD in the form of real-time investment decision capability.

OBJECTIVE 8

Establish Key Performance Indicators (KPIs) and benchmarking framework for the management of estate in line with best practice.

STATUS: PARTIALLY ACHIEVED

As stated in objective 4, considerable work and research across other equivalent jurisdictions and industries was undertaken to establish meaningful KPIs to assist in measuring the performance of the wider central government estate in Northern Ireland. Research and discussion highlighted that while common measures were agreed across the UK, the basis for measurement of those indicators varies significantly across regions.

For example, colleagues with the Government Property Agency within the Cabinet Office do not include within their baseline measurement any unoccupied vacant space within their estate. This effectively only measures the m2 per FTE associated with occupied space and could be perceived as ignoring unoccupied or inefficient sections of buildings or assets. This could have the potential of skewing KPI information for the NICS as it has always captured within its metrics all unoccupied space still within the domain of the NI central government, providing transparent measure of performance.

RECOMMENDATION

This report recommends in line with Objective 4 that the following 2 KPIs be the focus of the NICS estate in the short to medium term particularly as interventions associated with the 2022 Office Estate Strategy are delivered.

• Square Metre per Full Time Equivalent (m2 / FTE) with a target of 8m2 per FTE.
• Cost per Full Time Equivalent (£/FTE).

8.2 Quantitative Benefits of the Programme

Significant quantifiable benefits have been realised at both the Programme and individual project levels. These are summarised in the following tables. The data from these tables has been derived from the Programme BMO Baseline data (2013-14) and reflect the evolution and refinement of the properties within the BMO over the life of the Programme. Properties that have subsequently been identified as being 'speciality' properties or those which should not form part of the BMO that were originally contained within the 2013-14 BMO data set have been removed from the baseline data to ensure consistency of measurement and reporting of meaningful benefits.

8.2.1 Quantitative Benefits Realised or Set in Train by the RPM Programme

Benefit Realised/set in train	Quantum
Number of freehold properties disposed.	7
Number of leaseholds exited	93
Total number of holdings reduced (leasehold and freehold)	100
Average annual savings associated with freeholds disposed	£1.4m
Capital receipts generated on disposal of freehold assets	£11.5m
Net average annual savings from lease portfolio	£17m
Total cost of estate reduced (difference between 2013/14 baseline data and 2021 data)	£14.4m
SQM per FTE	15m2
Total reduction in NIA over life of RPM	55,000m2
Cost per Headcount	£2,800

2022 Office Estate Strategy

2022 Office Estate Strategy when complete will reduce NIA by a further	68,524m2
Percentage reduction of NIA as a result of the Strategy	40%
Annual average savings projected to be realised by 2022 Office Estate Strategy	£12m
Estimated capital receipts generated as a result of the 2022 Office Estate Strategy (As stated by LPS in most recent valuations)	£19.8m

The importance of continuing to reduce the footprint of the estate at pace to avoid future cost increases is clearly demonstrated by the erosion of the savings achieved in the lease reduction of £17m against the total saved across the duration of the programme of £14.4m. The costs associated with new leases and renewals compounded by cost increases associated with rent, rates and energy will continue to erode savings. While it is not possible to accurately quantify the total cost avoided by the Programme, it should be clearly noted that the cost pressure that would have been faced by the department would have been significantly higher than present day.

8.2.2 Quantitative Benefits Attributable to RPM Projects

Project	What the RPM Programme did	Reduction in NIA M2	Reduction in annual revenue costs £M
James House	Acquired James House resulting in reduction of over 40% reduction in the Belfast leasehold estate.	5,000	2.8
	Acquired the ground rent at James House in exchange for Corporation Street Site with Belfast City Council.	-	0.2
9 Lanyon Place	Acquired the lease in 9 Lanyon Place	11,499	2.7
Lanyon Plaza	Enabled the consolidation of DSO by moving occupants from Centre House and Victoria Hall into shared accommodation with LPS in Lanyon Plaza.	1,680	0.3
Orchard House	Consolidated office space in Derry.	8,800	1.8
Lean Six Sigma Methodology	Implementation of Lean Six Sigma Methodology and completion of various improvement projects realised revenue efficiencies.	-	0.2
	TOTAL	26,979	8.0

8.2.3 Wider Qualitative Benefits and Achievements of the Programme

	What the RPM Programme did	Benefits and Achievements
1.	Introduced Property Control Policy.	- Facilitated the centralised management of the wider central government leasehold estate. - Enabled appropriate oversight and control of leasehold property in line with wider Office Estate Strategy.
2.	Introduced an interim robust system for the collection and analysis of estate data.	- Robust data collection process established. - Data validation process established. - Data analytic tool implemented. - Above noted process embedded within Departmental BAU. - Establishment of a single source credible data for estate investment decisions. - Recognised by Cabinet office GPA as best practice
3.	Introduced a Computer Aided Asset Facilities Management System.	- Computer Aided Asset Facilities Management System specified and procured (Concerto now referred to as AMPS). - Implementation transferred to departmental BAU. - Establishment of a real time source of data for investment decision-making, cyclical maintenance planning/recording and life cycle investment planning/recording.
4.	Developed the Target Operating Model and handed it over to Properties Division.	- RICS based Strategic Delivery Model agreed by RPM Board in June 2017. - Transformation of PD model, business case and implementation plan drafted - PD have adopted RICS working practice and thinking into BAU activities.
5.	Trained PD colleagues in Lean Six Sigma methodology.	- Lean Six Sigma provides skill sets to address future process improvement. - Training and the methodology supports the development of culture of continuous improvement. - 34 PD staff trained as Champions, Green, Yellow and White Belts. Fifteen Projects completed with £195,609 potential savings.
6.	Completed the Goodwood Agile Pilot.	- The pilot ultimately proved the concept of desk sharing and the new accommodations standards as achievable and facilitated the introduction of transformational new ways of working across the NICS. - Generated confidence in standards. - Provided working examples to demonstrate agile environments e.g. Goodwood & Connect 2 hubs.

7.	Developed and Agreed NICS Central Government Office Accommodation Standards (2022).	- Facilitates a consistent modern affordable workplace environment. - Consistent set of design principles established and agreed for office accommodation. - Standards and desk sharing agreed with CTUS. - Supports reduction in NIA and the right sizing of the estate. - Promotes hybrid working.
8.	Opened six Connect2 hubs and planning in place for a further five.	- Promotion of a culture change that moves away from reliance on the 'head office'. - Working practices – enabling change in working practices that support implementation of the Hybrid Working Policy and the operational working of the Departments. - Working environment – creation of a modern work environment to support Departments and individuals in their operations. - Environmental - delivering a reduced carbon footprint through reduced travel and paper usage. - Improving the work life balance of staff. - Assisting with our diversity aspirations. - Reducing carbon emissions. - Addressing regional imbalance. - Attracting and retaining talent. - Supporting local regeneration and promoting economic recovery. - Supporting Estate Rationalisation. - Building and strengthening public sector partnerships and networks.
9.	Established the Estate Management Governance (Lease Management & Investment Committee).	- Ensures portfolio is managed with clear strategic direction in line with Office Estate Strategy. - Demonstrates clear alignment with RICS operating model. Properties disposed of and leases exited. - Provides assurance to Head of PD.

10.	9 Lanyon Place.	- The Design of 9 Lanyon Placed proved the concept that 8m2 was an adequate space target to be adopted across the wider NICS Estate to realise future revenue saving and support the implementation of accommodation standards wile meeting business need.
11.	James House.	- First multi-tenant agile building. - Common IT infrastructure installed using Public Service Network (PSN) as part of the design and building fabric to provide flexible connectivity for all public sector users. - Provides modern office accommodation that facilitates agile working and associated benefits, supports business need and enhances the 'in office' experience. - Efficient office accommodation that provides optimum space for each organisation to conduct their business and PD to maintain and manage. - Reduced occupation costs for the tenants.
12.	Developed a 2022 Office Estate Strategy and handed it over to Properties Division.	- Will ensure a modern, right sized estate for the NICS. - Protects the environment by reducing our carbon footprint. - Space metric agreed with NICS Board based on data collected from New Ways of Working. - Ensures continual evolution of the both the Strategy and the Estate to support the needs of the NICS and the realisation of wider Programme for Government objectives such as carbon reduction.
13.	Reviewed the suitability of Dundonald House as future NICS accommodation and recommended for demolition as preferred option.	- The future of the Stormont office estate aligned with the RPM objectives and benefits. - The ultimate decommissioning of the asset will reduce both the cost and the liability currently held within the office portfolio.
14.	Produced and implemented interim Remote Working Policy during COVID.	- Helped to maintain health and welfare of staff. - Provided valuable wayfinding for issues pertaining to subsequent Hybrid Working Policy.
15.	Produced interim home working guidance during COVID.	- Helped to maintain health and welfare of staff. - Aligned working practice in NICS to the Executive's Covid-19 messaging.

16.	Established new and effective governance structures for cross departmental reform.	- Cross Departmental Governance established to introduce and implement cross Departmental Reform. - Will act as a model for future cross NICS projects such as the Estate Strategy.
17.	Developed and implemented the new NICS-wide Hybrid Working Policy.	- Additional flexibility and better work/life balance for staff. - Assisting with our diversity aspirations. - Reducing carbon emissions. - Addressing regional imbalance. - Attracting and retaining talent. - Supporting Estate Rationalisation.
18.	Facilitated and co-ordinated new ways of working across the NICS.	- Implementation of NICS Covid Recovery Group. - Cross Departmental Governance established to introduce and implement cross Departmental Reform. - Accommodations Standards agreed. - Good working relationship established with Departments and CTUS. - People Survey Results – employee engagement increased re accommodation and NWW. - NICS seen as source of expertise on hybrid working & modern offices. - Cultural change – benefits of hybrid working now embedded, partially achieved. - Development & Implementation of Covid Guidance & Support for NICS. - Automated Work Style Agreements. - Desk Booking system introduced for NICS users.

9.0 Lessons Learned

Lessons learned were compiled at a workshop held on 13 October 2022. The findings should be used to improve delivery for subsequent Programme and Project across the NICS. Some of the key lessons are noted throughout the report.

	Lesson learned
1.	Early engagement is essential with key stakeholders on Programmes and Projects to ensure relationships are built and maintained to enable the achievement of outcomes.
2.	Programmes and projects should consider collaboration across the key stakeholders in implementing innovative solutions when challenges arise enabled by an agile governance and decision making framework.
3.	Reform is much more likely to be successful within the existing governance framework of the Department where its impacts are wholly owned.
4.	Accountability and the authority to make changes should reside with the appropriate leader and the two should not be split.
5.	Governance can, if not organised correctly, create undue bureaucracy and impede programme delivery.
6.	Ideally programmes' organisation and their governance arrangements should be completely integrated into departmental operations and not sit as appendices to the department they are supporting
7.	Governance is a constantly evolving aspect of programme delivery and should change to reflect the changing environment to effectively support and bring assurance.
8.	Programme governance set up at the beginning should be continually monitored and reviewed to ensure it continues to support the delivery of the programme without creating unnecessary bureaucracy.
9.	At programme outset, key enablers need to be identified and their effects clearly understood to determine what impact they might have elsewhere across the organisation. Clearly understanding the impact will assist in scoping and defining the programme.
10.	Programmes should be prepared to be agile and nimble in response to a turbulent environment and be prepared to shift resources and constantly review objectives to ensure they remain relevant.
11.	Don't wait until everything is perfect prior to starting. The mantra "don't let perfection be the enemy of the good" is a helpful approach from time to time to assist in delivery and working to resolve details and issues as objectives are being delivered.
12.	Cross departmental communication is incredibly challenging, however within the context of cross cutting reform the constant need for effective communication and messaging is worth the persistence by securing common understanding and support.
13.	The approval process for Communications could be much more efficient with some departments able to communicate through their departmental channels much more quickly than others.

	Lesson learned
14.	Programmes should be appropriately resourced to support the delivery of the objectives.
15.	It is likely that programmes are going to have to work through a significant period of austerity. Restricted resourcing cannot become an excuse for not delivering. Innovative means of resourcing and staffing programme should be considered both within departments and across departments.
16.	Understanding how any savings from a programme might be distributed or reinvested at the programme outset can assist in garnering support from key stakeholders and promote the delivery of programme objectives.

10.0 Handover of residual activities to business as usual

10.1 Closure communications

The PD Project Management Office (PMO) will be located in Properties Division and will inform key stakeholders of the RPM Programme closure. Information to be communicated includes:

- Closure of the RPM inbox;

- Summary of benefits realised and thanks for the stakeholders' help in achieving them; and

- Reinforcement of key messages.

Remaining Projects/ Functions	Business As Usual Responsibility
James House Project	SIB retained SRO
Hybrid Working Policy	NICS HR
Connect2 hubs	CPD
Lease Management	CPD
Property Controls	SIB
Dundonald House	CPD

10.2 Staffing

The NICS staff who are currently employed in the RPM Programme team will be reallocated within Properties Division. This process has already been addressed within BAU.

One of the four current SIB staff members will continue to support BAU through the management of the James House Project, the Connect2 hubs and the implementation of the 2022 Office Estate Strategy. The remainder of the support for the delivery of the Programme as outlined within the current Operational Partnership Agreement (OPA) will conclude on the 31st October. A new OPA has been put in place for the residual support required.

10.3 Residual Programme Activities to be Continued by BAU

The Programme activities and processes, which are currently wholly or partially carried out by members of the RPM Programme team, have been handed over to Properties Division and NICSHR. Remaining area of focus and recommendations are made as necessary as follows.

10.3.1 Lease Management - Transferred to PD

This activity has been handed back to the department which was prior to RPM, the responsibility of PD. The handover was seamless and the competency and capability of PD in this area is robust, supported further by the existence of both a Lease Management Group and Investment Committee that will ensure lease activities both within the PD estate and the wider central government estate continue to be managed in line with the Executive's Asset Management Strategy.

10.3.2 Estate Strategy - Transferred to PD

Sound investment planning is a continual process that has been handed over to PD. A revised Estate Strategy was completed by the programme that incorporated the impact of the new Hybrid Working Policy and New Ways of Working across the NICS.

Recommendation: PD working with the Investment Committee function may wish to consider support from organisations outside the NICS to assist in the development of future plans where competencies have not been fully developed, or readily available from within the Department.

10.3.3 Portfolio Funding Cyclical Investment - Transferred to DOF Board

The introduction of an appropriate funding model, which ensures that the assets within the estate maintain their value, is of utmost importance. This core aspect of reform has not been addressed as it is a complex issue which requires a change in behaviours and impacts on the budgeting process across all departments.

The Programme made several attempts to bring this issue to the fore, even to the extent of developing a full hard charging model based on market rent. However, upon further review, issues pertaining to end of year flexibility in spending made the introduction of this model challenging.

There is also a danger that there is an expectation that "Hard Charging" is a silver bullet to address this issue. This is simply not true. While it is reasonable to expect the introduction of hard charging to impact on behaviours that would result in organisations becoming more commercially minded about how they use space, the reality is that with the introduction of hard charging and the associated budgetary transfer of funds between departments / organisations will more than likely result in a different type of gaming behaviour across public sector organisations. For example, organisations may indeed drastically reduce the office space associated with their organisation in order to reduce the associated hard charge, however given the budget transfer process it is extremely likely that the savings associated with the reduction in office space will not be actually realised. Rather funds are likely to be diverted elsewhere within the organisations without realising any actual reduction in cost to the public purse as a result of the reduction in office space.

Funding will remain a contentious and very challenging issue to address. Nevertheless, it is a simple, irrefutable fact that if the long-term funding and cyclical investment for the portfolio are not planned for and addressed, assets will dilapidate to the standard, as seen in both Dundonald House and Clarence Court to the point, where they will become no longer fit for purpose.

Interest in the matter has been shown over the course of the last 18 months by the NIAO and the Finance Committee and a commitment was made by then Accounting Officer to revisit this issue.

Recommendation: This paper recommends that the Department secures the appropriate skilled resource to evaluate the potential models and their potential impact while PD continues to implement the RICS model. This evaluation would require detailed stakeholder engagement from the NICS Board, across the political spectrum right down to end users of the estate. Interestingly counterparts in GB have created the Government Property Agency (GPA) to address similar issues as currently faced by DoF. The review should incorporate extensive engagement across the NICS and wider central government. When complete it should arrive at an agreed model for PD supported by the appropriate funding arrangement cognisant of the relevant impacts. It is also imperative the agreed model has the appropriate political support and that of the NICS Board, complete with a time scaled implementation plan.

10.3.4 Hybrid Working Policy - Transferred to NICSHR

The new Hybrid Working Policy has now gone live and is currently in the final phase of being fully implemented across the NICS. An initial review of the policy has been completed and findings have been shared with the New Ways of Working Grade 3 Group. NICSHR have agreed to take responsibility for the Policy and it will be managed from the Employee Relations Team effective from the 28th October 2022. From that point NICSHR will be responsible for responding to enquiries from staff, Assembly questions, press enquiries, liaison with CTUS, and maintenance of the related intranet pages and FAQs.

10.3.5 New Ways of Working - Ownership yet to be Assigned

The New Ways of Working governance structure has been very effective in bringing departments together, achieving consensus and making progress. New Ways of Working is, however, very much subject to homeostasis.

Recommendation: It is a strong recommendation that new ways of working and its implementation groups and associated governance continue under the leadership of DoF for an additional 12 months in order to prevent the NICS reverting to previous ways of working and mindsets. Consideration should be given as to where this is best located given that this work does not align with the core business operations of CPD.

11.0 Conclusion and Recommendations

The RPM Programme leaves an important legacy of benefits, some of which will be realised beyond the Programme's lifetime.

A significant contribution has been made by the Programme to the realisation of the Executive's Asset Management Strategy's aims. As above, in respect of the AMS' aim of reducing the net costs of service delivery through the efficient use of public assets, it can be demonstrated that the Programme has delivered £14.4m in annual savings from Programme activities. The Programme also leaves behind much improved processes for governance and oversight, and a management information system which have assured and enabled the continuing efficient use of public assets and associated realisation of savings.

It should be recognised that the Programme has set many benefits in motion which will be realised in the future. In particular, RPM has developed the data-based Estate Strategy, which has been handed over to PD to take forward within BAU. Full implementation will lead to a 40% reduction in NIA and savings of £12.6m per annum in addition to capital receipts of £19.8m from disposals.

Many of the benefits associated with the Programme are not strictly quantifiable yet have made material contributions to the transformation of the NICS. For example, the Programme developed a highly effective model for governance of cross-NICS projects which is very transferrable to future projects such as Estate Strategy implementation. Furthermore, the Hybrid Working Policy has changed the way many staff work offering greater flexibility and undoubtedly maintaining the attractiveness of the NICS as a good place to work.

In summary, the Programme has achieved many of its original objectives and in the case of the successful implementation of the Hybrid Working Policy and New Ways of Working across the NICS the programme has exceeded the expected achievements. Importantly the actions and recommendation of both this report and the final Strategic Gate Assessment (22/09/22) leaves the Department in a very strong position to realise the remaining objectives of the Programme from within the framework of the existing BAU leadership. It is essential that the lessons learned (as set out in section 10) and the recommendations are reviewed and implemented to ensure full benefits realisation from the Programme.

The Programme SRO seeks agreement form the Board to Close the programme down effective the 28th October 2022 and that DoF adopt the following recommendations to be taken forward within BAU.

	Recommendations	Comment
1.	Implement the RICS Model into DoF for Property Management.	Properties Division (PD) should continue to evolve and implement the principles of the RICS operating model into its day-to-day activities and seek additional interim/ ad hoc support, where required, until such time that the competencies associated with the model are fully embedded into the organisation.
2.	Fill the gap regarding Strategic Asset Management.	In the short to medium term PD working with the Investment Committee function may wish to consider support from organisations outside the NICS to assist in the development of future plans, where competencies have not been fully developed or readily available from within the Department.
3.	Assign ownership and continue with New Ways of Working Workstream to prevent homeostasis.	It is a strong recommendation that new ways of working and its implementation groups and associated governance continue under the leadership of DoF for an additional 12 months in order to prevent the NICS reverting to previous ways of working and mindsets. Consideration should be given as to where this is best located given that this work does not align with the core business operations of CPD.
4.	Re-evaluate funding model and Departmental structures based on current and future known priorities.	The Department should secure the appropriate skilled resource to evaluate appropriate potential funding models and their potential impacts while PD continue to implement the RICS model. The review should incorporate extensive engagement across the NICS and wider central government. When complete it should arrive at an agreed model for PD supported by the appropriate funding arrangements.
5.	For future reform projects, those responsible for reform should have the formal authority and the resources needed to effect real change.	When leading reform, it is important that the leader who is accountable for reform should also have the authority to make real and positive changes to realise the objectives of the transformation.
6.	PD should continue developing a culture of continuous improvement through the continued use of Lean Six Sigma.	PD should consider the use of the methodology to assist in finding innovative data driven solutions to realise potential revenue savings which would: ease existing pressures within the organisation; provide further return on the investment in the Lean Six Sigma deployment in the organisation; and, ultimately embed a culture of continuous improvement.
7.	The following Key Performance Indicators (KPIs) should be implemented as the primary means of measuring estate efficiency.	The KPIs of 'Square Metre per Full Time Equivalent (m2 / FTE)' and 'Cost per Full Time Equivalent (£/FTE)' should be adopted to measure estate efficiency going forward. Additionally, this report recommends that 8m2 per FTE be the benchmarked target to be achieved for interventions going forward and ultimately to be achieved.

	Recommendations	Comment
8.	Continue to observe the Property Controls.	Oversight of the Property Controls continue though the support of the Strategic Investment Board's Asset Management Unit who, through regular engagement and collaboration with DoF Properties Division via the Investment Committee and lease management working groups, should continue to realise the spirit and intent of the centralisation objective.
9.	Commission the Asset Management modules within AMPS (formally Concerto) as a matter of urgency.	It is a recommendation of this report that this work be prioritised within CPD to start to realise a return on the investment associated with the product and the wider benefit to PD in the form of real time investment decision capability.