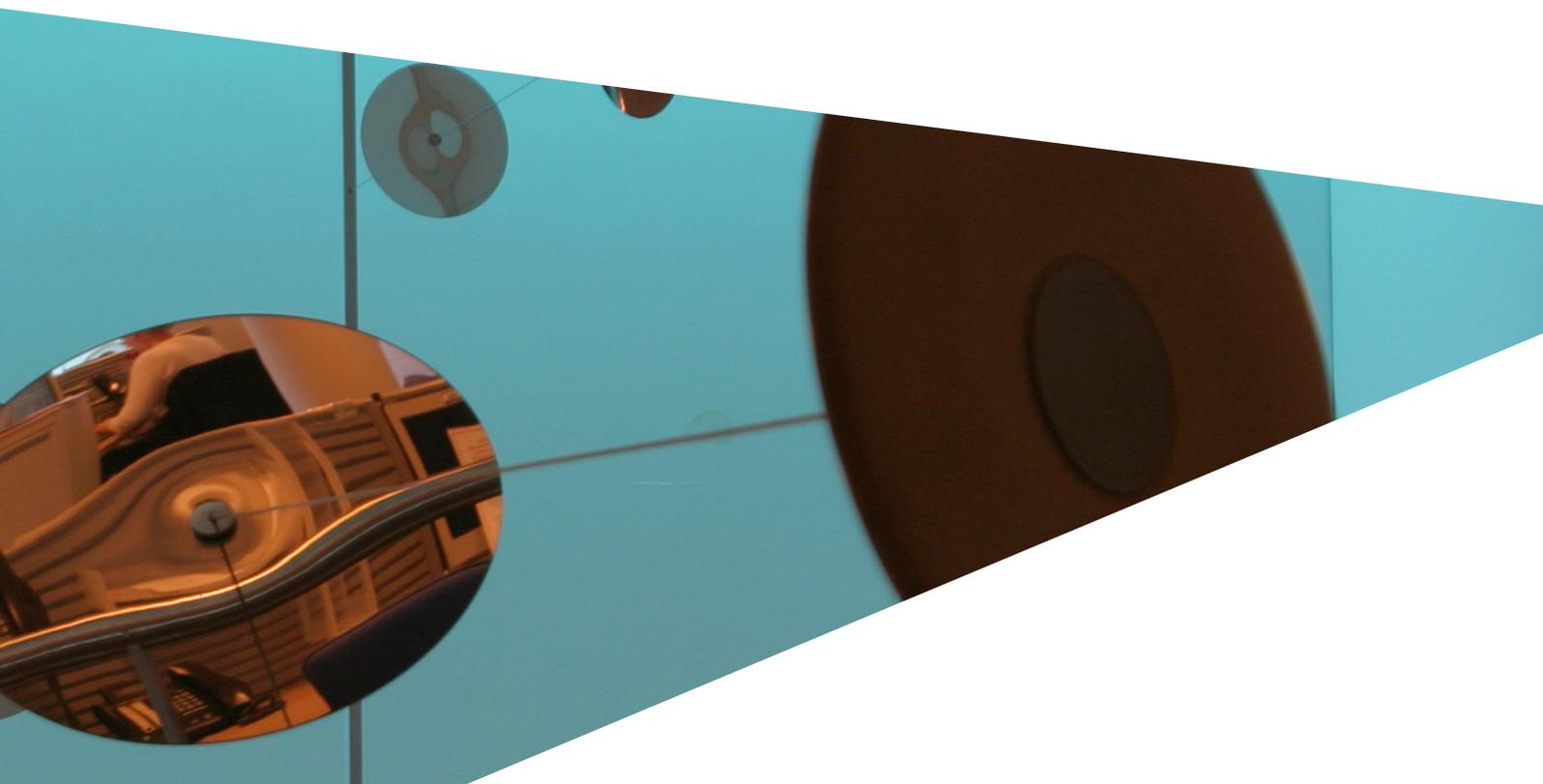


Transforming Public Services

Making the case for change in the public sector estate

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Attempts to update the public sector estate to better meet changing demands are often met with an emotional response from sceptical stakeholders arguing against change. Perverse though it may be, this response doesn't just shape policy, it can lead it, and the business case prepared to justify the change can appear to be barely acknowledged.

High on the change list for central and local government – especially in today's economic environment – is the need to strip cost out of the public sector's property holdings. Around the country we can see examples of this happening.

There are, of course, some very special buildings, such as iconic town halls, which will always merit preservation and ongoing public use. However, much of the estate could be working harder for public sector employees and the communities they serve, as well as providing better value for taxpayers.

The time to change

The majority of the public sector estate, from government offices to police stations and hospitals, was built at a time when the way we thought and worked was very different. In the past few years, technology has transformed the way in which the public interacts with service providers. Less face-to-face contact is now needed – medical professions can consult via phone or video calls, for example – and many administrative tasks can be managed using online self-service tools.

Similarly, technology is empowering public sector workers to spend more time within the communities they serve and less time in the office. The way time is spent in the office has also evolved and the focus is

on interacting with colleagues – often making meeting spaces more important than desks.

In Birmingham, the city council, supported by Telereal Trillium, has been looking closely at how it can make its portfolio more effective and leverage the opportunities presented by new technology. This is resulting in the reduction of its office estate from 55 buildings to eight and achieving a 50 per cent reduction in office space, with no change in overall capacity levels.

The relocation of employees into fewer buildings and the introduction of new ways of working has enabled expensive leasehold properties to be vacated and surplus freehold buildings to be sold. This has reduced the council's property running costs and is releasing capital for investment elsewhere. The programme, due to be fully completed by 2015, is on target to deliver £100 million in net efficiency savings and a 60 per cent reduction in carbon emissions. Clearly, the potential benefits to public sector workers and the public they serve could be huge if similar outcomes were achieved more broadly.

Getting fit for the future

If we were to recreate the public sector estate from scratch, it would look nothing like it does today. The location of an active military base

may be the result of the way the land was acquired to serve the nation's needs during the First World War – not today. Similarly, a city centre hospital founded many years ago may find itself unable to expand in order to provide new forms of treatment on a site surrounded by commercial or residential developments.

While it would never be practical to create the ideal 'from-a-blank-sheet-of-paper' estate, the process of thinking through some of the fundamentals behind this will highlight the desired direction of travel. Perhaps it will also help us overcome the inevitable inertia and public outcry which surrounds any proposal to redevelop a building or relocate an organisation.

With regard to designing today's public sector properties, architects and planners should encourage much greater flexibility in design to allow buildings to more easily respond to future changes. There is a significant legacy of over-engineered public buildings which fulfilled their role well when they were first built, but which have subsequently proved to be expensive – if not impossible – to adapt to meet the changing needs of their occupants.

The fear of change

The default reaction to the news that a publicly owned building is being closed, sold or replaced is one of dissatisfaction. The caricature of the public despairing, the media mourning the loss and politicians running for cover is one with which we are all familiar. However, a building closing can be a good thing. The fact that the replacement

building or the consolidation of services is more cost effective, more efficient and better able to serve the public, needs to be said loud and clear. While the initial investment in a new or improved building is an important consideration, it is equally important to explain the savings or enhanced service delivery which can be achieved.

“ Few people who are subjected to change willingly and happily embrace it unless they really understand it... ”

This challenge is best addressed by ensuring that all stakeholders are engaged in the change process from the outset. Indeed, the local communities, politicians and staff affected should be part of the movement for change, helping to design it and introduce it rather than being on the receiving end of it.

The business case for change not only has to be transparent and clearly articulated but also has to bear the closest scrutiny. The costs and benefits of failing to change as well as those of implementing the proposals need to be understood. Few people who are subjected to change willingly and happily embrace it unless they really understand it, so getting this right is crucial.

By way of example, there is a case to support a reduction in the number of police stations. Operating fewer, larger police stations allows expertise to be pooled, facilities to be enhanced and better outcomes to be achieved. Furthermore, there is less need for the public to visit police

stations today, which helps support the case. However, regardless of how robust the business case is, the idea of closing police stations does not lead to a widespread recognition and acceptance of the benefits – just as a proposal to consolidate a number of specialist medical treatment centres into a single site is rarely judged by the majority of stakeholders on the merits of the business case. The change is just resisted.

This prevailing, and very natural, emotional response needs to be better tackled by public bodies leading the changes. After all, the real impact of inertia and the emotional attachment to publicly owned buildings leads to facilities such as hospitals using portacabins as a temporary fix where more radical solutions are really required.

A change for the better

Public bodies and politicians need to help the public understand that change can be good. Publicly owned freehold buildings are far from being free – they have significant running costs, the capital tied up has an opportunity cost and sites may have more productive uses such as providing much needed housing.

Given the sums of money involved, the stakes are high. Ultimately, managing our public sector estate more effectively means having additional funds available to spend on teaching, defence, healthcare and a range of other services to which people also have a strong emotional attachment.

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