



CABINET OFFICE
LONDON SW1A 2AS

Alex Chisholm
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary

Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

02 November 2022

Dear Chair

MANAGING CENTRAL GOVERNMENT PROPERTY

Thank you for the opportunity to attend the Committee on 13 October 2022 to discuss the NAO report *Managing Central Government Property*.

Corrections to evidence

We have reviewed the transcript of the hearing and there are a few corrections that would be useful to clarify:

Q.60. We informed the Committee that our estimate of the number of departments sharing the office space at Queen Elizabeth House in Edinburgh was 16. The actual number is higher and we can confirm there are 22 departments or agencies sharing that office space.

Q.61. We informed the Committee that while we did not know how many of the 12 HMRC Hubs were on 25 year unbreakable leases, our estimate was that it was maybe one or two. We undertook to check with HMRC. The actual number is 6, so represents half of the total HMRC Hubs.

Q.84. We informed the Committee that the sum allocated by the Treasury to BEIS for public sector decarbonisation was £3.9 billion. We have checked this figure with BEIS who confirm that this is the total figure referred to in the Heat and Buildings Strategy of which £1.425bn has been allocated to the Public Sector Decarbonisation Scheme during this Spending Review period.

Further information requested

During the discussion, the Department was asked to provide further information on the following points:

1. Animal & Plant Health Agency Site, Weybridge

2. Regional Fire Control Centres
3. InSite Delivery Date
4. Details of Hubs locations and opening dates
5. Confidential information on Hubs lease lengths and planned future locations

Animal & Plant Health Agency Site, Weybridge

Defra colleagues have advised that the financial position on the funding of the SCAH programme is unchanged from the position outlined in the NAO report and at the PAC Hearing in the summer. Defra will be happy to answer any more detailed questions in support of the Committee's upcoming report.

Regional Fire Control Centres

The Regional Fire Control Centres portfolio originally consisted of nine leasehold properties held by DLUHC. Three have already been released leaving six totalling 17,216 square metres gross internal area space. Four properties are occupied on sub-leases. Two properties (Castle Donington & Wakefield) are unoccupied.

All the leases expire between 2027-2033. There are no break options in any of the DLUHC head-leases. Equitix is the freeholder for five of the properties including Castle Donington and Wakefield. Canada Life is the freeholder for the sixth property at Fareham.

Each of the payable leases are subject to a rent which is in excess of local market levels, and which is subject to further set increases throughout the term. The total current rent payable for all six properties is £11,656,822 against a total receivable rent of £756,001.

We understand the landlord has been approached with proposals to surrender the leases. The landlord is not willing to accept a deal on the surrender and this does not represent value for money for DLUHC.

Castle Donington and Wakefield are in a severely dilapidated condition. GPA are working with DLUHC to rectify this and are now providing 24 hour security on both sites. GPA has been commissioned to market both properties.

InSite Delivery Date

We informed the Committee that we expect the data system to be live by the end of 2023 and at the time of writing, there is no update to provide to the Committee.

Government Hubs

There are 15 Hubs open and the table below sets out the location, opening date, number of departments in the building and the current total number of civil servants in THE LOCAL AREA.

City	HMRC / GPA	Number of Depts in building	Total Civil Servants FTE in area	Opening Date
Belfast, Erskine House	HMRC	5	2,940	Q4 2019 / 20
Birmingham, Arena	HMRC	3	12,160	Q3 2021 / 22
Birmingham, 23 Stephenson St	GPA	20	12,160	Q2 2021 / 22
Bristol, 3 Glass Wharf	HMRC	5	6,190	Q2 2019 / 20

Canary Wharf, 10 South Colonnade	HMRC (transferred to GPA)	8	5,950	Q2 2018 / 19
Cardiff, Central Sq	HMRC	13	8,200	Q4 2020 / 21
Croydon, 1 Ruskin Sq	HMRC	3	10,020	Q2 2017 / 18
Darlington, Fleethams	GPA	7	1,230	Q1 2022 / 23
Edinburgh, Queen Elizabeth	HMRC	23	3,270	Q2 2020 / 21
Glasgow, 1 Atlantic Sq	HMRC	3	7,130	Q1 2022 / 23
Leeds, Wellington Place	HMRC	15	12,720	Q4 2020 / 21
Liverpool, India Buildings	HMRC	1	11,590	Q2 2021 / 22
London, Old Admiralty	GPA	2	55,010	Q1 2021 / 22
Nottingham, Unity Sq	HMRC	5	8,200	Q1 2022 / 23
Salford, New Bailey	HMRC	2	6,870	Q1 2022 / 23
Stratford, 14 Westfield	HMRC	1	6,130	Q4 2020 / 21
Wolverhampton i9	GPA	1	1,010	Q4 2021 / 22

There are a further 2 Hubs in construction: Peterborough (opening Q4 22/23) and Croydon (opening Q2 24/25), and three under refurbishment at Bristol, East Kilbride and 3-8 Whitehall Place. Three further Hubs in Manchester, Newcastle and Darlington have been announced. Details are in the table below.

City	HMRC / GPA	Number of Depts in building	Total Civil Servants FTE in area	Opening Date	Status
Bristol, Temple Quay House	GPA	24	6,190	Q4 2022 / 23	In refurbishment
Croydon, 2 Ruskin Sq	GPA	1	10,020	Q2 2024 / 25	In construction
Darlington, Brunswick	GPA	7	1,230	Q4 2025 / 26	Announced (in principle)
East Kilbride	GPA	1	2,950	Q2 2023 / 24	In refurbishment
London, 3-8 Whitehall Place	GPA	1	44,010		In refurbishment
Manchester, First Street	GPA	10	9,340	Q1 2025 / 26	Announced
Newcastle, Pilgrim St	HMRC	2	16,920	2027	Announced
Peterborough, Fletton Quays	GPA	4	1,470	Q4 2022 /23	In construction

Confidential information on lease lengths is enclosed separately as this is commercially sensitive information. We are grateful that the Committee agreed to receive this in confidence.

GPA is considering the future need, shape and location for other Hubs and will review as appropriate in the light of fiscal statements.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Alex Chisholm', with a stylized, flowing script.

Alex Chisholm

Civil Service Chief Operating Officer & Cabinet Office Permanent Secretary
Email PSAlexChisholm@cabinetoffice.gov.uk **Telephone** +44 (0) 20 7271 8822