

CoreNet Global UK - 'Big Portfolio & Big Change'

Monday 16 October 2017, 2 New Street Square, London EC4

Moderator: Iain Franklin, Source8

Speakers: Martin Laws, lead partner for occupier consulting, Deloitte
Irene Masterton, commercial director estates, Department of Work & Pensions
Elaine Hewitt, chief executive, NHS Property Services Ltd

This evening briefing meeting, put together by the SPP group, had been postponed earlier in the year when the snap election was called, due to the purdah expected from all government departments under civil service rules, as what we were listening to was a discussion on major changes being implemented in two of the UK's largest public sector estates.

Iain Franklin of the UK Chapter SPP group welcomed us all and introduced our three speakers. He was followed by **Martin Laws**, leader of the occupier consulting practice at Deloitte, advisers to governments and corporates on their property portfolios. He briefly outlined the accelerating rate of transformational change in working practices, noting that the London HQ building Deloitte had occupied for just the last 8 years is about to be supplanted by a new HQ that is being designed for very different ways of working. Martin's challenges for our speakers were 'What are the similar drivers and challenges of transformational workplace change for both the private and the public sectors, which each can perhaps learn from? And 'What', he asked, 'is the "future of work" that we are designing our future workplace portfolios to support, in the context of rapidly changing workplace technologies and workforce expectations?'

Taking up the theme, **Irene Masterton**, who joined the DWP in January 2016, is charged with a programme to make change happen, rationalising an estate currently 30% larger than forecast, by providing greater efficiency and flexibility, and all this by 31 March 2018, the end date of a 20-year PFI contract, in line with the Department's 2020 vision. This has entailed negotiating over 800 of the 950 sites, five major procurements, and moving staff over approximately 150 locations, at the same time as acquiring 480,000 sq ft of new space. Her team of 150 has created a new plan of operation for the estate, 12% of which is shared with other departments as well as local authorities, creating the need for a better

alignment of services. 'It has been,' she commented 'a huge challenge. And we have only a handful of transactions left to complete, more or less in line with the business case. How much we have achieved in so short a time!'

Charged with responsibility for an even larger estate **Elaine Hewitt** heads up NHS Property Services Ltd, an independent company wholly owned by the Department of Health and responsible for 3.2million sq m of space, and a £3.5bn portfolio. NHSPS reinvests all proceeds back into the estate of some 3,000 properties, for which it is both landlord and service provider. She has a team of 3,500 split between circa 500 professionals and 3,000 service deliverers covering hospitals, health centres, care homes and clinics. Around 295 properties have been sold, generating £200million which has been directly reinvested, helping to rebuild NHS infrastructure and reduce operating costs in support of new models of care driven by changing demographics and advances in medical technology. 'The prize,' she said, 'is a reformed healthcare system'.



As moderator Iain Franklin launched the Q&A with some questions of his own - what were the top three challenges? And does the propco model make matters easier? Questions from the floor included one from a representative of the Ministry of Defence. Wrapping up, Iain noted the interesting differences between two models of management - one as part of the department, the other as an independent company. A fascinating insight into how two of our largest public sector property owners are managing their estates and bringing them into the 21st century.

Alison Sutherland