



National Audit Office

The office accommodation of the Department for Culture, Media and Sport and its sponsored bodies

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John Bourn
Comptroller and Auditor General
National Audit Office

7 March 2006

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EXECUTIVE SUMMARY



1 This report looks at the cost and utilisation of the office accommodation occupied by the Department for Culture, Media and Sport and 24 of its sponsored bodies. A key priority of the Department is to modernise delivery by ensuring that sponsored bodies, which have a high degree of independence, operate as efficiently and effectively as possible.

2 The 25 organisations covered by this report spent some £43 million on office accommodation in 2004-05 (**Figure 1**). This was spread across 95 offices of varying sizes around England, which accommodated some 5,000 people in total (Appendix 2). Several organisations have recently moved significant parts of their operations to new offices. Others are planning major office moves or refurbishments and this report should contribute to their thinking.

3 The emphasis of this report is on cost efficiency, for which there are two key indicators – the cost of space (rent, rates and operating costs such as cleaning and utilities) and the way that space is used (the number of square metres per member of staff). These two indicators combine to give a measure of cost per person.

1 Organisations covered by this report and their spend on office accommodation 2004-05¹, to the nearest £1,000

Arts Council England	£5,820,000
Big Lottery Fund	£6,337,000
Department for Culture, Media and Sport	£9,739,000
English Heritage	£6,162,000
Football Licensing Authority	£181,000
Museums, Libraries and Archives Council	£512,000
National Endowment for Science, Technology and the Arts	£981,000
National Heritage Memorial Fund	£2,989,000
National Lottery Commission	£548,000
Public Lending Right	£140,000
Regional Cultural Consortia (eight separate organisations)	£215,000
Sport England	£4,102,000
The Churches Conservation Trust	£143,000
The Gambling Commission (previously The Gaming Board for Great Britain)	£600,000
The Royal Parks	£328,000
UK Film Council	£1,228,000
UK Sport	£945,000
VisitBritain	£2,227,000
Total	£43,197,000

Source: National Audit Office survey

NOTE

¹ Spend on office accommodation includes rent, rates, operating costs and adaptation and equipment costs (Figure 10).

Our main findings

Geographical dispersal

4 The offices of the culture, media and sport sector are spread around England. There are 26 offices in London which cost £32.1 million in 2004-05 and accommodated 3,211 staff. The number of offices in London reflects the concentration of head offices in the capital, although the Department is planning to move some 600 staff out of London in response to the independent review of public sector relocation by Sir Michael Lyons.¹ (Paragraphs 1.4 and 1.6)

5 There is limited co-location of organisations across the country. There are two towns, Nottingham and Leeds, where organisations have offices located in the same building. (Paragraph 1.4)

The costs

6 There are wide variations between the regions in the costs of accommodation. The lowest cost per person is in Yorkshire and The Humber, where the average for each employee was £4,353 in 2004-05. The highest cost is in London, with an average of £9,990 a person. The average for the sector as a whole is £8,573 a person. The costs for each person are driven by the cost of the space itself and by the amount of space provided for each person. (Paragraphs 2.3, 2.4 and Figure 5)

7 Rent is the single largest element of accommodation costs amounting to £22.5 million in 2004-05. Variations in rental costs for individual offices are to be expected given the dependence of rent on the location and quality of accommodation, on market conditions at the time of making agreements, and on the particular nature of individual rental agreements which may, for example, include rent-free periods. However, there are marked variances within the sector, even between organisations with similar needs in the same town. (Paragraphs 3.5 and 3.6)

8 Operating costs are the other main element of accommodation costs and include utilities, maintenance and repairs, service charges, cleaning, security, telephones, reception, storage and catering. These costs also vary widely within and between regions. (Paragraphs 3.11 and 3.12)

The use of space

9 Average space utilisation (occupancy density) for the sector as a whole is 15.9 square metres per person. This is at the higher end of, but within, British Council for Offices² good practice guidelines of 12 to 17 square metres per person. (Paragraphs 3.17 and 3.19)

10 The average occupancy density figures vary between regions from 14.3 square metres per person in London and in the West Midlands up to 25.4 square metres per person in the East Midlands. (Paragraph 2.4 and Figure 5)

11 Reduction of space in all offices above benchmarks could produce financial savings, but the ability of organisations to make savings by increasing occupancy density would depend on local circumstances, the nature of the property market and the terms and conditions of leases. For example, on whether organisations could sub-let surplus space, whether separate offices could be combined, or whether existing space can be reconfigured. (Paragraphs 3.20 – 3.21)

12 Open plan layouts require less floor space per person than the traditional layout of corridors and enclosed (cellular) offices. In responses to our survey of the 95 offices covered by this report, 76 were described as having open plan or mainly open plan layouts. In the largest five offices, where there is a combination of open plan and cellular lay-outs, the space occupied by each workstation in open plan areas was 50 per cent less than that occupied by workstations in cellular office lay-outs. (Paragraphs 3.22 – 3.23)

Management information

13 Whilst most of the largest organisations have a documented office accommodation strategy, the majority do not. Very few organisations use key performance indicators or have targets related to the unit costs of accommodation or amounts of space per person. Organisations' financial data on their accommodation is mainly used to manage and monitor budgets rather than to measure efficiency. (Paragraph 3.2)

¹ Sir Michael Lyons, *Well Placed to Deliver? Independent Review of Public Sector Relocation*, 2004.

² *British Council for Offices Guide 2005: Best Practice in the specification for offices*. The British Council for Offices is a membership organisation, which exists to research, develop and communicate best practice in the office sector.

Concluding Comments

14 The aim of our work has been to collect and analyse data provided by the organisations and use it to construct key performance measures. In most cases the organisations did not have these measures. Such measures would help them to assess whether their office space is cost-efficient, both individually and relative to others. This report does not make judgements about accommodation standards or the location of offices, which should reflect the individual operational and staff needs of those organisations.

15 Office costs and space utilisation do, however, vary greatly across the sector, suggesting significant scope for improved value for money. If those offices with rent and operating costs significantly above the median values for the sector were able to reduce their costs there would be savings of some £4 million a year.³ Savings would also be possible if organisations which exceed good practice benchmarks were able to reduce their use of space.

16 Delivering improvements is not, however, necessarily straightforward. The impact of change depends significantly on property market conditions and the terms of organisations' lease agreements. In a weak property market organisations will have greater opportunities to achieve good deals on rent and space. Conversely an organisation's requirements for cost-effective space may be more difficult to achieve when the demand for accommodation is high or it is in poor supply.

17 Some of the costs of office space can be reduced through good procurement practice, and this was the subject of a report we produced last year.⁴ Improvements can also be achieved, where costs and space usage are above accepted benchmarks, through changes of layout or location. The scope for such improvements will depend on cost and other factors.

18 Organisations should, however, have a clear understanding of how efficiently and effectively their office space is being used. Although a number have recently made or are planning major changes to their accommodation, and these involve a good deal of management effort and organisational upheaval, the challenge is to keep the efficient use of that accommodation on the management agenda. That is what our recommendations below are designed to achieve.

³ This calculation is based on no office paying more than 125 per cent of the current regional median values for operating costs and rent across the sector. The median represents the midpoint in a series of values (for example, rent per square metre); half the values are above the median, and half are below. We have used the median here in order to avoid distortion by extreme high or low values. Appendix 1 describes more fully our calculations for quantifying the financial impact of reduced costs and space.

⁴ National Audit Office, *Procurement in the Culture, Media and Sport sector*. HC 596, 2005.



RECOMMENDATIONS

In making recommendations our aim is to encourage organisations in the sector to move towards a more strategic approach to managing their accommodation. Key principles are to build in efficiency measures to the oversight of accommodation, to identify inefficiencies, to plan for how to achieve improvements, to develop accommodation strategies, and to achieve a co-ordinated approach across the Culture, Media and Sport group of organisations.

Measuring efficiency

1 The metrics used in this report – cost per unit of space, space per person and cost per person – are key measures of whether accommodation is being provided cost-effectively. All organisations should use these measures and monitor performance against them.

2 The recurring theme in our analysis has been the wide variations in cost and space utilisation across the sector. Performance data should be shared so that the outliers can be identified, the reasons examined and the lessons shared. Looking more widely, the Office of Government Commerce is undertaking a pilot exercise to benchmark property in government. As this exercise is rolled out across government over the next two years there will be scope for the Department and its sponsored bodies to become involved.

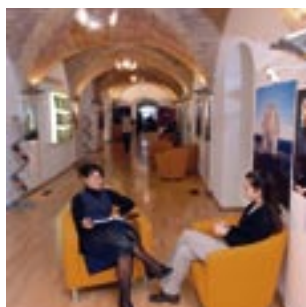
Improving efficiency

3 Scope to make efficiency savings depends on local circumstances, the nature of the property market and the terms and conditions of leases, but organisations should consider the following options:

In the short term

- Renegotiating rental payments, for example through revised or new lease agreements (if this is feasible within the rental agreement and having regard to the cost of an early exit from the lease);
- Reducing operating costs. Our recent report *Procurement in the Culture, Media and Sport sector*⁵ sets out ways in which this could be achieved;
- Sub-letting space to others (providing this is permitted under the terms of the lease); and
- Reducing the demand for workstations through increased desk sharing.

⁵ National Audit Office, *Procurement in the Culture, Media and Sport sector*. HC 596, 2005.



Longer term implementation

- Reorganising existing offices into more space efficient layouts;
- Exploring the scope for achieving savings through moving premises; and
- Achieving economies of scale. Sharing offices with others from within and beyond the sector potentially increases bargaining power and facilitates the sharing of services and back office functions.

4 All organisations should have an accommodation strategy in which central elements should be how efficiency will be measured and any longer term plans for change. Moves can be forced on organisations, for example if leases come to an end, and elective change can take time depending on lease terms and the investment required. A formal plan is therefore essential.

5 For all organisations there should be a designated individual with responsibility for efficient use of accommodation, who has access to expert advice. Organisations should take full advantage of others' experience from around the sector in making changes to their accommodation.

6 The Department should facilitate a more co-ordinated approach to property management across the sector. Without such an approach there is a risk of organisations working in isolation and in opportunistic ways, and that action to improve value for money will lack impetus. A helpful step would be to support the sharing of performance information and benchmarks across the sector using this report as a baseline.

PART ONE

Introduction



1.1 This report looks at the cost and utilisation of the office accommodation occupied by 25 organisations in the culture, media and sport sector.

The administrative context

1.2 The Department for Culture, Media and Sport is responsible for Government policy on the arts, sport, the National Lottery, tourism, libraries, museums and galleries, broadcasting, film, the music industry, press freedom and regulation, licensing, gambling and the historic environment. The Department has some 600 staff, and much of its work is delivered through its sponsored bodies, known as Non-Departmental Public Bodies, and one executive agency – The Royal Parks. These organisations vary widely in size and scope and include strategic bodies, such as Arts Council England and Sport England; grant-making and regulatory bodies; and others delivering services directly to the public, including the National Museums and Galleries.

1.3 The Department has arms-length relationships with its sponsored bodies which operate with a high degree of independence. Each organisation is responsible for its own accommodation and for meeting the costs from its own budget, although the Department has an advisory role. The objectives of the organisations are set out in three-year funding agreements with the Department. Ninety seven per cent of the Department's funding goes to its sponsored bodies and a key priority of the Department is to modernise delivery by ensuring they operate as efficiently and effectively as possible.

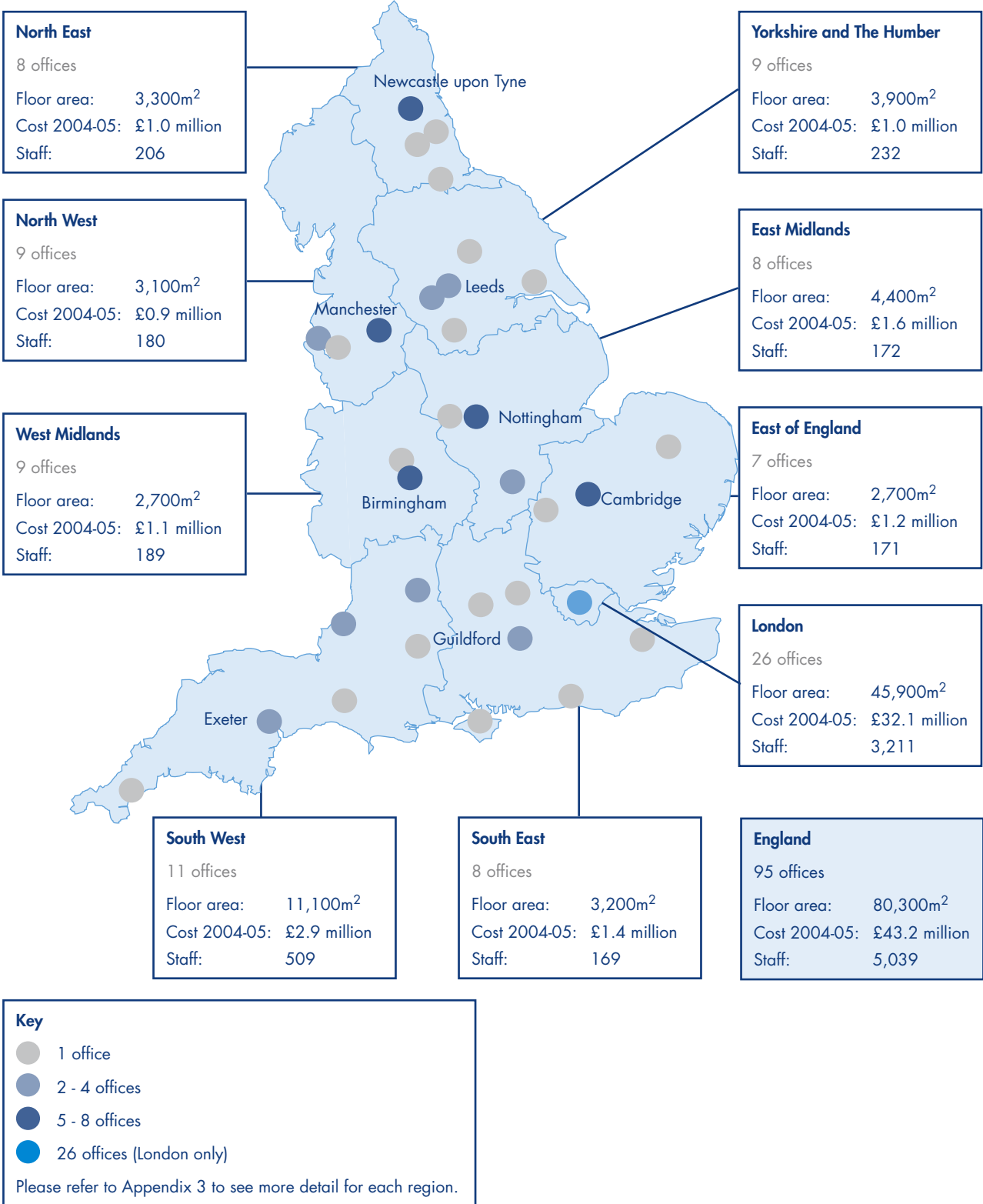
⁶ This is a measure of their 'Net Internal Area', which is the usual basis on which office space is leased. Net Internal Area includes space for workstations, meeting rooms, primary circulation corridors, storage, reception, kitchen and restaurants. The Net Internal Area figure excludes staircases, toilets, voids, plant areas and lobbies.

Key facts about the estate

1.4 The 25 organisations covered by this report spent some £43 million on office accommodation in 2004-05 (Figure 1). They occupy 95 offices around England. The majority of offices, 80, are leasehold properties sub-let from other organisations. The remainder are mostly small offices which have locally negotiated agreements with main occupiers to provide desk space. Two properties are owned freehold (English Heritage, Cambridge and Arts Council England, Dewsbury) and one is crown owned property occupied by The Royal Parks. The map at **Figure 2 overleaf** shows the locations of these offices, and they are listed at Appendix 2. Key points are:

- The 25 organisations accommodate some 5,000 staff in a total of over 80,000 square metres of floor area⁶, at a cost of some £43 million in 2004-05;
- There are 69 offices outside London, with seven to 11 in each region. These account for £11.1 million (26 per cent) of total accommodation costs, 1,828 staff (36 per cent); and 34,400 square metres (43 per cent) of floor area;
- There are 26 offices in London, accounting for £32.1 million (74 per cent) of total accommodation costs, 3,211 staff (64 per cent) and 45,900 square metres (57 per cent). The number of offices in London reflects the concentration of head offices in the capital;

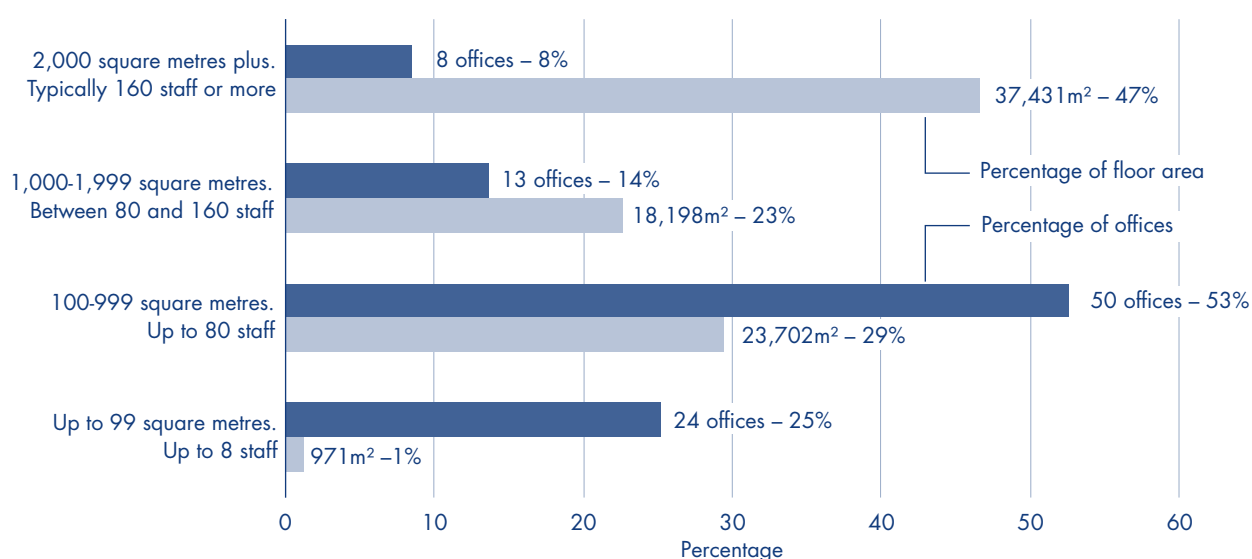
2 Locations of offices covered by our report by region



Source: Map outline crown copyright material is reproduced with permission of the Controller of HMSO

- There are five organisations which occupy a London head office and an office in each of the regions – Arts Council England, Big Lottery Fund, English Heritage, National Heritage Memorial Fund and Sport England. Outside London, these organisations are concentrated in Birmingham, Cambridge, Exeter, Guildford, Leeds, Manchester, Newcastle and Nottingham;
 - There are two sites where organisations are co-located. The Big Lottery Fund, Arts Council England and National Heritage Memorial Fund share a single building in Nottingham. The Big Lottery Fund and National Heritage Memorial Fund are separate occupiers, amongst others, of a building in Leeds; and
 - Arts Council England has the largest portfolio of offices, with space in 28 different buildings, 15 of which are small local offices for the Creative Partnerships programme.⁷
- 1.5** The offices vary a great deal in size. For example, there are 26 offices with five or fewer people and 13 with more than 100 people. Therefore, a minority of offices occupy a large proportion of the total floor area (net internal area) as shown in **Figure 3**. Eight offices have a floor area of over 2,000 square metres and account for 47 per cent of the total floor area of all offices. The 24 smallest offices are predominantly Regional Cultural Consortia⁸ and Creative Partnerships⁷ premises.

3 Size distribution of offices



Source: National Audit Office survey

⁷ The Creative Partnerships programme, administered by Arts Council England, aims to develop creativity in learning. It is targeted at local areas of social or economic deprivation, with a small office in each of these areas, typically with between 1 and 6 staff.

⁸ The Regional Cultural Consortia are small organisations, of between 3 and 6 staff, charged with implementing regional cultural strategies and promoting cultural and creative interests.

1.6 Fifteen of the 25 organisations covered in this report have recently made, or are planning, significant changes to their accommodation. For example, over the past few years, Arts Council England, Sport England and the National Heritage Memorial Fund have moved significant parts of their operations to new offices. The Department for Culture, Media and Sport is planning to consolidate its operations into two offices in London. The Big Lottery Fund, The Gambling Commission, English Heritage and The Museums, Libraries and Archives Council are planning major office moves out of London. Some of these moves reflect plans to move some 600 staff out of London in response to the independent review of public sector relocation by Sir Michael Lyons.⁹ Other factors which have led to changes in accommodation in the culture, media and sport sector, include:

- the expiry of existing lease agreements;
- the need to consolidate operations;
- the costs of maintaining and repairing existing accommodation;
- the constraints and relatively high cost of the traditional layout of corridors and enclosed (cellular) office spaces; and
- the need to make offices comply with the Disability Discrimination Act (1995) by improving accessibility.

1.7 The effective management of office space, however, is an ongoing need, and the focus of this report is on making the best use of office space now and in the future. With a number of organisations planning changes the report should contribute to their thinking.

Our work

1.8 We focussed on 25 organisations in the culture, media and sport sector where, although individual needs may vary, their operations are primarily office-based. We excluded Museums and Galleries as most of their accommodation expenditure relates to the requirements of public access, display and storage.

1.9 In doing our work we sent a questionnaire to the 25 organisations and received a 100 per cent response. We also invited staff in the organisations to comment using a web-based survey, and received 585 responses from 17 organisations. In addition we engaged Davis Langdon Management Consultancy, property specialists, to carry out case studies covering three organisations – The Department for Culture, Media and Sport, Arts Council England and Sport England. Davis Langdon also assisted with data collection and analysis. Our methods are explained in more detail in Appendix 1.

1.10 The questionnaires completed by organisations form the main source of data for analysis in this report. Questionnaires were completed in August and September 2005 and costs relate to the financial year 2004-05. We are aware that some organisations have made changes since completing the questionnaire. Davis Langdon reviewed the data collected for overall reasonableness, carried out follow-up enquiries with a number of organisations, and discussed the details of questionnaires where offices were visited as part of their case study work. We have not set out to reach conclusions on the efficiency of individual organisations or buildings, but instead have used the data to illustrate the ranges of cost-efficiency and use of space across the sector as a broad indicator of the potential scope to improve value for money.

⁹ Sir Michael Lyons, *Well Placed to Deliver? Independent Review of Public Sector Relocation*, 2004.



PART TWO

The drivers of efficiency



2.1 This Part looks at the main drivers of cost efficiency and covers the views of staff on their working environment.

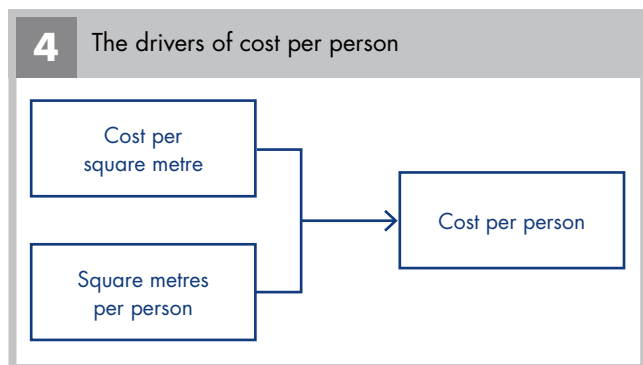
Cost efficiency

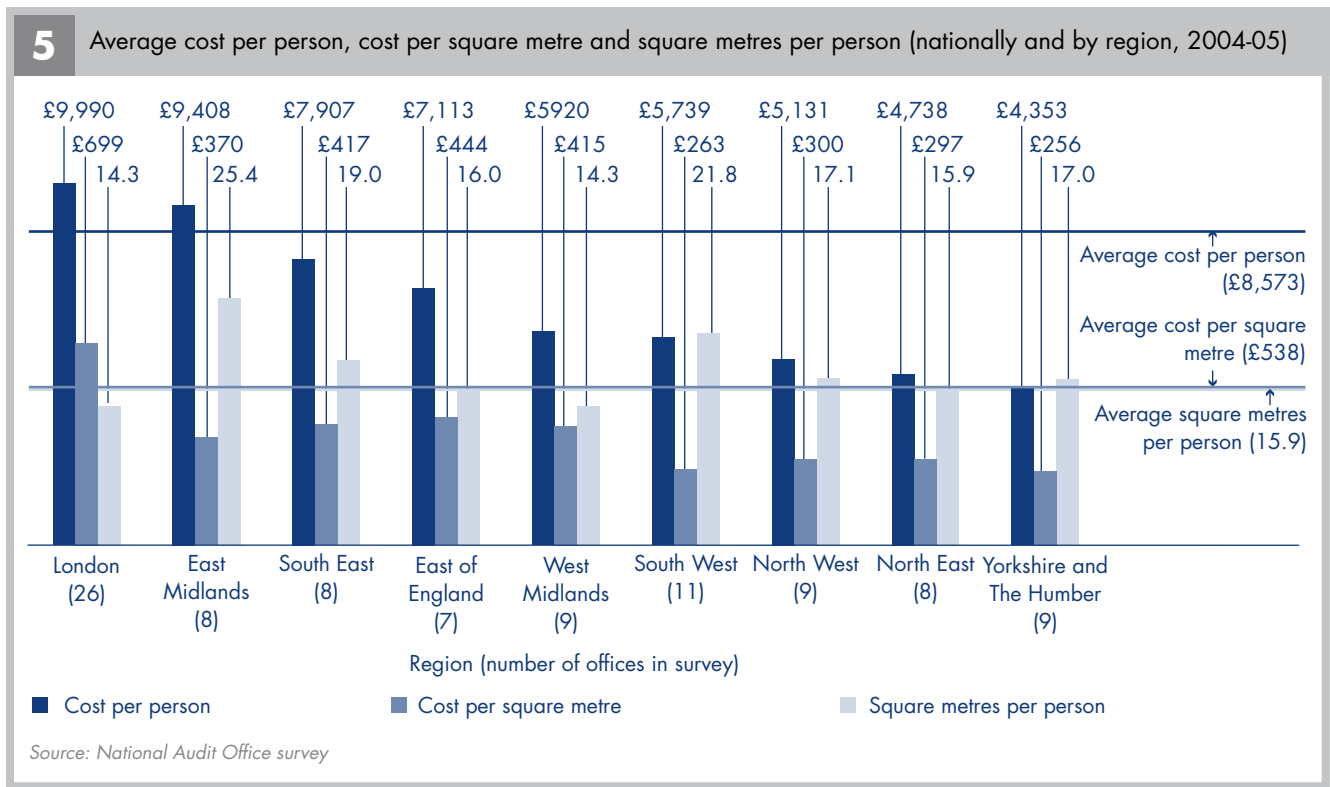
2.2 The main drivers of cost efficiency are the cost of space and the amount of space per person. These two factors combine to give a measure of cost per person, as illustrated in **Figure 4**.

2.3 When considering value for money, and looking for opportunities to make improvements, it is necessary to look at these performance measures together. For example, a mid-range cost per person for an individual office, looked at in isolation, may conceal a high (or low) cost per square metre which is compensated for by low (or high) space per person. A relatively high figure for cost per person may be driven by either high costs of space, or generous space, or a combination of both.

2.4 **Figure 5 overleaf** shows, by region, how offices in our survey compare in these terms. For example:

- London has the highest average cost per person of £9,990, while the national average is £8,573. The average cost per square metre of space in London exceeds the national average by 30 per cent (£699 compared to £538). However, the amount by which London costs per person exceed the national average is reduced to 17 per cent because there tends to be less space per person in London offices (14.3 square metres compared to the national average of 15.9);
- Similarly in the South West, although space is 51 per cent less expensive than the national average (£263 compared to £538), cost per person is 33 per cent less than the national average due to relatively generous space per person (21.8 square metres).





2.5 We looked in more detail at the London region (Figure 6). The ‘target zone’ in the middle of Figure 6 represents the intersection of good practice; where space utilisation is within the British Council for Offices¹⁰ good practice guidelines of 12 to 17 square metres per person¹¹ and costs per square metre are in a reasonable mid performance range for the sector (in this case we have used plus or minus 25 per cent of the average cost of £699 a square metre in 2004-05).

2.6 Figure 6 shows that 15 out of the 23 London offices are outside the target performance range for either average costs per square metre, space per person, or both. Looking at some individual offices the position is as follows:

Within the target zone

- **Point A** represents the National Heritage Memorial Fund’s head office in London SW1. This office accommodated 155 staff at a cost of £1.5 million in 2004-05; which is an average cost of £9,914 per person, very close to the London average of £9,990 (Figure 5). The cost of space is £662 per square

metre, close to the average, and the space per person is 15 square metres, which is within industry benchmarks.

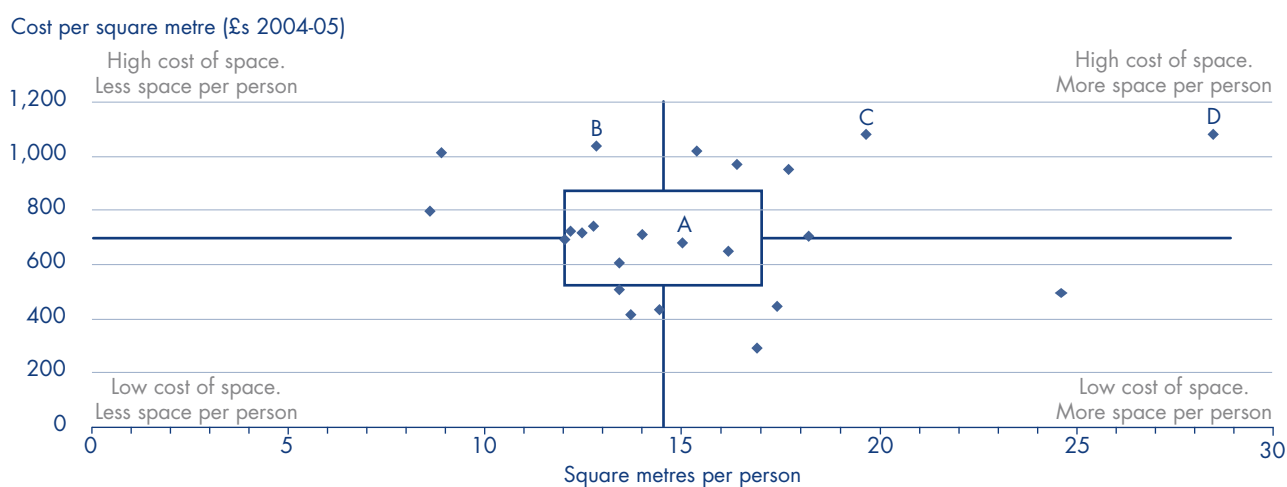
Outside the target zone

- **Point B** is Sport England’s head office in WC1, which accommodated 189 staff at a cost of £2.5 million in 2004-05; an average cost per person of £13,066, which is 31 per cent higher than the London average. Although space per person is within the good practice range, costs per person are driven up by the relatively high costs per square metre of £1,019.
- **Point C** is the Department for Culture, Media and Sport’s main building in London SW1. This accommodated 335 staff at a total cost of £7 million in 2004-05; an average cost of £20,929 per person. The analysis shows that this is due to both high costs per square metre (£1,067) and high space per person (19.6 square metres). The Department is planning to improve these figures through its refurbishment of the building, as described in Figure 7.

10 British Council for Offices Guide 2005: Best Practice in the specification for offices. The British Council for Offices is a membership organisation, which exists to research, develop and communicate best practice in the office sector.

11 See paragraph 3.17 for explanation of industry benchmark for space utilisation.

6 A framework for reviewing cost effectiveness applied to the London region



NOTES

- 1 The 'target zone' in the middle represents the intersection of good practice; where space utilisation is within industry benchmarks and costs per square metre are in a reasonable mid performance range for the sector.
- 2 Offices of less than 100 square metres floor area are excluded.
- 3 Points A, B, C and D are offices which are described in more detail in paragraph 2.6.

- **Point D** is the Football Licensing Authority in London W1. This office accommodated six staff¹² at a cost of £180,600 in 2004-05; an average cost of £30,100 per person, which is the highest of all offices in the Culture, Media and Sport group. The analysis again shows that this is due to the combined effect of both high costs per square metre (£1,062) and high space per person (28.3 square metres per person). However, this is the smallest office illustrated here, at 170 square metres and represents only 0.4 per cent of the expenditure covered by this report.

¹² This office also provides central meeting facilities for the Football Licensing Authority's nine home-based regional inspectors.

7 The Department's planned rationalisation of its London offices

The Department's staff are currently accommodated in five¹ London buildings. The largest of these houses over half of its staff at 2-4 Cockspur Street, close to Trafalgar Square. The remainder are located at 1a Cockspur Street (next door) and at three other separate sites in central London. The Department plans to refurbish 2-4 Cockspur Street and co-locate its entire staff (except for the Government Art Collection, which has purpose built accommodation) into its two Cockspur Street offices by 2007.

The office at 2-4 Cockspur Street requires modernisation and is becoming increasingly expensive to maintain. Furthermore, two floors currently sub-let to a private sector company will be vacated in March 2006. The refurbishment plans include upgrading the heating, air-conditioning, and IT infrastructure.

In addition, the existing internal layout of the offices is old fashioned and does not make efficient use of space. The new fully open plan layout is expected to provide a modern flexible workspace, which will better support internal communications and team working, and be more easily adaptable to operational changes. By locating its entire staff (except the Government Art Collection) within the two Cockspur Street addresses, the Department estimates that average space per person will be approximately 15.5 square metres once the project is completed – a 21 per cent improvement in space utilisation on the current 19.6 square metres.

The Department expects the refurbishment to reduce costs of repairs, maintenance, and utilities, as well as improving the working environment at Cockspur Street and by rationalising the estate, it expects to cut the costs of cleaning, security, internal moves and messengers. The Department has also negotiated a reduction in rates based on treating the two Cockspur Street addresses as effectively one office location.

Source: National Audit Office Case Studies of Organisations

NOTE

- 1 Since the end of 2004-05 the Department has occupied temporary accommodation in a fifth building, additional to the four which are listed in Appendix 2.

The working environment

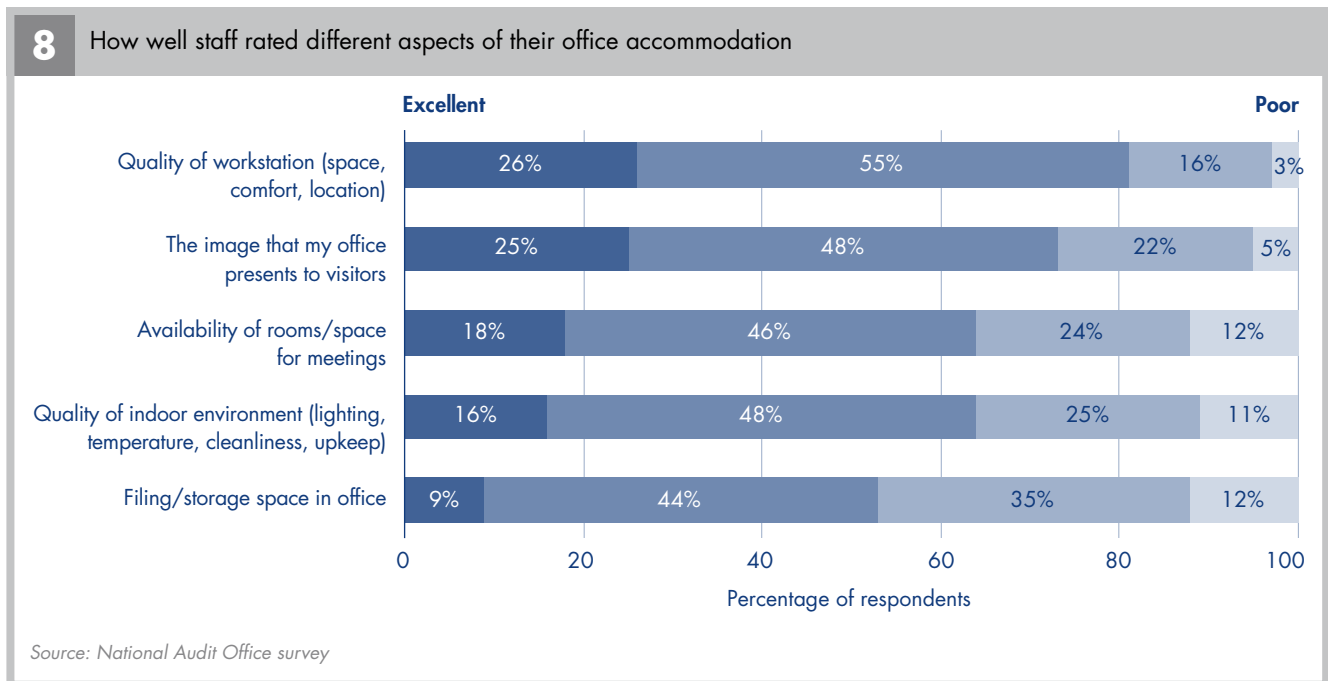
2.7 Value for money depends not only on the cost and use of space, but on whether the office provides suitable working conditions and promotes efficient working. This report does not make judgements about accommodation standards although we gave organisations included in this report the opportunity to provide their staff with a web-based questionnaire to comment on their office environment. We received 585 responses from staff in 17 organisations.

2.8 We asked staff to rate how important the following aspects of office accommodation were to carrying out their jobs:

- quality of workstation (space, comfort, location);
- quality of indoor environment (lighting, temperature, cleanliness, upkeep);

- filing and storage space;
- availability of rooms and space for meetings; and
- the image that the office presents to visitors.

2.9 Most people told us that the quality of their workstation and of their indoor environment were most important. We also asked staff how well these needs were met in their offices. **Figure 8** shows the need for good quality workstations is relatively well met, but a good quality indoor environment is less well provided for. Staff considered filing and storage space as the feature least well provided for, although the rooms and space available for meetings were rated more highly. However, staff considered that their offices presented a positive image to visitors.



2.10 Consulting staff on their working environment can inform organisations' decisions about whether and how to change their office accommodation. **Figure 9** shows how Arts Council England involved staff in their decision to move to a new regional office in Newcastle upon Tyne in 2000.

9 An example of staff involvement in an office move

Arts Council England

Move to a new regional office in Newcastle

In 2000, the Arts Council England office in Newcastle upon Tyne relocated to modern new offices. A staff survey had shown the majority of people favoured remaining at the current site. However, a feasibility study concluded the cost of the work required to stay where they were would be very high and the offices would still not achieve the organisation's objectives for space and accessibility.

After preparing a business case, the organisation selected new offices from a shortlist of properties that met their requirements based on financial requirements and staff feedback. The Staff Relocation Working Group set up for the project undertook site visits to the short listed properties. A staff survey carried out after the move showed a significant improvement in their view of the new offices compared to the old site.

Source: National Audit Office Case Studies of Organisations



PART THREE

Managing the cost and use of office space



3.1 This Part of the report looks at organisations' overall approach to managing the cost and use of space. It also covers how modern ways of working can improve an organisation's use of space.

Overall approach to managing office space

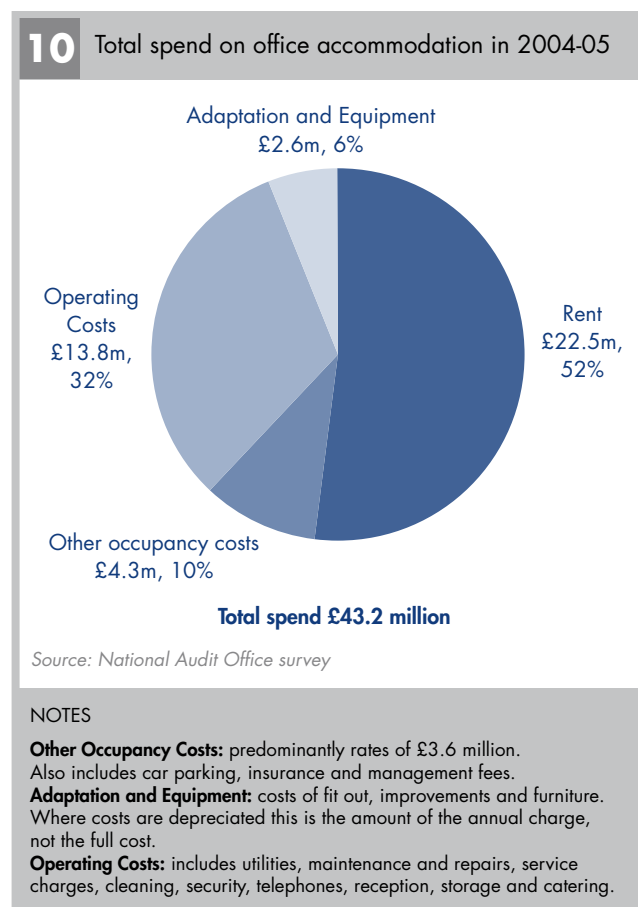
3.2 From our survey and case studies we noted a number of factors which suggest that across the culture, media and sport sector the office accommodation is not managed at a strategic level:

- Of the 25 organisations we covered, ten (responsible for 70 of the 95 offices) had a written office accommodation strategy.
- Organisations use cost information on their offices more to control budgets and less to manage cost efficiency. Very few organisations have agreed objectives, targets or performance indicators focusing explicitly on the costs and use of space.
- One of the challenges facing organisations making major changes to their accommodation is that by definition it tends to be done infrequently. Corporate knowledge and skills of managing major office accommodation projects are therefore often limited.

Managing the cost of space

3.3 In 2004-05 the 25 organisations we examined spent £43 million on office accommodation (**Figure 10**).

3.4 As Figure 10 shows, the two largest elements of cost are rent and operating costs, and in 2004-05 they accounted for more than 80 per cent (£36 million) of accommodation costs. These two elements are examined in more detail below.



Rent

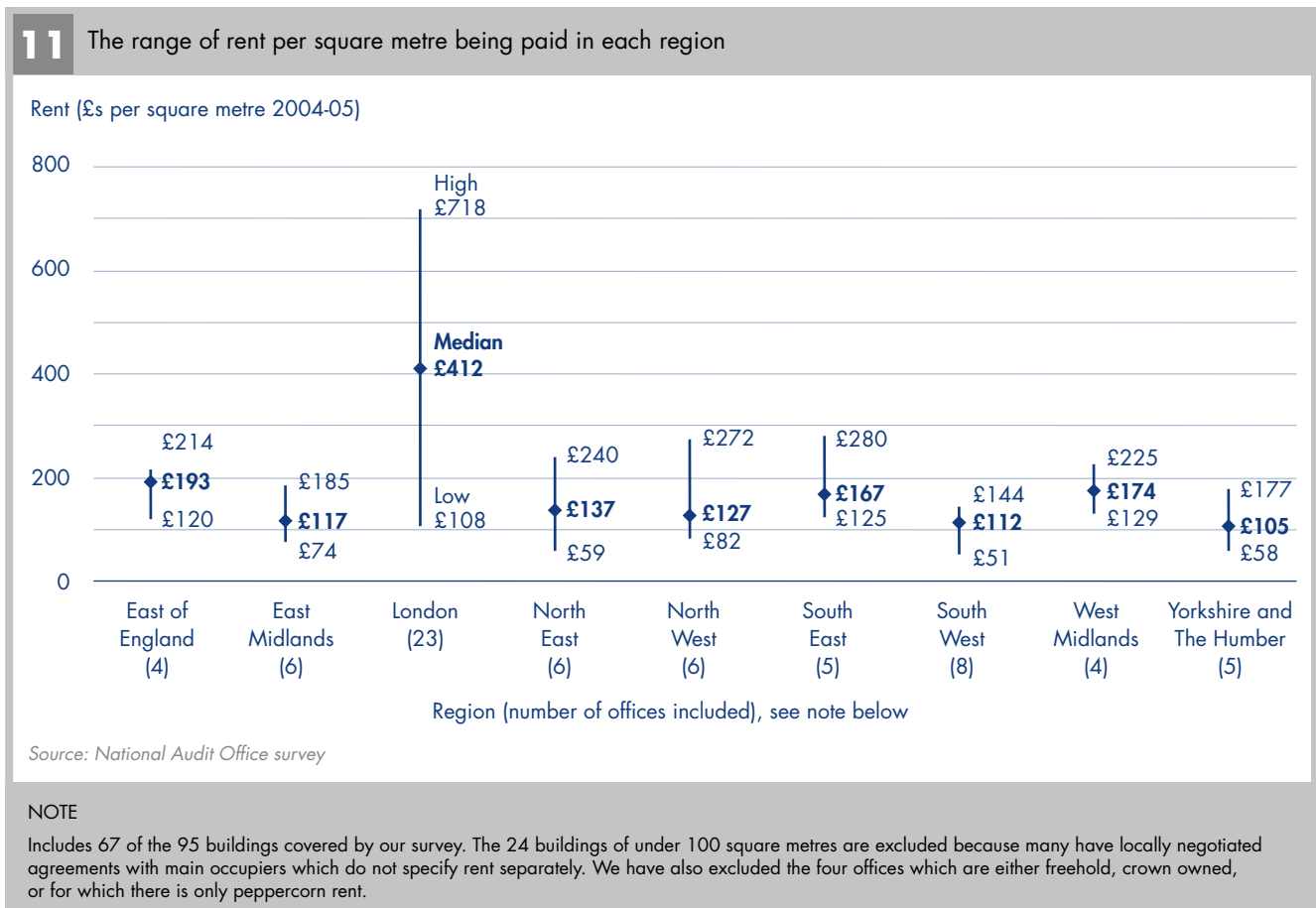
3.5 Rent is the single largest element of accommodation costs. The organisations we examined spent £22.5 million in 2004-05, some 52 per cent of their total accommodation costs. Many factors influence rental levels including: location (rents are highly influenced by micro-location); quality; market conditions (rental levels fluctuate considerably over time); and the rental terms, including the duration of the lease. Lease agreements and conditions vary and can include complex concessions (for example, rent-free periods or lengthy review periods).

3.6 These factors make comparisons between offices difficult. There are, however, significant variations in the rents paid which point to the need for organisations in the sector to review their rental costs at the earliest opportunity. **Figure 11** shows the rents being paid in each of the English regions, the wide range within and between

regions, and the median¹³ for each region. Outside London the median ranges from £105 to £193 a year, while in London it is £412.

3.7 **Figure 12** illustrates the impact of offices paying, as an example, 25 per cent or more above the median rent per square metre within their region. We calculated that the cost to the organisations of occupying these offices at these higher rents is £1.9 million a year across the whole sector, of which £1.7 million is in London. Our calculations are set out in Appendix 1.

3.8 The five organisations which have offices in each of the regions (Arts Council England, Big Lottery Fund, English Heritage, National Heritage Memorial Fund and Sport England) are concentrated in eight towns or cities – Birmingham, Cambridge, Exeter, Guildford, Leeds, Manchester, Newcastle and Nottingham (**Figure 13**).



¹³ The median represents the midpoint in a series of values (for example, rent per square metre); half the values are above the median, and half are below. We have used the median here in order to avoid distortion by extreme high or low values.

12 Cost to organisations of paying higher rents per square metre compared to others within the regions

Region	Cost of exceeding 125% of median rent per square metre (to nearest £1,000)
East of England	£0
East Midlands	£9,000
London	£1,693,000
North East	£15,000
North West	£52,000
South East	£76,000
South West	£2,000
West Midlands	£2,000
Yorkshire and The Humber	£37,000
Total	£1,886,000

Source: National Audit Office survey

3.9 However, these organisations tend to occupy separate buildings. There are only two towns where organisations are co-located in the same building. Big Lottery Fund, Arts Council England and National Heritage Memorial Fund occupy a single building in Nottingham. Big Lottery Fund and National Heritage Memorial Fund are also separate occupiers, amongst others, of the same office building in Leeds.

3.10 Figure 13 shows the range of rents per square metre paid by the organisations located in the eight towns and cities and how these costs vary significantly even at a micro-level. In Newcastle, for example, rents per square metre for the four organisations located there range from £59 to £240, a variance of some 400 per cent. The table at Figure 13 includes only the regional offices of those organisations mentioned in Paragraph 3.8. The table does not, for example, include offices of the Regional Cultural Consortia or Arts Council Creative Partnerships which are sometimes also located in the towns and cities listed.

13 Range of rents paid by regional offices of Culture, Media and Sport organisations in the regions outside London

City/Town ¹	Region	Number of organisations	Number of separate offices	Range of annual rent per square metre
Cambridge	East of England	4	4	£179 to £214
Nottingham	East Midlands	4	2	£74 to £185 ²
Newcastle	North East	4	4	£59 to £240
Manchester	North West	4	4	£82 to £272
Guildford	South East	2	2	£206 to £280
Exeter	South West	3	3	£68 to £112
Birmingham	West Midlands	5	5	£129 to £225
Leeds	Yorkshire and The Humber	3	3	£105 to £177

Source: National Audit Office survey

NOTES

1 There are two towns where organisations are co-located. The Big Lottery Fund, Arts Council England and National Heritage Memorial Fund occupy a single building in Nottingham. The Big Lottery Fund and National Heritage Memorial Fund are separate occupiers, amongst others, of the same office building in Leeds.

2 This range covers the rent paid by the four organisations.

Operating costs

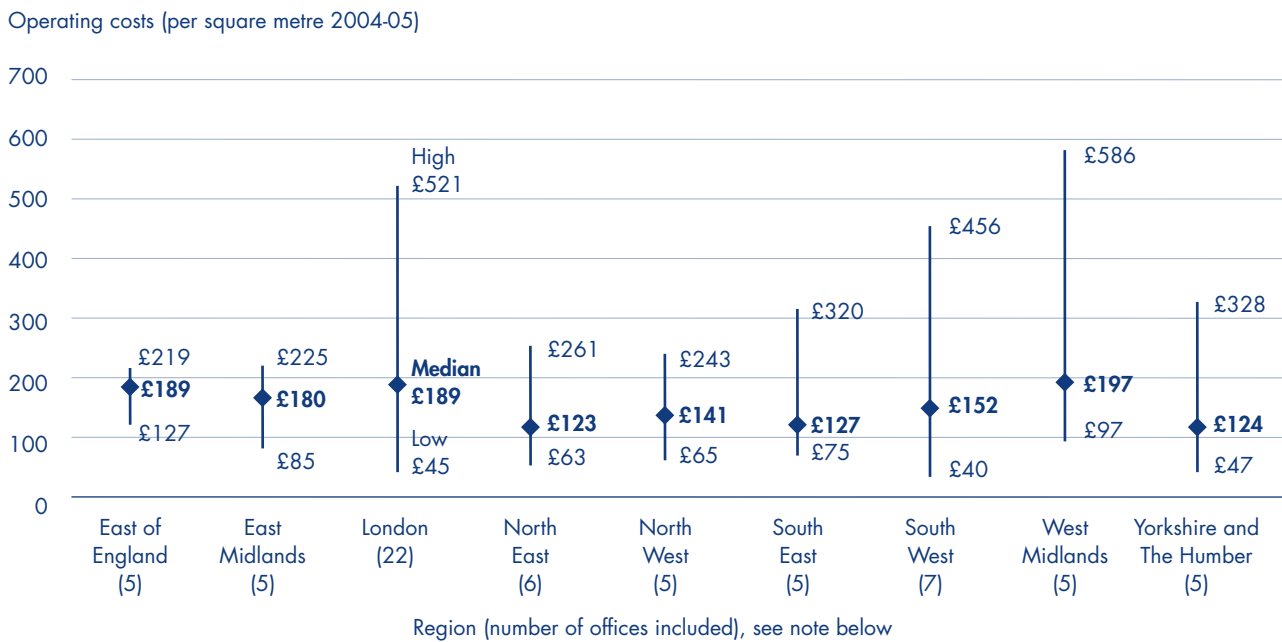
3.11 Operating costs are the second largest element of accommodation costs. The organisations we examined spent £13.8 million in 2004-05, some 32 per cent of their accommodation costs (Figure 10). Operating costs include utilities, cleaning, maintenance and repairs, security, service charges, telephones, reception, storage and catering. Our recent report on Procurement in the Culture, Media and Sport sector¹⁴ deals with how organisations can reduce the cost of goods and services and is therefore directly relevant to management of the operating costs for office space.

3.12 Based on information provided by the 25 organisations covered in this report, **Figure 14** shows the ranges of operating costs within and between the regions for 65 offices. As with rents there are wide variations in operating costs per square metre within and between each of the nine regions. Across the country the median ranges from £123 to £197 a year.

3.13 **Figure 15** illustrates the impact of those offices paying, as an example, 25 per cent or more above the median figure for operating costs per square metre within each region. We calculated that the cost to the organisations of occupying these offices at these higher rates of operating costs is £1.9 million a year nationally, of which £1.3 million is in London. Our calculations are set out in Appendix 1.

3.14 We compared the operating costs of the offices with benchmark data from *Office OSCAR: Service Charge Analysis for Offices 2004* (Jones Lang LaSalle). At an aggregate level the costs for security and for utilities were in line with OSCAR benchmarks. However, the costs for building services maintenance and repairs, and cleaning were generally in excess of the benchmarks. Operating costs across the buildings in our survey are highly variable across individual offices; for example, the median cost of electricity and gas per square metre is less than £10, but there are 20 offices paying more than £15 a square metre.

14 The range of operating costs per square metre being paid in each region



Source: National Audit Office survey

NOTE

Includes data for 65 buildings. We have excluded buildings of under 100 square metres and others for which operating cost data was not readily available.

14 National Audit Office, *Procurement in the Culture, Media and Sport sector*. HC 596, 2005.

15 Cost to organisations of paying higher operating costs per square metre compared to others within the regions

Region	Cost of exceeding 125% of median operating costs per square metre (to nearest £1,000)
East of England	£0
East Midlands	£1,000
London	£1,309,000
North East	£54,000
North West	£28,000
South East	£73,000
South West	£155,000
West Midlands	£149,000
Yorkshire and The Humber	£94,000
Total	£1,863,000

Source: National Audit Office survey

Space per person

3.15 Space per person, commonly referred to as “occupancy density” is calculated by:

$$\text{Space per person} = \frac{\text{Net Internal Area}^{15} \text{ of the building (square metres)}}{\text{Number of staff}}$$

A **low** number indicates **high** occupancy density; a **high** number indicates **low** occupancy density.

3.16 A high occupancy density (low square metres per person) does not necessarily indicate that a building is meeting the needs of the organisation as it could be overcrowded, leading to low staff morale and inefficient working and health and safety issues. UK health and safety laws specify the minimum workspace allocated to a person should be 11 *cubic* metres. This converts to a minimum space allocation of 4.2 *square* metres per person, and all of the offices covered by our survey comply with this minimum standard.

3.17 In practice, to assess how many people an office can accommodate, industry measures of good practice are available. The British Council for Offices¹⁶ uses a good practice range of between 12 and 17 square metres of Net Internal Area per person which we have used as a benchmark for the purposes of this report.

3.18 The actual number of people accommodated within an office will depend on the shape of the space and an organisation’s space standards. If organisations are going through a period of change, for example expanding or downsizing, this will also have an impact on the use of space.

3.19 Average occupancy density for the offices in our survey is 15.9 square metres per person. **Figure 16 overleaf** shows that, in 68 offices of over 100 square metres:

- compared to recommended good practice six offices provide less than 12 square metres per person and 31 offices exceed 17 square metres per person;
- 45 offices exceed 14.5 square metres per person, the mid range point of good practice; and
- occupancy density ranges between 8 and 58 square metres per person.

3.20 We estimated the cost to the sector as a whole of providing space in excess of good practice levels. For example:

- The additional cost of providing space in excess of 17 square metres per person, the upper limit of the good practice range, is £2.5 million each year; and
- The additional cost of providing space in excess of 14.5 square metres per person, the mid-point of the good practice range is £4.2 million each year.

Our calculations are set out in Appendix 1.

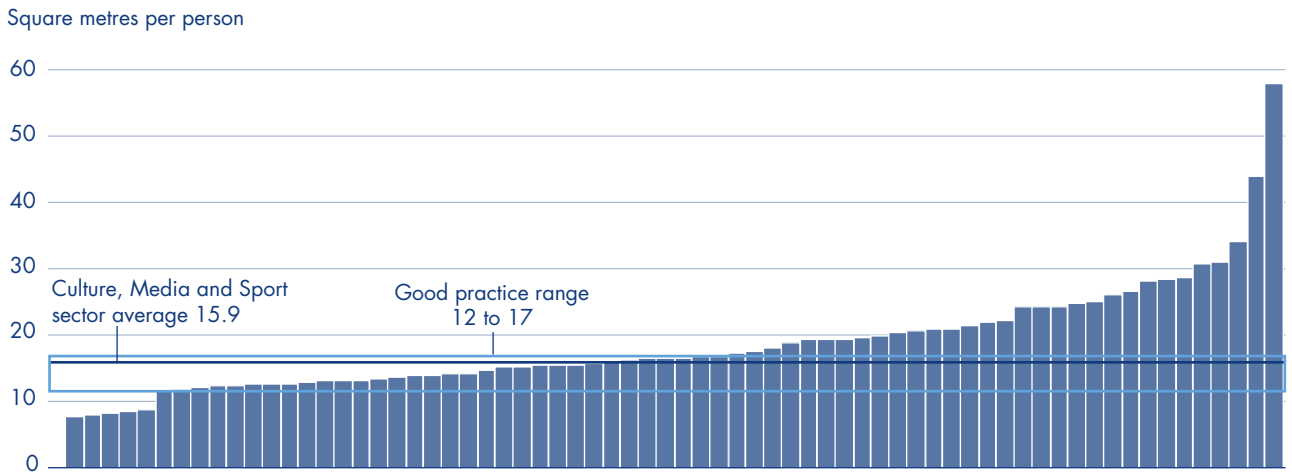
3.21 The ability of organisations to reduce costs by increasing occupancy density depends on many factors. For example, organisations can only reduce rent if they are able to renegotiate rental agreements, sub-let space, or move to new premises. However, ways of improving occupancy density are by desk sharing, home working and open plan offices and there is guidance from the Office of Government Commerce on this.¹⁷ Changing working practices in these ways can, of course, involve a significant culture change in organisations.

15 Net Internal Area includes space for workstations, meeting rooms, primary circulation corridors, storage, reception, kitchen and restaurants. The Net Internal Area figure excludes staircases, toilets, voids, plant areas and lobbies.

16 *British Council for Offices Guide 2005: Best Practice in the specification for offices*. The British Council for Offices is a membership organisation, which exists to research, develop and communicate best practice in the office sector.

17 Office of Government Commerce and DEGW, *Working without walls: An insight into the transforming government workplace*, 2004, and *Flexible working in Central government: Leveraging the benefits*, 2005.

16 Occupancy density in 68 offices of over 100 square metres (square metres per person)



Source: National Audit Office survey

3.22 We looked at the extent to which open plan has been adopted in the sector. Open plan requires less floor space per person than the traditional layout of corridors and enclosed (cellular) offices. It also significantly reduces the time and cost associated with internal moves of people and functions.

3.23 In responses to our survey 76 out of the 95 offices covered by this report were described as having open plan or predominantly open plan layouts. More detailed analysis of the use of space in the largest five offices where there was a combination of open plan and cellular office lay-outs shows that the space occupied by each workstation in open plan areas was 50 per cent less than that occupied by workstations in cellular office lay-outs.

3.24 From our case studies we noted some examples of where organisations moving to open plan working had led to a more effective use of space (**Figure 17**).

17 Examples of changes in use of space

Sport England

Sport England moved its staff to a single site in Central London in 2003 from three buildings, generally made up of traditional cellular offices. Before the move, Sport England refurbished the new building to provide open plan working space, and it provides just under 13 square metres per person in line with good practice. Flexibility in the layout has also allowed Sport England to sub-let some of its surplus space.

Arts Council England

Arts Council England moved to a new regional office in the North East in 2000. Its existing accommodation had limited disabled access; inadequate meeting room space; insufficient space for expansion; and communication issues due to office layout. In moving to a new office with a flexible open plan layout the organisation has reduced its operational and occupancy costs below the average for comparable offices in the same region and achieved good practice in the use of space with staff accommodating just under 17 square metres per person.

Source: National Audit Office Case Studies of Organisations



APPENDIX 1

The methods we used

Sources of evidence

- 1 The main elements of our work were as follows:
 - a survey of 25 organisations in the sector – the Department for Culture, Media and Sport and 24 of its sponsored bodies;
 - data analysis and benchmarking of costs and space utilisation across the sector;
 - a web-based survey of staff working in the surveyed organisations; and
 - case studies of three organisations.

These are described in more detail in the following paragraphs. We also commissioned Davis Langdon Management Consultancy, property specialists, to assist and advise on our work.

Survey of the Department and its sponsored bodies

2 We sent a questionnaire to the Accounting Officers of 25 organisations in August 2005. We designed the questionnaire to collect detailed information on the following:

- The characteristics of offices including size, layout, and the number of staff accommodated.
- Financial data for each office in 2004-05 including:
 - Occupancy costs – rent and rates, management fees, car parking, insurance.
 - Adaptation and equipment costs – fit-out and improvement, furniture and equipment. Where these costs were depreciated we asked for the annual charge rather than the full capital spend.
 - Operating costs – service charges, utilities, waste disposal, maintenance and repairs, cleaning, security, and business support functions such as reception, reprographics, post, catering, telephones and technical services.

- Management practice in relation to office accommodation including recent, current or future plans to make changes.

3 All 25 organisations returned completed questionnaires providing information on 95 offices in England. These are listed at Appendix 2 and are illustrated on the map at Figure 2. To gain broad assurance about the questionnaire responses our consultants, Davis Langdon, reviewed the data collected for validity and completeness, carried out follow-up enquiries with a number of organisations, and discussed the details of questionnaires with offices visited as part of their case study work.

Data analysis

4 Analysis was undertaken to produce statistics, mean averages and ranges for key variables:

- Cost per person (£ per full time employee).
- Cost per square metre (£ per square metre).
- Space per person (square metres per person).

For example, Figure 5 states the mean averages for the cost variables and space per person.

5 In some cases data fell outside expected ranges. In order to avoid the potentially distorting effect of such data on our mean averages, where analysis is presented at a lower level and for certain data series, our analysis provides statistics on median values. This is the case, for example, for rent and operating costs analysis at Paragraph 3.6 (Figure 11) and Paragraph 3.12 (Figure 14) respectively.

6 We analysed our data for the sector as a whole and by English region and size of office. To provide a common basis for analysis we have used square metres as a measure of floor area, although within the property industry imperial measures of floor area are still commonly applied.

7 We also analysed the configuration of space across our sample of offices in terms of whether they had open plan or traditional cellular office layouts, or a combination. For the purposes of our survey we defined:

- open plan as an office layout with allocated seats for four or more people that is not sub-divided into separate offices; and
- cellular offices as a layout with enclosed rooms accommodating up to three people or 40 square metres.

8 We benchmarked certain values against external comparators. The benchmark we have used for occupancy density, Paragraph 9 (Executive Summary) and Paragraph 3.17 represents The British Council for Offices' good practice target of between 12 and 17 square metres per person of net internal area, which is well recognised in the property industry. The mid-point of this range at 14.5 square metres per person is also consistent with The Total Office Cost Survey¹⁸ benchmark of 14 square metres per person, applied to a survey of 40 suburban office buildings in the south of the UK in 2004, covering a range of business service activities.

9 Davis Langdon, our property consultants on the project, and organisations in the sector provided advice on our use of benchmarks for occupancy density. Arts Council England, for example, aim to achieve a standard of 13 to 14 square metres per person for their offices.

10 We compared the operating costs of the offices with benchmark data from *Office OSCAR: Service Charge Analysis for Offices 2004* (Jones Lang LaSalle).

Web-based survey of staff

11 We provided organisations with a web-based survey for them to make available to staff in those buildings covered by our study. We asked staff to rate how important

the following aspects of office accommodation were to carrying out their jobs, and also how well these needs were met in their offices:

- quality of workstation (space, comfort, location);
- quality of indoor environment (lighting, temperature, cleanliness, upkeep);
- filing and storage space;
- availability of rooms and space for meetings; and
- the image that the office presents to visitors.

12 The questionnaire also sought staff views on how well their offices support workplace productivity. We received responses from 585 staff in 17 organisations.

Case studies

13 We commissioned Davis Langdon to carry out short case studies at three organisations, which had made or were planning changes to their accommodation to identify lessons from their experiences that could usefully be shared with others. Each case study took the form of a semi-structured, face-to-face interview with key personnel. The case studies covered:

- Sport England's move to new London premises in 2003. This brought together under one roof the two head office buildings and one regional office which previously had separate London locations.
- Arts Council England's relocation of its North East Regional Office to new premises in 2000. This followed a review which concluded that the previous offices, which were owned freehold, were no longer viable as modern office accommodation.
- The Department for Culture, Media and Sport's plans to rationalise its offices in London and carry out refurbishment at its main office building, due to commence in early 2006.

¹⁸ Actium Consult and Cass Business School, *The Total Office Cost Survey 2004*.

Calculation of financial impacts

14 Our analysis provides a broad indicator of the potential scope to improve value for money. Based on external benchmarks of good practice and the average performance of organisations within the sector we estimated the extra costs to organisations of paying rent or operating costs, or providing space, in excess of such practice.

The cost of paying higher rents per square metre compared to others

15 In Paragraph 3.7 and Figure 12 we estimate that in 2004-05, where organisations paid 25 per cent or more above the median rent per square metre within their region for office accommodation, the cost to the sector was £1.9 million. As the individual needs of organisations vary, we have used a figure 25 per cent above the median in order to build a degree of conservatism into this estimate.

16 Figure 11 shows the range and median of rents per square metre paid in each of the regions. In Yorkshire and The Humber for example, the values ranged from £58 to £177 in 2004-05 and the median value was £105. Twenty five per cent above the median would be £131. Of the five offices in this region, two paid rent in excess of this amount – £174 and £177 per square metre, for floor areas of 606 and 236 square metres respectively. Therefore, the costs in 2004-05 of paying rent more than 125 per cent of median value in Yorkshire and The Humber were:

(to the nearest £1,000)

Office 1: $(£174 - £131) \times 606 \text{ square metres} = £26,000$
plus

Office 2: $(£177 - £131) \times 236 \text{ square metres} = £11,000$

Total costs **£37,000**

17 We have applied this methodology to offices in each region occupying 100 square metres or more to estimate the total cost to the sector of organisations paying higher rents, as illustrated at Figure 12.

The cost of paying higher operating costs per square metre compared to others

18 Paragraph 3.13 and Figure 15 refer to the £1.9 million cost to the sector of some offices paying high operating costs compared to others in 2004-05. We have quantified these costs in a similar way to that described above for the cost of high rents, by comparing actual operating costs with a notional figure of 125 per cent of the median value for operating costs in each region.

19 Taking the North West region as an example, Figure 14 shows that the five offices in this region paid between £65 and £243 operating costs per square metre in 2004-05. The median of the five values was £141 per square metre. Therefore, 25 per cent higher than the median value was £176. Only one office had operating costs higher than 125 per cent of the median value. This office paid £243 per square metre for 421 square metres. Therefore, the costs in 2004-05 of paying operating costs more than 125 per cent of median value in the North West were:

(to the nearest £1,000)

$(£243 - £176) \times 421 \text{ square metres} = £28,000$

20 We have applied this methodology to offices in each region occupying 100 square metres or more to estimate the total costs of higher operating costs for the sector, as illustrated at Figure 15.

The cost to the sector of providing space per person above recommended good practice

21 Paragraph 3.20 refers to the costs to the sector of providing space per person above recommended good practice levels. To calculate these costs we compared actual costs in 2004-05, for all offices above good practice levels, with the estimated lower cost of occupying less space.

22 **Figure 18** illustrates the methodology used to calculate the additional cost of space for an office in the East of England that provides 21 square metres per person. We have calculated the difference between actual costs in 2004-05 and estimated costs if staff were accommodated at an average of 17 square metres per person.

23 We applied this methodology to all offices with space per person above 17 square metres per person, which produced a total estimated additional cost figure of £2.5 million a year for the sector, comprising £1.8 million in rent and £0.7 million operating costs.

24 We repeated the analysis at the mid-point of the British Council for Offices' good practice range, 14.5 square metres per person. We estimated that the additional cost to the sector of providing space in excess of this figure was £4.2 million a year.

18 Example of the methodology used to calculate the additional cost of providing space per person above good practice levels

Space	Annual rent	Annual operating costs ¹	Total cost
Actual 2004-05 data for an office where space per person is 21 square metres			
859 square metres	£154,000, £179 per square metre.	£67,100 (cleaning, security, utilities, maintenance and repairs).	£221,100
Estimates if space per person reduced to 17 square metres			
697 square metres	£125,000, assuming same rent of £179 per square metre is paid	£57,600, assuming 25 per cent of operating costs are fixed and the remaining 75 per cent variable and reducing in proportion to the reduced floor area.	£182,600
Reduction in space and costs			
162 square metres	£29,000	£9,500	£38,500

Source: National Audit Office

NOTE

¹ We have excluded business support costs of £38,490 from this calculation.

APPENDIX 2

The Culture, Media and Sport buildings covered by our survey¹⁹

Organisation	Description of Organisation	Map Ref ¹	Location	Type of Office	Number of Staff ²	Net Internal Area (square metres) ³
Arts Council England	Development agency for the arts, and distributor of lottery and non-lottery grants	1	London – SW1	Head Office	230	2,927
		2	London – SW1	Head Office	80	1,118
		3	Nottingham	East Midlands Regional Office	49	1,065
		4	Cambridge	East Regional Office	41	859
		5	London – EC1	London Regional Office	119	1,626
		6	Newcastle upon Tyne	North East Regional Office	50	830
		7	Manchester	North West Regional Office	62	892
		8	Brighton	South East Regional Office	57	948
		9	Exeter ⁴	South West Regional Office	46	381
		10	Birmingham	West Midlands Regional Office	50	792
		11	Dewsbury	Yorkshire Regional Office	45	700
		12	Dewsbury	Yorkshire Support Office	0	334
		13	Liverpool	Additional desk space for North West	0	45
Creative Partnerships programme to develop creativity in learning, administered by Arts Council ⁵		14	Truro	Local CP Office	9	71
		15	Slough	Local CP Office	6	46
		16	Bristol	Local CP Office	6	51
		17	Liverpool	Local CP Office	5	127
		18	London – SE1	Local CP Office	5	80
		19	Birmingham	Local CP Office	4	48
		20	Derby	Local CP Office	4	18
		21	Hull	Local CP Office	4	46
		22	London – E15	Local CP Office	4	31
		23	Manchester	Local CP Office	4	40
		24	Rotherham	Local CP Office	4	29
		25	Sunderland	Local CP Office	4	84
		26	West Bromwich	Local CP Office	3	56

¹⁹ Completed in respect of buildings in 2004-05.

Organisation	Description of Organisation	Map Ref ¹	Location	Type of Office	Number of Staff ²	Net Internal Area (square metres) ³
Arts Council England <i>continued</i>		27	Norwich	Local CP Office	2	74
		28	Ryde	Local CP Office	1	10
					894	13,328
Big Lottery Fund	Lottery distributor for projects benefiting communities and the needy	29	London – EC4	Head Office and London Regional Office	520	4,627
		30	Nottingham	East Midlands Regional Office	42	1,858
		31	Cambridge	Eastern Regional Office	23	464
		32	Newcastle upon Tyne	North East Regional Office	75	610
		33	Warrington	North West Regional Office	31	603
		34	Guildford	South East Regional Office	29	561
		35	Exeter	South West Regional Office	31	649
		36	Birmingham	West Midlands Regional Office	43	596
		37	Leeds	Yorkshire and The Humber Regional Office	37	606
						831
Department for Culture, Media and Sport	Central Government Department	38	London – SW1	Head Office	335	6,571
		39	London – SW1	Head Office	110	1,320
		40	London – WC2	Head Office	110	1,365
		41	London – W1	Head Office	75	1,840
				630	11,096	
English Heritage	Statutory adviser on historic environment and distributor of non-lottery grants	42	London – W1	Head Office and London Regional Office	496	8,361
		43	Northampton	East Midlands Regional Office	43	560
		44	Cambridge	East of England Regional Office	71	556
		45	Newcastle upon Tyne	North East Regional Office	30	618
		46	Manchester	North West Regional Office	40	496
		47	Guildford	South East Regional Office	54	1,053
		48	Bristol	South West Regional Office	25	381
		49	Amesbury	Stonehenge Office	5	112
		50	Birmingham	West Midlands Regional Office	47	548
		51	York	Yorkshire Regional Office	103	1,459
		52	Swindon	Customer Services Centre	128	1,642
		53	Swindon	National Monuments Record Centre	226	7,059
		54	London – W1	Vacant Office, being marketed	0	185
		55	Northampton	Vacant Office, being marketed	0	121
				1,268	23,151	

Organisation	Description of Organisation	Map Ref ¹	Location	Type of Office	Number of Staff ²	Net Internal Area (square metres) ³	
Football Licensing Authority	Oversees safety and crowd management at football grounds	56	London – W1	Head Office	6	170	
Museums, Libraries and Archives Council	Provides leadership, advocacy and advice in its fields	57	London – SW1 ⁶	Head Office	76	655	
National Endowment for Science, Technology and the Arts	Fund to support and promote talent, innovation and creativity in these fields	58	London – EC3	Head Office	40	616	
		59	London – EC4	Head Office	60	862	
		60	Birmingham	West Midlands Satellite Office	1	22	
					101	1,500	
National Heritage Memorial Fund	Distributor of lottery funding for projects relating to national and local heritage	61	London – SW1	Head Office, London and South East Regional Offices	155	2,322	
		62	Nottingham	East Midlands Regional Office	15	232	
		63	Cambridge	East of England Regional Office	15	367	
		64	Newcastle upon Tyne	North East Regional Office	13	219	
		65	Manchester	North West Regional Office	14	402	
		66	Exeter	South West Regional Office	15	435	
		67	Birmingham	West Midlands Regional Office	13	287	
		68	Leeds	Yorkshire and The Humber Regional Office	15	236	
					255	4,500	
National Lottery Commission	Regulates the National Lottery	69	London – W1	Head Office	33	587	
Public Lending Right	Organises payments to authors arising from public library book loans	70	Stockton-on-Tees	Head Office	14	483	
Regional Cultural Consortia	Implement regional cultural strategies, promote cultural and creative interests						
		Culture East Midlands	71	Nottingham	East Midlands RCC	3	15
		Culture North East	72	Newcastle upon Tyne	North East RCC	3	20
		Culture North West	73	Manchester	North West RCC	4	58
		Culture South East	74	Guildford	South East RCC	3	18
		Culture South West	75	Exeter	South West RCC	3	22
		Culture West Midlands	76	Birmingham	West Midlands RCC	4	35
		Living East	77	Cambridge	East of England RCC	3	15
		Yorkshire Culture	78	Leeds	Yorkshire and The Humber RCC	6	36
					29	219	

Organisation	Description of Organisation	Map Ref ¹	Location	Type of Office	Number of Staff ²	Net Internal Area (square metres) ³
Sport England	Provides strategic leadership for sport in England and distributes lottery funding	79	London – WC1	Head Office, London Regional Office	189 ⁷	2,424
		80	Nottingham	East Midlands Regional Office	16	493
		81	Bedford	East Regional Office	16	401
		82	Durham	North East Regional Office	17	418
		83	Manchester	North West Regional Office	20	421
		84	Reading	South East Regional Office	17	450
		85	Maidstone	South East Regional Sub-Office	2	117
		86	Crewkerne	South West Regional Office	16	317
		87	Birmingham	West Midlands Regional Office	24	321
		88	Leeds	Yorkshire Regional Office	18	483
					335	5,845
The Churches Conservation Trust	Cares for architecturally or historically significant churches no longer in use	89	London – EC1	Head Office	14	226
The Gambling Commission	Regulatory body for gambling in Britain	90	London – WC1	Head Office	80	1,389
The Royal Parks	Manages the eight Royal Parks	91	London – W2	Head Office	50	668
UK Film Council	Stimulates film industry through lottery and non-lottery funding	92	London – W1	Head Office	67	1,095
		93	London – W1	Head Office	23	307
					90	1,402
UK Sport	Promotes excellence in sport and distributes lottery funding	94	London – WC1	Head Office	75	1,369
VisitBritain	National tourism organisation marketing Britain and England as tourist destinations	95	London – W6 ⁸	Head Office	258	3,140
					5,039	80,302

NOTES

- 1 Map Reference relates to the regional maps at Appendix 3.
- 2 This is the figure for number of full time equivalent staff, where supplied to us, otherwise number of individual staff. It includes freelance or contract staff, who may not be directly employed by the organisation but who are based in the office concerned.
- 3 Net Internal Area is defined on page 23 of this report.
- 4 Arts Council England's South West Regional Office has relocated to a new office in Exeter since completing the survey for this report.
- 5 We have included the 15 Creative Partnership offices occupied for the whole of 2004-05. There are an additional 23 offices which have been occupied since April 2004, as the programme has been rolled out across England.
- 6 The Museums, Libraries and Archives Council has relocated to temporary accommodation in London WC1 since completing the survey for this report, and will be substantially relocating to Birmingham in 2008.
- 7 The figure of 189 includes 148 Sport England staff plus 41 employed by partner organisations who share this Sport England office.
- 8 VisitBritain also has a Britain and London Visitor Centre in London W4. This is primarily an information centre for public access, rather than office space, and so was excluded from our survey.

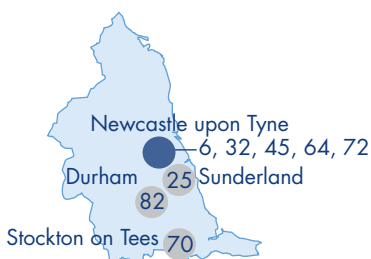
APPENDIX 3

The buildings in each region of England

Key

- 1 office
- 5 – 8 offices
- 2 – 4 offices
- 24 offices (Central London only)

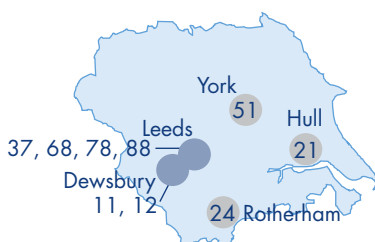
North East



Key (cross-refers to listing at Appendix 2)

- 6 Arts Council England, Newcastle upon Tyne
- 25 Arts Council England – Creative Partnerships Office, Sunderland
- 32 Big Lottery Fund, Newcastle upon Tyne
- 45 English Heritage, Newcastle upon Tyne
- 64 National Heritage Memorial Fund, Newcastle upon Tyne
- 70 Public Lending Right, Stockton-on-Tees
- 72 Culture North East (Regional Cultural Consortium), Newcastle upon Tyne
- 82 Sport England, Durham

Yorkshire and The Humber

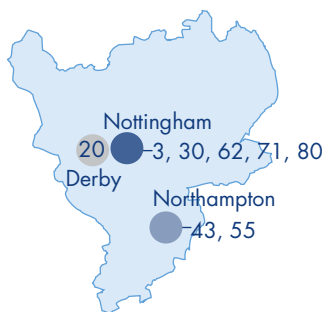


Key

- 11 Arts Council England, Dewsbury
- 12 Arts Council England, Dewsbury
- 21 Arts Council England – Creative Partnerships Office, Hull
- 24 Arts Council England – Creative Partnerships Office, Rotherham
- 37 Big Lottery Fund, Leeds*
- 51 English Heritage, York
- 68 National Heritage Memorial Fund, Leeds*
- 78 Yorkshire Culture (Regional Cultural Consortium), Leeds
- 88 Sport England, Leeds

* separate occupiers, amongst others, of a building in Leeds

East Midlands

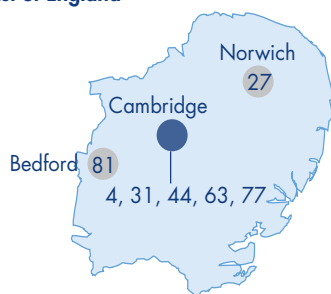


Key

- 3 Arts Council England, Nottingham*
- 20 Arts Council England – Creative Partnerships Office, Derby
- 30 Big Lottery Fund, Nottingham*
- 43 English Heritage, Northampton
- 55 English Heritage, Northampton
- 62 National Heritage Memorial Fund, Nottingham*
- 71 Culture East Midlands (Regional Cultural Consortium), Nottingham
- 80 Sport England, Nottingham

* share a single building in Nottingham

East of England



Key (cross-refers to listing at Appendix 2)

- 4 Arts Council England, Cambridge
- 27 Arts Council England – Creative Partnerships Office, Norwich
- 31 Big Lottery Fund, Cambridge
- 44 English Heritage, Cambridge
- 63 National Heritage Memorial Fund, Cambridge
- 77 Living East (Regional Cultural Consortium), Cambridge
- 81 Sport England, Bedford

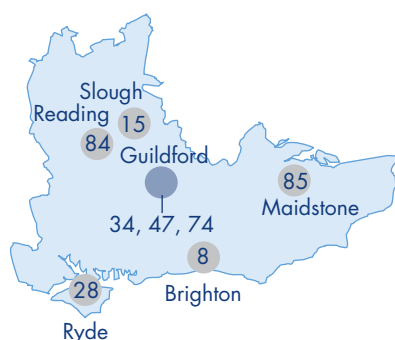
London



Key

- 22 Arts Council England – Creative Partnerships Office, E15
- 95 VisitBritain, W6
- Central London Offices:
- 1 Arts Council England, SW1
- 2 Arts Council England, SW1
- 5 Arts Council England, EC1
- 18 Arts Council England – Creative Partnerships Office, SE1
- 29 Big Lottery Fund, EC4
- 38 DCMS, SW1
- 39 DCMS, SW1
- 40 DCMS, WC2
- 41 DCMS, W1
- 42 English Heritage, W1
- 54 English Heritage, W1
- 56 Football Licensing Authority, W1
- 57 Museums, Libraries and Archives Council, SW1
- 58 National Endowment for Science, Technology and the Arts, EC3
- 59 National Endowment for Science, Technology and the Arts, EC4
- 61 National Heritage Memorial Fund, SW1
- 69 National Lottery Commission, W1
- 79 Sport England, WC1
- 89 The Churches Conservation Trust, EC1
- 90 The Gambling Commission, WC1
- 91 The Royal Parks, W2
- 92 UK Film Council, W1
- 93 UK Film Council, W1
- 94 UK Sport, WC1

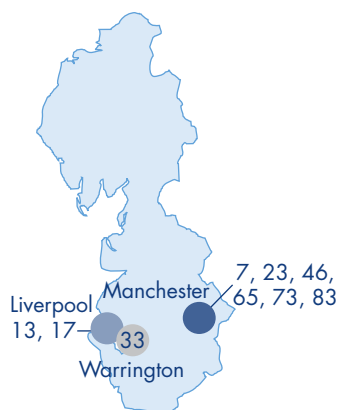
South East



Key

- 8 Arts Council England, Brighton
- 15 Arts Council England – Creative Partnerships Office, Slough
- 28 Arts Council England – Creative Partnerships Office, Ryde
- 34 Big Lottery Fund, Guildford
- 47 English Heritage, Guildford
- 74 Culture South East (Regional Cultural Consortium), Guildford
- 84 Sport England, Reading
- 85 Sport England, Maidstone

North West



Key (cross-refers to listing at Appendix 2)

- 7 Arts Council England, Manchester
- 13 Arts Council England, Liverpool
- 17 Arts Council England – Creative Partnerships Office, Liverpool
- 23 Arts Council England – Creative Partnerships Office, Manchester
- 33 Big Lottery Fund, Warrington
- 46 English Heritage, Manchester
- 65 National Heritage Memorial Fund, Manchester
- 73 Culture North West (Regional Cultural Consortium), Manchester
- 83 Sport England, Manchester

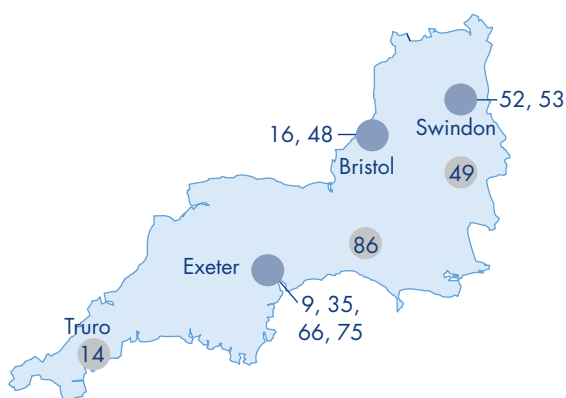
West Midlands



Key

- 10 Arts Council England, Birmingham
- 19 Arts Council England – Creative Partnerships Office, Birmingham
- 26 Arts Council England – Creative Partnerships Office, West Bromwich
- 36 Big Lottery Fund, Birmingham
- 50 English Heritage, Birmingham
- 60 National Endowment for Science, Technology and the Arts, Birmingham
- 67 National Heritage Memorial Fund, Birmingham
- 76 Culture West Midlands (Regional Cultural Consortium), Birmingham
- 87 Sport England, Birmingham

South West



Key

- 9 Arts Council England, Exeter
- 14 Arts Council England – Creative Partnerships Office, Truro
- 16 Arts Council England – Creative Partnerships Office, Bristol
- 35 Big Lottery Fund, Exeter
- 48 English Heritage, Bristol
- 49 English Heritage, Amesbury
- 52 English Heritage, Swindon
- 53 English Heritage, Swindon
- 66 National Heritage Memorial Fund, Exeter
- 75 Culture South West (Regional Cultural Consortium), Exeter
- 86 Sport England, Crewkerne