

# The estate we are now in – public sector land and buildings

The public sector has collected much land and many buildings over the years. Managing this well can provide better conditions for employees and better results for taxpayers.

I am not one who thinks we should sell off our core estate, or go in for expensive financing through sales and leasebacks. I was critical of Gordon Brown doing some of this. It is cheapest and best to own the freehold of the core estate, and to take direct responsibility for the maintenance and replacement of the buildings on the core estate. The UK government still has crucial sites with heritage buildings in Central London and elsewhere. Most Councils have good central sites, some with heritage buildings. Lets use them and look after them in the public sector.

In central London the Foreign Office, Downing Street, the Treasury, Parliament, the Scottish and Welsh Offices, the Banqueting Hall, the Queen Elizabeth Conference centre are all important sites and heritage buildings of varying ages. Keeping a strong central estate around the palaces of Westminster and Whitehall makes sense. Beyond the historic core it is good to have some other sites close to the action. The buildings for departments like Education, Business, Culture Media and Sport, Transport and the Home Office do not have the same architectural and historical significance as the heritage buildings. Some of this space may become surplus to overall Whitehall requirements, and some of the properties where the state is freeholder may be suitable for substantial redevelopment. Sub letting to other users in some cases may be a good source of revenue whilst keeping land holdings that could be useful. The further from the core, the better the case for disposal of surplus accommodation.

Beyond central London there are huge MOD holdings. There is some move away from the most valuable areas. In my own constituency the army has moved out from its large Arborfield base so that can be sold for the taxpayers and transformed into private housing. There needs to be suitable forces housing supplied elsewhere. I continue to campaign for a home base approach for all three services where single or family accommodation is provided for service personnel at a constant place where their children can go to school and their loved ones can live or be nearby without constant change.

There is some movement down in total numbers of public service employees, as various services come to rely more on computing power. This over time frees space for disposal or re letting. As a general policy aim those officials who need regular and easy access to Ministers should come to live on the heritage estate near to Parliament. Major centres of public sector employment should be away from highly stressed and expensive parts of the country. As more comes to be done on line so there will be more scope to streamline local offices, and to create more one stop shops incorporating more than one government function or department.

The government is going over to a system of centrally managed estates with rental charges to departments for use whether the state is paying rent to a third party or owns the building. This should inject more discipline into property use, and could also lead to a demand for higher standards of services and interior fitment from client departments. This would be good for morale.

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## Some big businesses contradict themselves on Brexit

The large companies that still want us to remain in the EU are pushing back hard on the government.

They contradict themselves. They say an early exit with no deal will be bad for their UK activities, yet their main demand is continuing access to lots of cheap continental labour after we leave! They must be planning to expand their UK businesses whilst suggesting the opposite.

As many of them recommended the disastrous recession creating Exchange Rate Mechanism to the UK, and thought the Euro would be good for the economies of Europe the UK government should be sceptical of their judgement.

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## Absenteeism in the public sector

“They can’t all be ill” said someone looking at high absence figures in part of the public sector. They probably were not. Some private sector organisations have an absenteeism problem. There it is usually a sign of low morale, poor leadership, poorly structured jobs. Some parts of the public sector suffer from high absentee rates too. Senior public sector managers need to change their organisations so more people turn up. The public sector probably has to have 1% more staff to cover for excess absence.

Anyone who is ill should of course have time off to have it checked out and to recover. The flu ridden employee or the staff member with an infectious cold may do more harm than good struggling in to work, only to spread the disease more. The issue is the employees who claim they are sick because they wish to extend the week-end, have a hangover from excessive drinking the night before, have better things to do than turn up for work. I once had to help senior managers tackle high absenteeism in a factory environment. The factory needed improving in all sorts of ways to make it a better working environment, which management did. They fired the worst offender who took far too much time off when they could prove they were not ill. This had a

galvanising effect. Management was congratulated by other staff members who said they were fed up having to cover for that person when they knew it was not illness. General standards rose as a result.

If you wish to manage something you need to show it matters and explain what you want to achieve. It must be fair and sensible. The aim here is not to make people feel they mustn't be ill, or hurry them when they need rest and treatment. The aim here is to deal with abuse. That needs to be explained. You then need to measure and monitor it, to see if the team follow the new policy laid out.

Figures can be revealing. If there is an outbreak of flu then you would expect a big surge in absence. If the absence figures shows a cluster of non attendance on Fridays or Mondays, or on hot days or days when there are major events or functions, suspicions should be aroused. You should also know your workforce well enough to help them realise their wishes whilst still doing a decent week's work. If there is a big football match on tv they all want to watch, then consider letting them do that at work. You'll lose 100 minutes, not the whole day, and have some goodwill.

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## [Why do we run such a large balance of payments deficit with the EU?](#)

As some are still worried about the possibility we will trade with the rest of the EU on WTO terms after exit, I am inviting them to explain why it is we run a huge trade deficit with the rest of the EU but a surplus with the rest of the world. Why has this usually been true during our 45 years of membership? Not even large devaluations against the DM and the Euro have changed this.

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## [The budget and review cycle for Quangos](#)

Ministerial supervision of big bodies like the Environment Agency, Network Rail, and some Housing quangos is essential. Ministers are the only protector of the taxpayer and the consumer interest. As the government supplies much of their revenue as subsidy and much of their capital directly or with guarantees of borrowing Ministers can and should take an active interest in the performance of management. The managers of many of these bodies are paid

well above the senior salary norm in the public sector. This is presumably because they are expected to perform better. In order to get any value for these much enhanced salaries it is vital the Minister as the taxpayer representative sets demanding targets and only approves high pay if performance is good enough. In the end in many cases the Minister hires and fires the CEOs and Chairmen, so has every reason to take a close interest in what they do.

I suggest the following major events in an annual review cycle with the Chairmen and CEOs of these bodies:

1. Approval of budget sums for the following year – consideration of past performance and bids for extra cash
2. Review of annual figures for year just completed, including full performance review against targets and value for money review of money spent
3. Corporate plan and forecast meeting to discuss what the state will be buying with the money approved for the following year, and target revision for that year
4. Mid year review if needed by either side. Government might want a mid year review if management figures are unsatisfactory, if there are customer and public service issues etc. Quango may want review if it cannot hit target, if it needs more cash etc

The extent to which the Minister needs to be hands on will depend on a number of matters. If the quango has a history of missed targets and poor customer performance the reviews need to be detailed and regular. If the Quango has a good track record at performance the reviews can be more relaxed but there should still be the minimum regular annual cycle. Saying thank you when they have done well is as important as demanding change when they have done badly. There will need to be more contact and special meetings if something the Quango is doing achieves high public salience, or if performance nose dives.

The aim should be to build a good relationship with the Minister as a kind of supportive shareholder. Unlike a shareholder, however, the Minister also has to directly represent the consumer interest. As many of these Quangos and businesses have strong monopoly characteristics the Minister has to keep prices down and standards up, as there is often no effective market to do that for him.