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HEALTH AND SAFETY EXECUTIVE

The HSE Board

Flexible Working and The Estates Strategy

A Paper by Steve Dennis

Advisor(s): Steve Dennis

Cleared by: Steve Dennis on 5 April 2005

Issue

1. The 'hot desking' accommodation model, the pace of its application, the outcome of the Policy Group homeworking pilot and next steps.

Timing

2. For decision at this meeting.

Recommendation

3. That the Board agrees:

the introduction of the 'hot desking' accommodation model in locations where there are staff who, by their function, spend significant time out of the office and further experiments in other functions;

that we should apply this model to an estates programme which is more active, less risk averse and achieves a more consistent model across the country more quickly;

to commission the work to specify and run one or two further field-based trials of homeworking subject to agreement on location, timing and control of risks.

Background

4. In October 2003, the Board commissioned three flexible working pilots. Two of these pilots at Bristol and Worcester involved 'hot desking' for visiting staff, and these were reported to the Board in January 2005 (B/05/02 refers). The Board reiterated its desire to see a more mobile and flexible workforce and asked RPD to consult further with the Trades Unions about the findings and how flexible working could be taken forward in HSE. Two meetings with the Trades Unions have taken place chaired by Vivienne Dews.

5. The evaluation report of the third pilot, a relatively small scale homeworking exercise in the Policy Group, is attached at Annex 1. The main conclusions are that those participating welcome this way of working; the work appeared to get done just as effectively; some improvements in technology and office support are required; and more needs to be done on training and equipping managers with the skills to successfully manage homeworking, including when they themselves are homeworkers. Using a narrow interpretation, homeworking only generates positive cash flow if relatively large numbers of people volunteer to work in this way so that space can be released or sub-let.
6. Since the evaluation of these pilots three wider issues have emerged. The Hampton Review means that a relatively small number of people will join HSE in due course and, if they are co-located with existing HSE staff, this is likely to increase numbers in Nottingham, Cardiff and London. HSE is recruiting again. More fundamentally the Board has commissioned work to advise on HSE's Geography as part of the Workforce Strategy including the development of regional hubs in which a wider variety of work, and hence, job experience would be available to staff.
7. Consultation with the Trades Unions has been on the basis of the outcome of the pilots and with some flavour of how we expect flexible working in HSE to evolve; see Annex 2. In broad terms the Trades Unions views are that they:
 - agree with the aims of making the most effective use of our accommodation and offering more flexibility for staff, provided the latter is well defined and managed;
 - do not believe that the savings from hot desking are worth the reduction in office efficiency, unpopularity and resentment among many visiting staff that its further application will generate. If we (management) nonetheless continue with its application, Trades Unions will and have argued for more detailed criteria and greater clarity over the aspects on which we will consult. We believe we can reach early agreement on these detailed issues;
 - are willing to see further, larger trials of home working provided the draft agreement that has been discussed for several years can be signed off; again we judge this should be possible quite quickly.

Argument

8. Since January 2005, the main practical concerns that were raised in the hot desking pilot offices have been discussed between divisional managers, staff and BSD, and a range of agreed changes are being implemented (eg to the space occupied in Worcester and to the office layout and desking in Bristol). We have specifically sought to address and better control the health and safety concerns raised in the pilots. Events are pressing on however and we need to either release or commit to the lock-out space in Bristol by 30 April. We are well advanced on planning the move to a new office at Newcastle-u-Lyme and at the early stages of planning moves in Nottingham and in Luton. The uncertainty over our accommodation model and whether hot desking for visiting staff is a mandatory planning assumption is unhelpful.
9. In the light of these factors and the further consultation with the Trades Unions, we do need to confirm, or not, the principle that a 'hot desking' accommodation

model will be applied in the pilot offices, all future accommodation moves and re-furbishments where there are staff, who by the nature of the job they have, routinely spend significant time out of the office and that we will carry out further experimentation in other functions. This would also formally conclude the Bristol and Worcester pilots. It would not prevent sensible adaption, provided the basic planning assumption was not compromised, in other offices. Is the Board content to confirm this step?

10. Until now, the pace of the estates programme has generally been determined by the frequency of lease breaks. This has meant that the assumption has been that we are tied-in to surplus space, the associated costs and a variety of accommodation models well into the future. While lease breaks will still be a key factor, we propose that we should actively seek to manage out surplus space over the SR2004 period where we can dispose of our lease obligations in a commercially sensible way, or sub-let space. In each case, we would take the professional advice of our property advisers and only proceed where the prospects were good or better. This would result in an estates programme whose outline is at Annex 3. Does the Board agree with this approach?
11. The results of the homeworking pilot in the Policy Group are consistent with the results of others', and HSE's own previous experience in this area. It is important to note that a good deal of home and flexible working already takes place on an informal, inconsistent basis across HSE and both the home working and hot desking pilots have been useful in clarifying and crystallising the management arrangements that should apply in these circumstances, eg when one is contactable, that health and safety risks are explicitly assessed, what specific outputs will be produced, for team communications.
12. There are however a number of other important aspects where we need to develop our management capacity if we are to use home and other forms of flexible and distance working more in the future. These include how managers maintain effective motivation, morale and ethos, standards, work volume (e.g. long hours risk) and development opportunities. We also need to increase our capacity on, among other things, ensuring homeworkers play their part in training and supporting new members of staff, taking their share of reactive work, and contributing to team and wider events. More detailed work on task design and how we expect tasks to be done is also required, We need to take these challenges forward in close conjunction with the management competency project on which PD is leading and, in our view, empirically by running one or more larger homeworking pilots in the field, one of which should be in a office that is hot desking. Is the Board content with this proposal?
13. In sum, the Board's objectives in this area (of increasing the flexibility and mobility of its workforce, providing safe and healthy working conditions and reducing its estate) are, in our view, best met by pressing forward both with the accommodation hot desking model and with developing our structure and capability to offer more, better managed and better equipped homeworking. This needs to be done through a continuing evolution of the way we work in close and continuing dialogue with the Trades Unions.

Consultation

14. Discussions on the principles of these proposals have been held with the Trades Unions, those FOD divisional directors with a direct interest, and within RPD. Consultation on the text of this paper has not been possible in the time.

Presentation

15. The detail of the communications plan about the Board's decisions and the further application of these proposals will be developed with CD and will involve senior managers in the Operations Group and HSE's Health and Safety Adviser, as well as others in RPD.

Costs and Benefits

16. The costs and benefits of the hot desking proposals were set out in B/05/02, including the order of potential savings and that there would be some additional inefficiency created where staff need to clear down and re-set out their papers where hot desking operates. The costs of the accelerated estates programme are mainly in capital and capital charges which are likely to be available subject to agreement between DWP and PEFD on the capital plan. There will be extra costs from introducing more homeworking through one or more additional pilots. As it will be voluntary, the amount will depend on the take-up rate. The main benefit is likely to be the development of an alternative to our current working pattern and experience of how to operate it. In time, if the alternative is successful, there are likely to be further offsetting reductions in estate costs.

Financial/Resource Implications for HSE

17. As well the costs at para 16 above, additional management effort will be required to implement and manage the consequence of these changes.

Environmental Implications

18. A smaller estate and possibly less travel should have a positive impact.

Other Implications

19. N/A.

Action

20. See para 3.

FLEXIBLE WORKING PILOTS
PROGRAMME

POLICY GROUP HOMEWORKING EVALUATION REPORT

Version 1.0

DOCUMENT INFORMATION

Author: Peter Wood

Distribution: Steve Dennis
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REFIT PSO

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Version History

Version date	Version number	Summary of Changes	owner
02/08/05	0.1	First Draft	Peter Wood
22/03/05	1.0	First version following comments received following circulation of first draft.	Peter Wood

INTRODUCTION

- 2 The CSR argued that significant savings on estate-related expenditure could be achieved if HSE were to adopt more flexible working patterns and a more commercial space standard in its offices. This is of particular interest because although HSE's planned expenditure rises in cash terms over the SR2002 period, it is likely to fall in real terms once inflation is taken into account and it is reasonable to assume that HSE's rental costs for all its estate will continue to increase (For example, the rent review for Rose Court has, even with strenuous negotiation, resulted in a doubling of HSE's rent costs to £3.4m per annum). If HSE can reduce the proportion of its gross expenditure on accommodation, a greater proportion can be spent on staff-related expenditure and direct health and safety interventions.
- 3 A proportion of HSE's staff is out of the office, for example carrying out inspections, investigations, giving advice to stakeholders, visiting other HSE offices etc. for several days each week. Some of HSE's policy staff carry out mainly considerative work and it is thought it may be possible to carry out this work, with the aid of modern ICT, largely from home.
- 4 Maintaining the estate model in its current form would have to be at the expense of cuts in other areas of expenditure within a declining baseline in real terms.
- 5 The HSE Board has therefore commissioned three flexible working pilots in Bristol, Worcester and from a group of staff in one or more policy teams in Rose Court to examine the costs empirically and explore how best to implement such arrangements nationally if it is decided to do so.
- 6 The wider government reviews on London functions, the Lyons' Review, and the Efficiency Review, led by Sir Peter Gershon, both lend weight to HSE attempting to bear down on estates costs in favour of staff related expenditure.
- 7 In addition to the above HSE believes that other benefits will accrue over time in areas such as productivity and work-life balance and the pilots will seek to establish this.
- 8 This report covers the Policy Group Homeworking Pilot. An evaluation of the field office pilots (Bristol and Worcester) has been produced separately. Ten staff from across various units within Rose Court have participated directly in the exercise as homeworkers (and continue to work at home) with their office based colleagues providing feedback on issues about life back at the ranch.

SUMMARY

- 9 The pilot commenced formally on 1 July 2004, although the pilot participants had already begun moving to their home locations from as early as April 2004. The following table summarises numbers of staff involved in the pilot:

Band	Unit/Section
1 x B2 & 2 x B3	HTPD/S15 - Biological Agents &GMO
2 x B3	HTPD/IR4 - Noise & Vibration
1 x B3	HTPD/IR2 - Workforce Transport Programme
1 x B2	CFPD/DR1 - Internal Chemicals Unit
1 x B4	CFPD/DR5 - Biocides & Veterinary Medicines Unit
1 x B4	CFPD/DR6 – Disease Reduction Science
1 x B4	NHIPD/SI7 – Nuclear/International & Radiation

- 10 The report includes views from homeworkers and office based staff, as the views of the people who remain office based are integral to the conclusions and any judgement of the outcomes.
- 11 Despite some teething troubles with setting up staff to work at home, they report that the experience has been a positive one, with the approach benefitting the type of work being undertaken and with significant improvements in work-life balance owing to the vast reduction in commuting and the stress which accompanies it in the south east. All the current piloteers would like to see homeworking continue (although one pilot member has recently retired).

- 12 That said, the experience of colleagues who have remained in Rose Court is much more mixed due to a number of physical and process issues. These include arrangements for handling and distributing mail, being “picked on” for reactive tasks due to being the one in the office and a feeling of isolation from colleagues, especially in one unit where the majority of the unit are homeworkers.
- 13 The biggest single issue for most of the homeworkers is whether they will continue to receive London Weighting allowances, if the HSE Board formally sanctions their continuing homeworking status. It should be noted, however, that the payment of London Weighting is determined currently by the parent location of the post and not by where the postholder is carrying out the job on a day to day basis. Any change to this arrangement would require a change to terms and conditions regarding pay and would therefore have to be effected in consultation with HSE’s Trades Unions in the annual pay negotiations.

COSTS

- 14 The programme business case highlighted the notional gains to accrue from establishing the ten staff as homeworkers, the key savings being the reduction in the high rent costs in Rose Court. Even with the cost for setting up each homeworkeer averaging £3k with ongoing support costs running at approximately £1.1k (exc. Broadband costs), the funding required to support the ten workers for the business case period (to March 2008) is estimated at slightly over £80k, whereas the cost to house the staff in Rose Court will cost HSE £233k based on estimated average rent cost of £5.8k per person in Rose Court (assuming 2.5 floors are sub-let).
- 15 The attached Annex 1 shows the detailed costs for supporting the ten homeworkers up to and including the 2007/08 financial year. Added to the figures originally provided in the business case are the costs for broadband provision estimated at £250 per person per year.
- 16 In order to generate cash savings in relation to Rose Court, a sufficient number of staff willing to volunteer for homeworking would be required that would enable HSE to release a wing or floor of the building and sub-let it. About 50 staff would need to volunteer in order to release a North Wing and about 65 for a South Wing.

IMPACT ON DELIVERING WORK ACTIVITIES

- 17 Homeworkers have voiced their approval of homeworking from their personal perspectives. They and their managers report that their productivity has remained unaffected and, in some cases, feel that it has actually improved, although there are no independent, quantified output or quality data to corroborate this.
- 18 Most homeworkers have carried out much of their work at home during the pilot – a seemingly obvious statement, but the reasons for this are:
 - Required visits away from home have been restricted to team/business meetings, essential to the conduct of HSE business and teamworking;
 - Prolonged work on projects/work streams is difficult without access to necessary files now located at the home;
- 19 The main issues raised have been by office based staff reporting to a homeworking line manager. They have encountered some difficulty raising issues with line managers due to their physical remoteness; not being sure when they are available, especially at times of heavy workload, where greater assistance or guidance was required; and they have felt it difficult to convey that they were working hard and putting in long hours to achieve specific outcomes.
- 20 Office staff have reported that they have also encountered additional burdens in dealing with the transmission of correspondence to their homeworking colleagues and feeling that they are “picked on” for reactive tasks due to their immediate visibility to senior and other managers.
- 21 It is interesting to note that there has been no change during the pilot to the way work is allocated to staff either home or office workers.

ORGANISATIONAL HEALTH

- 22 Staff throughout the pilot on both sides agreed that e-mail remains the main form of communication and that this holds good for most aspects of getting the job done. One difficulty to emerge with homeworking is the reduction in informal interaction between colleagues, itself recognised as an important component of teamworking. To combat this, some homeworkers have adopted measures

such as “good morning” e-mails or ensuring that they speak to office colleagues at least once per day by phone. This, however, is not widespread and the level of interaction between staff and line managers, wherever they’re each based, is averaging at about once per week.

- 23 Views did confirm though that lessons are continually being learnt regarding the integration of a homeworking force into the main body of the organisation and that specific communication protocols need to be adopted to make the initiative a long term success and to ensure that individuals do not become or feel isolated, especially true when integrating new staff within teams. There has also been an emerging view during the pilot that homeworkers feel more removed from the organisation especially when development opportunities arise.
- 24 Despite the above, staff in both office and home locations feel that their input is valued and that the degree of interaction with line managers remains adequate for work matters.

HEALTH & SAFETY RISKS

- 25 Homeworkers have reported a tendency to work for long periods at the workstation and subsequently longer than contracted hours, but otherwise no significant health and safety risks have surfaced over and above those faced working in the office. They feel competent assessing general health and safety risks within the home and using the Cardinus self assessment tool for DSE-related risks.
- 26 One issue which requires further consideration is the provision of specialist devices or software for homeworkers when visiting the office. To meet its obligations under the Disability Discrimination Act, HSE must demonstrate that it has made reasonable adjustments where staff warrant this provision. It is quite simple to provide additional hardware, but where specific software or setups (as in the case of Voice Recognition Software) are required, it is difficult to determine how this can be provided when staff visiting their parent office (or other HSE locations) are likely to be asked to hot desk in the future.

WORK-LIFE BALANCE

- 27 Homeworkers have indicated marked improvements in their own work-life balance, due mainly to vastly reduced commuting time, plus the ability to concentrate for lengthy periods on considerative tasks without the (sometimes beneficial) interruptions experienced in the open plan office.
- 28 Working at home has also provided some of the pilot members with additional non-work related benefits such as improved child care arrangements, by virtue of being at home and able to schedule work commitments more easily and flexibly than if working traditional hours in the office.

OFFICE ENVIRONMENT

- 29 None of the pilot members have reported any problems with their individual physical set ups at home. The desk, chair and type and volume of storage have posed no identifiable problems and the overall environment has proved conducive to policy work, especially when carrying out considerative tasks.
- 30 Interestingly, office staff also reported that the working environment in Rose Court had become quieter, providing an atmosphere more conducive to considerative work, but this was before the re-stack had got underway and whether this view would be sustained is no known.
- 31 The main reported drawback was the performance of the ISDN connection, covered in “Technology” below.

TECHNOLOGY

- 32 Overall, the pilot members feel that the IT service provided, including hardware and software, is adequate for their role and few problems have been reported.
- 33 The one major issue raised however was the connectivity service back to HSE. Almost all users had at some time experienced difficulties with the ISDN links which had hindered the delivery of work tasks. Typically the problems have been that either the service has not connected/timed out or that it has taken an inordinate amount of time to download documents. The latter issue is caused by the increasing file sizes of documents, many of which now contain graphics.
- 34 The obvious solution to the above would be the provision of broadband connectivity to central HSE systems such as e-mail. Information from the broadband pilot indicate that the cost per user per annum would be approximately £250, a figure which would not affect greatly the business case for offering more staff homeworking as an option.

TRAINING

- 35 All staff felt during the pilot that their job-related training needs continue to be assessed and discussed with line managers.
- 36 There had been some difficulties with aspects of the voicemail service, but these had been overcome by the provision of additional training.
- 37 Staff's main concern in this area was that they feel there is a lack of training for staff either managing remote workers or managers managing from remote locations, similar to that raised in the Bristol and Worcester pilots. Staff either did not or could not define what the actual gap or requirement is, but further work on this closely linked to PD's work on Management Capability is required.

LOGISTICS

- 38 Setting up just the ten staff at home proved difficult when operating within the confines of HSE's current procurement policies and purchasing contracts. The aim at the outset was to minimise the disruption to homeworkers by having one supplier (and therefore one visit to individual's home) for all furniture, followed by the IT contractors. Sourcing all furniture from one supplier wasn't possible due to HSE's separate single source contracts for each individual furniture type (desk, chair and storage).
- 39 The interim solution was to co-ordinate deliveries through HSE's desk supplier, because they had to visit homes to build the desks in situ.
- 40 It should be noted that BSD (Purchasing and Supply) is examining ways of providing a one-stop shop for furniture acquisition and any new arrangements should be in place during 2005-06.

CONCLUSIONS

41 The key conclusions from the pilot are:

- If the subjective evidence is accepted at face value, policy work can be carried out at home and delivered effectively. No member of staff or line manager, wherever they themselves are based, has reported any loss in productivity from home based workers;
- Because the pilot group was small, it was difficult to assess whether some changes in the office-based administrative support arrangements were needed. The feedback from the pilot suggests that someone in the office has the specific task of routing tasks to homeworkers to ensure this does not fall inequitably on those in the office. Whether such a support function should be unit or more centrally based is not known without further investigation of the requirements and processes involved;
- While homeworkers feel productive, there is a concerted feeling the IT connection should be bolstered to broadband standard to minimise download times for large files, especially where deadlines are pressing; and
- There is a perceived need for additional training for managers and remote workers to help combat some of the perceived reduction in human contact, although it has already been noted that these issues should be addressed in work closely linked to the work on Management Capability currently being initiated by PD.

Summary of Homeworking Costs

Cost Item		2004/05	2005/06	2006/07	2007/08	
Heating and Lighting		1,040	1,040	1,040	1,040	4,160
Printing (inc Tech Refresh)		856	856	856	856	3,424
Datacomms		3,360	3,360	3,360	3,360	13,440
Maintenance Visits		6,100	6,100	6,100	6,100	24,400
IT install (inc hot desking area)		25,091				25,091
Datacomms install		3,000				3,000
Broadband Provision			2500	2500	2500	7,500
Total Running Costs		39,447	13,856	13,856	13,856	81,015

To: Andrew Strawson
TU Side Chair
GSW Rose Court

From: Steve Dennis
Head of Business Services Division
R502 St Hughs House

Date: 4 March 2005

Dear Andrew

FLEXIBLE WORKING

1. We are due to meet on Monday 7 March 2005 to discuss this topic again and I want to set out the current position and our thinking, together with some supporting documents that have been or are being developed. I hope that this will enable us to make the best use of time when we meet.
2. As you know, HSE has three broad objectives in undertaking the flexible working pilots. We want to:
 - reduce the costs of the estate in real terms as a contribution to enable HSE to fund other increases in costs that are unavoidable and to release resources for re-investment in direct health and safety interventions;
 - provide fit for purpose, healthy and safe working conditions for staff;
 - increase flexibility in where work is done, for HSE and staff (depending on their function), as a contribution to our workforce strategy, offering more options to improve work-life balance and providing a more diverse range of work across the country.
3. We see three broad groups of functions:
 - a. those which HSE needs to have done from the office by staff who attend the office for the hours that they work and where HSE currently provides one desk per person;
 - b. those which require staff to routinely spend a significant part of their time out of the office and where, we believe, it is possible to provide a safe and satisfactory working environment and to make more efficient use of our accommodation through hot-desking;
 - c. those which HSE is willing to see conducted largely from home either entirely or in combination with spending a significant part of their time with stakeholders (i.e. group 3b). This would remain entirely voluntary of course.
4. As you are aware, the accommodation model that is being implemented for those staff who need to attend the office to carry out their jobs (i.e. the functions at 3a above) is based on a planning space standard of 14m² per workstation, modern

desks reflecting the introduction of flat screen technology, and low or no screens. This model is not particularly contentious although desk shape and screen heights can, as we both know, raise strong opinions. We think that there is merit in consulting locally about these last two issues although we can also appreciate there would be process efficiencies if we defined the model more tightly at a national level with you. We would be happy to discuss and agree with you where to draw the line between national and local consultation on these two issues.

5. Turning to hot desking, we have discussed the concerns and recommendations that were raised as a result of the pilots in Bristol and Worcester and agreed with the management and staff there changes aimed at alleviating their concerns and improving the initial pilot models. The changes are scheduled and will be implemented shortly. Proposed changes to the Wrexham office are being considered by the W&SW divisional management team before they come to BSD.
6. I know that the Trades Unions have been concerned about the health and safety implications of these pilots. Annex 1 to this note sets out the action that has been taken as a result of the IH1s reported during the pilots and their current status, and more generally how the concerns raised by staff about this aspect of the pilots will be better controlled by the forthcoming changes. .
7. The Trades Unions have raised questions about whether there are genuine savings from hot desking if your assessment of reductions in productivity are taken into account. The figures from the pilot evaluations do demonstrate that the savings are still significant in these circumstances. You have also asked about whether the savings are realisable and I can confirm that they are in the circumstances where HSE has a lease break (e.g. in the case of Bristol, Worcester, Newcastle-u-Lyme, Luton etc.) or where it can transfer its lease obligations to another tenant (e.g. at Nottingham).
8. I appreciate that the Trades Unions are unlikely to formally endorse or agree to further implementations of the hot desking model but we would like to discuss with you whether there are other serious concerns that remain and how best we can alleviate them, while maintaining the basic structure of the model.
9. Turning to home-working, a draft copy of the evaluation report from the pilot in policy divisions is now available and is enclosed at Annex 2. This report needs still to be considered by the Steering Group overseeing these pilots and may therefore change. The conclusions are however consistent with reports from other organisations and a recent CIPD survey, namely that those staff who volunteer for home-working believe it is preferable in many respects to the office-based alternative; that there are some issues that arise for those who remain in the office; and that managers do need to design their system of work to avoid these issues. More generally, we recognise that wider use of home-working will require more formally designed and managed systems of work so that managers manage on the basis of outputs produced (rather than attendance) and home-workers continue to receive and play their part in dealing with reactive work, in team communications, and supporting colleagues and trainees. We also recognise that wider home-working will create a training need among managers.

10. Our technical capacity to operate home-working will be much enhanced by the early summer as COIN is rolled out and as HSE can begin to provide broadband telephone links where it is appropriate. The pilot in policy divisions is relatively small and, because of the nature of the work, did not produce any quantified data about impacts on outputs, quality or service standards. We would therefore like to discuss a further but more substantial pilot which would apply the lessons from the policy pilot, implement the technical improvements, enable some quantified assessment and develop our understanding of any new skills managers may need and the changes that need to be made to the systems of work that they operate.
11. The draft agreement between HSE and the Trades Unions covering the policy pilot is attached at Annex 3. I understand that this document incorporates and builds on earlier discussions between the Trades Unions and Personnel. Our position on travel to office expenses and additional pay elements (e.g. London Weighting, Aberdeen IMT) is:
 - a “home office” would be allocated following discussions between HSE and the individual in question. This office may be the same office where the individual was based immediately prior to becoming a home-worker or it may be one located closer to their home;
 - any travel to the home office would constitute normal commuting and the cost cannot be claimed back from HSE. The cost of travel to any other office will be reimbursed according to the T&S rules at the time;
 - if the home office attracts an additional pay element, the individual will be entitled to the element (assuming other qualifying criteria are met);
 - these provisions will be subject to review and the outcomes of future collective agreements.
12. We would like to discuss any further development of this agreement that you would like to see.
13. Finally, I am attaching at Annex 4 a draft ‘diary’ of proposed property actions that sets out when and where we would seek to apply the flexible working model that prevailed at the time. We would of course be pleased to hear any views that you have on this.
14. Peter Wood has sent a draft agenda for our meeting on Monday to you which includes all these points.
15. Copies of this letter go to Vivienne Dews, Peter Wood, the PD senior management team, Paul Willgoss and Tim Beaumont; and to Paula Brown, Jonathan Holvey and Chris Hurley.

STEVE DENNIS

SUMMARY OF HSE PROPERTY PROPOSALS & ACTIONS

2004/5 – For Action

Rose Court – Restack – complete, actively marketing 2.5 floors, several prospects interested. Home working pilot evaluation completed.

Bristol, Worcester and Wrexham – Office re-locations and hot desking evaluation completed, changes being made to reflect learning from the pilots.

REW Sheffield – Sale agreed to Sheffield University for £530k subject to contract.

2005/6 – For action

N-u-L – Lease end, new build in progress, expected completion June 05.

Redgrave Court – occupation likely to be July and August 2005.

Merseyside Centre Existing Buildings:

St Peter's House – Lease expires 2014, marketing strategy in preparation.

St Anne's House – Lease expired June 2004 and holding over. Difference of opinion with landlord over the length of a short term lease.

Magdalen House – Lease allows 3 months notice on rolling break. Give notice summer 2005.

St Hugh's House – Lease expires 2006. Peppercorn rent (50p p.s.f.). No action proposed. To be used as a security point etc until lease expires. This will limit potential for vandalism etc to 'old' site.

Daniel House – Lease break 2009, marketing strategy in preparation.

Merton House – Lease already assigned to Sefton MBC. Give notice summer 2005.

Luton – Lease end, property search underway and proposals being received from prospective purchasers (current landlord has offered the building for sale) – Target post occupation of Merseyside Centre (September onwards). Need half as much space as now.

Aberdeen – Lease expires 2021. Expensive and under utilised. Propose free up newest block (at least and market). Refurbish site and make open plan, potential to sub-let more space in future. Potential savings £250k per annum.

N-u-T – Lease expires 2010. Dated and tired looking and desperately in need of refurbishment. Whole floor could be freed up but poor prospects of sub-let.

Nottingham – DWP needs the Pearson Building (owned by Trillium) for Job Centre Plus rollout. DWP will pay for relocation and alternative at Castlegate identified and agreed in principle. Timing is dependent on DWP's timetable but likely to be 2005/06. Much better location and savings of 1,000m² in space are anticipated. Costs/savings still under discussion with DWP/Trillium. Precautionary marker registered with DWP for more space if co-location of Gangmasters Licensing and Coal Authorities required.

Edinburgh – Lease expires 2017. Complicated because of uncertainty with landlord's plans. Landlord speculatively sees potential for offering HSE new space in an unpopular location and undertaking re-development to convert present building to residential

apartments for sale. Current accommodation is tired, needs refurbishing and making open plan. This would free up 3 floors for sub-let for which there are always reasonable prospects in Edinburgh. Assumes offices are still needed in Edinburgh and Glasgow and this needs to be settled in an updated Divisional Property Plan. Potential savings on current configuration of £330k per annum. Likely hub either Edinburgh or combined Edinburgh/Glasgow office.

Glasgow – Break in 2008. Carpet needs replacing and sensibly other works should be undertaken (economies of scale) and space holding reduced. Poor prospects for sub-let. Assumes offices still needed in Glasgow and Edinburgh. Will be considered in an updated Divisional Property Plan.

Basingstoke – Lease inherited from Forestry Commission and does not expire until 2065. Maintenance and re-building costs will be excessive if the lease is retained over this period. Subject to confirmation of scale of business need, HSE's property agents will formulate a plan for disposal and relocation or, if this is commercially untenable, refurbishment and sub-letting. Agents to be commissioned April 2005.

Plymouth – Lease break opportunity in March 2007 (12 months notice). Review in September 2005.

2006/7 – For action

Birmingham – HMRI now unlikely to move to this centre. If no RI take up, HSE's holding is 1,000m² oversized. Already open plan, prospects of sub-let only fair as there is already spare space in building but worth exploring. Possible regional hub? Potential savings of £300k per annum if it is possible to sub-let.

Cardiff – MOTO with Inland Revenue expires in March 2006. Below market rent and prefer to remain in situ if current commercial arrangements can be maintained. Possibility to downsize offset by need to consider possible co-location of Adventure Activities Licensing Authority (also in Llanishen). Likely hub. Needs sprucing up.

Norwich – Leases end Thorpe Road and Kiln House in 2006 and 2007 respectively. Only about half of the existing space should be required. Coordination opportunities with OGDs have been explored but these look to be high cost and risk. Likely way forward is to house all staff at Kiln House.

Manchester – There are 8 leases (1 per floor) with break opportunities in July 2007. Prospects to break on 3 or 4 floors. Potential space saving of 1,000 sq metres.

Leeds – 3 Leases (and lab space) until December 2011 with no breaks. Possible to free up and sub-let floor 2 which still leaves 14m² per person. Office located in a popular and sought after development area. Good prospects of sub-let. Possible hub. Potential savings of £170k per annum with current numbers.

2007/8 – For action

Chelmsford – No break until 2013. Likely to be reasonable prospects of sub-letting one floor. More market research to be undertaken. Already open-plan.

East Grinstead – Lease expiry March 2012, no breaks. Need to house some Construction Sector staff? Potential to release ground floor but marketability uncertain. (RBS have still not succeeded in sub-letting the space they currently rent from HSE).

Preston – There are 4 leases (1 per floor) with break opportunities in August 2006. There is likely to be potential to surrender one floor.

Sheffield – No lease break opportunity until March 2011. Potential to free up one floor and sub-let. Prospects for sub-let need to be researched but good building in good condition.

Northampton – Lease end in January 2008. Review of property options needs to begin approximately fifteen or so months beforehand.

Rose Court – RPI-linked rent increase will take place in September 2008, no break. Further consideration of sub-letting required depending on outcome of 'HSE's Geography'.

To be kept under review

Bristol, Worcester, Wrexham – new field accommodation model bedding in;

Small offices – review as opportunity or updated divisional property plan permits, includes **Stoneleigh, Poole, Inverness, Carmarthen, Ashford** and **Carlisle**.