

Accounting Officer Assessment: Workplace Transformation Programme

It is normal practice for accounting officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to making a summary of the key points from these assessments available to Parliament where it involves a project within the Government's Major Projects Portfolio.

This Accounting Officer Assessment considers the Workplace Transformation Programme which the Department for Work and Pensions launched in 2021.

1. Background

The Workplace Transformation Programme, that formally started in 2021, is a ten-year programme which is reshaping how, when and where the Department's people will work, resulting in the delivery of an estate that is 'smaller, better, and greener,' in line with Government's aspirations for its core public estate. An initial Assessment was published in January 2023, and has been updated following the refresh of the Programme Business Case.

This Programme will support the ongoing service modernisation and transformation work, while driving for efficiency with the implementation of a flexible workplace. The Programme is providing the opportunity to remove underutilised space whilst creating an estate that meets the Department's strategic needs.

Organisational, cultural, digital and estate changes are altering how the Department's people interact with their workplace. The implementation of more flexible ways of working, as Smarter Working is embedded and PAS3000 standards achieved, will improve the lives of the Department's people. The estate design, footprint and location are already resulting in fewer, better-quality buildings, supporting Places for Growth, the Levelling Up agenda and improving the environment for our customers and people. Investment in the condition and future sustainability of the estate will support the Greening Government commitments and Net Zero Carbon Targets. The Department occupies 20% of the Government's civil estate and as such is the fourth largest producer of greenhouse gasses within Government.

2. Assessment against Accounting Officer Standards

2.1 Regularity

The Programme does not require any primary or secondary legislation to deliver its objectives. The Programme's scope falls within existing common law powers, being included in the ambit of the Supply and Appropriation (Main Estimates) Act. With HMT approval for the second Programme Business Case (PBC) obtained in October 2023, and subject to HMT continuing to provide funding, beyond the SR21 period, the regularity test is met.

2.2 Propriety

Considering the expectations of the public and Parliament, and by making best use of commercial options to manage costs, the propriety test is met.

2.3 Value for Money

As outlined in the second PBC approved by HMT in October 2023, the Workplace Transformation Programme continues to deliver value for money with an overall investment of £597 million delivering £1,665 million of savings over the remaining years of the 30-year Business Case – a positive Net Present Value, after discounting, of £474 million.

The Programme faces risks that all long-term capital investments endure due to macro environment changes. Recognising there has been a reduction in the previously reported Net Present Value due in the main to the incorporation of more significant estimates for risk and contingency, there continues to be significant headroom in Programme Net Present Value for these changes to be mitigated and absorbed.

On the basis of the positive Net Present Value, the value for money test is met.

2.4 Feasibility

As with most major programmes, this Programme is carrying a number of risks, primarily around resource constraints, and uncertainties in the longer-term strategy and headcount requirements. Resourcing challenges mean that plans are under constant review to ensure the programme of work remains deliverable.

Whilst the Programme needs to take into account wider departmental work currently in progress to transform services in the future, and Department and future headcount requirements are subject to a degree of uncertainty, we are ensuring our future strategy and plans are being developed to permit flexibility and contingency, with the focus being on changes known to be definite.

With planned mitigations, the feasibility test is met.

3. Conclusion

In conclusion I have prepared this summary to set out the key points which informed my decision.

My overall assessment is that the Workplace Transformation Programme continues to meet the requirements of the 4 accounting officer tests of regularity, propriety, value for money and feasibility.

If any of these factors change materially during the lifetime of this Programme, I undertake to prepare a revised summary, setting out my assessment of those factors.

This summary will be published on the government's website [GOV.UK](https://www.gov.uk). Copies will be deposited in the library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Peter Schofield

Permanent Secretary