

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 (the Programme) which the Department for Work and Pensions (the Department) launched in 2021. The last Accounting Officer Assessment was published on 21 October 2024 based on the March 2024 Programme Business Case (PBC2). This update is based on the latest Programme Business Case (PBC3).

1. Background

The Department's estate is critical to the delivery of public services. It occupies 20% of the civil service estate. The estate is large and varied, oversized compared to departmental needs, and was mostly in a poor state of repair. The goal is to create affordable, responsive, inclusive, and sustainable workplaces that attract diverse talent and support excellent customer service.

The Department is working to transform its estate through the Programme. Phase 1 of the Programme focused on reducing site numbers and improving Service and Support Centres. In phase 2 we will continue to right-size the estate, making it more cost-effective, efficient, accessible and sustainable. This is balanced with providing maximum flexibility to make future changes, supporting the new Government's Growth Mission, and potential impacts on service design.

Over 10 years, the requirement for space will take account of smarter and new ways of working, outcomes of Service Modernisation and other transformation programmes with a strategy to build flexibility into the estate to enable the Department to respond to changes in workforce numbers.

Flexible planning developed by the Programme allows for the potential to pivot plans and accommodate revisions to the shape of delivery activity which may include changes generated by the Department's Labour Market offer. Any significant or dependent outputs from other departmental transformation programmes such as the future shape of the Jobs and Careers Service, the development of the localism agenda and other Ministerial priorities will be incorporated as required.

The Programme has undertaken a refresh of the Programme Business Case, securing HMT approval in June 2025

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. It is making use of lease breaks/ends to exit

older/poorer quality estate, for which the Department already has the legal powers in accordance with the Landlords and Tenants Act 1954.

The Programme has submitted its funding requirement for 2026/27 to 2028/29 as part of the department's Spending Review bid with a decision expected in Summer 2025.

With HMT approval for the third PBC obtained in June 2025 and subject to HMT continuing to provide ongoing funding the regularity test is met.

2.2 Propriety

The Programme adheres to the requirements of the Government Major Projects Portfolio and has undergone robust governance and assurance both internally, and externally through HMT. There is full compliance with all Ministerial and Cabinet Office spending controls and approvals procedures.

In order to strengthen governance further, the Programme has recruited an external non-executive member to join the board.

As a result of all these measures, I am satisfied that the propriety test is met.

2.3 Value for Money

As outlined in the third PBC approved by HMT in June 2025, the Workplace Transformation Programme continues to deliver value for money with an overall investment of £1.3 billion delivering savings of £2.4 billion over the full 30-year lifespan of the business case. Including delivery to date, there is a positive net present value, after discounting, of £342 million. This is a reduction of £132 million compared with the previous business case position. The reduction in the net present value since the previous business case is due to a combination of factors including changes to the delivery plan and refinement of associated cost assumptions for the next spending review period to reflect current prices in the construction industry.

The Programme faces risks that are common to long-term capital investments including changes to the macro environment. Although these changes have caused a reduction in the previously reported net present value, there continues to be financial and programme headroom 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

The Programme is currently facing several risks, primarily due to the need for certainty to be achieved on the need for estate as the Department enters a delivery phase following recent elections and the Spending Review Phase 2 2025 concludes. Resourcing challenges and changes to headcount requirements necessitate constant review of plans to ensure the Programme remains deliverable.

Robust planning, project and programme management is in place to maximise the chances of success, with potential risks being identified and appropriate mitigation activity put in place.

With planned mitigations, I am satisfied 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

10 June 2025