



VALUATION & ESTATES OFFICE
LANDS & SURVEY DEPARTMENT

Cayman Islands Government Estates Strategy

Office Space Benchmarking Policy

August 2009

Introduction

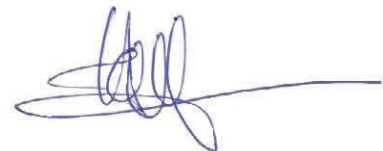
The office accommodation of CIG and its Public Authorities are currently spread among a diverse range of facilities, from centrally owned office buildings (such as GAB), to major hubs such as Elizabethan Square, and small isolated offices (such as in District Police Stations and Post Offices). The quality of accommodation varies considerably, and there is significant variation in the amount of space occupied per employee at different locations. The more space occupied by each employee, the greater the overall occupational costs (rent/capital charges, electricity, service charge etc.).

As part of a wider estates strategy, we have sought to establish a benchmark to better balance the accommodation needs of the entire Public Sector. In doing so we have compared benchmarks from many organisations worldwide, both private and public, in order to establish one appropriate for the Cayman Islands. The benchmark set is broadly in line with the office space that a large proportion of employees will relocate to upon the opening of the Government Office Accommodation Project in 2011.

The benefits of the benchmark are twofold—firstly it ensures a consistent and healthy work environment for all Civil Servants—secondly it can realise significant cost savings to CIG. Our original estimates suggest that this could be in excess of as CI \$1.5m per annum once fully implemented.

With real estate being Government's second highest cost, the potential for an estates strategy to drive cost savings and revenue enhancements to CIG are tremendous. It is hoped that this will be the first of a small number of targeted policies intended to bring consistency to real estate operations, culminating in a comprehensive review of the entire portfolio.

In this policy and moving forward we strongly welcome comments and suggestions as to how we can make the Crown Estate better for employees, and more cost effective to Government as a whole.



Jon Hall
Chief Valuation Officer
Valuation & Estates Office

Policy Application

This policy sets out the Office Space Benchmark for all CIG entities including Public Authorities and was approved by Cabinet in June 2009.

It applies to all office based accommodation, and takes into account all staff both full, part time, and occasional / touchdown.

It seeks to fulfil the key objectives of the Civil Service by providing a cost effective, consistent, and healthy working environment for all office based Civil Servants.

This policy will not be retroactive, but is effective immediately and applies to;

- All new office accommodation leased or purchased
- Refurbishments of existing premises
- Reviews of existing premises for lease renewal, rationalisation and expansion
- The purchase of new furniture

Entities will be required to have direct regard to the benchmark in requesting additional office accommodation. Before a request will be entertained, a benchmark comparison will be undertaken for the existing offices, plus a comparison for the amount of space being requested by the entity.

Whilst not retroactive, the Benchmark will be taken into account in all future reviews of accommodation, including but not limited to those required by lease break/renewal, general reorganisation of the Crown Estate, and requests for additional accommodation by any agency (not necessarily of the same Department or Ministry).

Benchmark

A benchmark of 150 sq ft per full time employee within an office based post shall be sought for all offices. The ratio for part time staff shall be proportionate to hours worked, to encourage efficient real estate utilisation (ie. 2 Part time staff working 17.5 hours each would equate to one full time staff member for the purpose of the benchmark on the assumption that the staff work alternate hours).

Where there is a genuine requirement for multiple part time staff present in the office during the same time period, an additional allocation may be considered.

In calculating the benchmark comparison of an existing office (or the requirement for a new office), the number of full time equivalent staff (plus small adjustment as noted above) shall be placed in ratio to the Net Internal Area (NIA) of the office. The NIA includes areas such as dedicated receptions, but normally excludes corridors and bathrooms, and provides an accurate reflection of actual space occupied by an entity.

Adopted Benchmark

150

sq ft

Tolerances

An office which achieves a benchmark comparison within 10% of the benchmark will be deemed an efficient use of resources, with no further action required.

An office which achieves a benchmark comparison within 20% of the benchmark will be reviewed by the Valuation & Estates Office (VEO) in discussion with the requesting entity, and a space request will be approved where there are non-typical circumstances (eg. a large vault, training facility).

An office which achieves a benchmark comparison in excess of 20% higher or lower than the benchmark will be subject to a formal review on the grounds that the space is not sufficient to provide an efficient workplace (lower than 20%) or appears to be an excessive space requirement (greater than 20%).

In reviewing new space requirements the VEO acknowledges that securing space of a size commensurate to the benchmarked requirement is often not practicable. Where a proposed space is in excess of the tolerated variance solely through the lack of supply of suitably sized premises then the VEO may waive the requirement for review, however will provide justification for the deviation to the Ministry of District Administration, Works & Gender Affairs when seeking Cabinet approval for the premises.

Target Space Standard

Within **10%** of benchmark

VEO Review undertaken

Within **20%** of benchmark

Formal Review undertaken

In excess of **20%** from benchmark

Reviews

Where a formal review is required, the requesting entity and the VEO shall each provide a statement (maximum 1 page, 12pt font) to the Permanent Secretary, Ministry of District Administration, Works & Gender Affairs. The entity shall set out a statement of reasons supporting the deviation from the benchmark, and the VEO shall provide analysis and recommendations of the requested deviation.

If the Permanent Secretary is in agreement with the deviation then the VEO shall commence proceedings to secure new accommodation, or relocation / renovations may continue. If the Permanent Secretary is in disagreement with the proposed deviation then the statements of the entity and the VEO, together with the opinions of the Ministry shall be presented to Cabinet for consideration, whose decision shall be final.

The Benchmark shall be reviewed every 3 years to ensure that it remains applicable to the performance of the Crown Estate.

Feedback & Further Information

To provide feedback on this policy and suggest improvements for future revisions please email the Chief Valuation Officer, Jon Hall (jon.hall@gov.ky).

For information on the impact of the this policy on your office accommodation, or to discuss future accommodation needs please contact your normal estates representative at the Valuation & Estates Office, Lands & Survey Department.



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