

The Scottish Civil Estate 2020-2021



The eleventh report on the performance and environmental sustainability of the Scottish Civil Estate.

Laid before the Scottish Parliament by the Scottish Ministers under Section 76 of the Climate Change (Scotland) Act 2009.

October 2021

SG/2021/289

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1. Introduction

This is the eleventh annual report on the efficiency and sustainability of the Scottish Civil Estate and has been produced in accordance with the provisions of the Climate Change (Scotland) Act 2009, which can be viewed in Appendix 1 of this report.

Scottish Ministers are required to lay before the Scottish Parliament a report containing an assessment of the progress made during the year towards improving the efficiency and the contribution to sustainability of buildings that are part of the civil estate in Scotland.

A second obligation is to report on the number of properties acquired by Scottish Ministers within the financial year that do not fall within the top quartile of energy performance.

To manage the effects of the global Covid-19 pandemic and in alignment with advice to the country as a whole, Scottish Government enabled as many staff as possible to work from home with effect from 23 March 2020. Nonetheless further progress on making sustainable improvements to the estate has been made and will be highlighted.

2. Executive Summary

Scottish Ministers are required to lay before the Scottish Parliament this eleventh annual report assessing progress in improving the efficiency and sustainability of the Scottish Civil estate.

Key performance indicators are gathered to reflect the size, use and energy efficiency of the offices which the core Scottish Government and its diverse executive agencies occupy, and where they control the building's plant and environment.

The estate being assessed is not static and comparisons year to year are difficult due to the natural evolution of staff numbers, working practices and the number of bodies comprising the Scottish Government's executive agencies.

The Central Estate Strategy introduced by Scottish Government in April 2019 built on work in preceding years to reduce the total estate size by 20,564 m² with 9 fewer buildings, lower running costs and a transition by many organisations to 'smarter working' practices. The resulting co-locations, and essential estate investment to improve working conditions for staff, increased the total estate cost per full-time equivalent employee (FTE) for the preceding two years whilst optimising the use of existing space and supporting modern technology. This enabled a reduction in the area per workstation and area per FTE across the civil estate.

Improvements in energy efficiency have been delivered across the civil estate with a range of measures implemented such as LED lighting and installation of photo-voltaic solar panels at the larger buildings. These improvements, among others, show a continuing trend of less energy being consumed per FTE in offices.

This welcome trajectory is one of improving efficiency and sustainability across the civil estate as a whole. Scottish Government is continuing to deliver improvements across the central civil estate using accommodation and property changes together with enabling technologies to implement better ways of working and delivering services. Developments to meet Scottish Ministers' climate targets and evolving work practices across society will continue to provide opportunities for further improvements.

3. The Civil Estate from 1 April 2020 - 31 March 2021

Comparisons of this year's key performance indicators (KPIs) with those of previous years are unbalanced by the dynamic nature of the factors involved as staff numbers fluctuate and working practices change. The estate being measured is not static as the organisations which comprise the Scottish Civil Estate change over time and the number of buildings within the estate varies through acquisitions and disposals. Furthermore, the areas occupied within the buildings change as the business needs of bodies lead them to expand or contract.

The number of organisations covered by this report changes from time to time as government modernises. Social Security Scotland was recently formed as an Executive Agency in 2018 and this is the first reporting period in which one of their buildings has been included. Scottish Forestry were unable to submit full data this year due to the requirement for staff to work from home as a result of Covid, leaving them unable to access the necessary data.

The civil estate comprises many of the properties that make up the estates of the core Scottish Government and its ten executive agencies. Buildings that fall within the civil estate are listed at Appendix 2. Note that legislation requires reporting on buildings where Scottish Government wholly control the energy consumption and provision only; multi-occupied properties are excluded.

Under the Climate Change (Scotland) Act 2009, Scottish Ministers must report on any building acquired which does not fall in to the top quartile (an A to C rating) on the Energy Performance Certificate (EPC).

220 High Street, Glasgow is currently rated D for energy performance. Social Security Scotland are new occupiers in the building and are carrying out energy performance improvements such as installing low energy lighting throughout the building. These measures should lead to an improved score on the EPC over time.

The Scottish Civil Estate

The civil estate comprises many of the properties that make up the estates of the core Scottish Government and its ten executive agencies. During the period of this report they were:

- Accountant in Bankruptcy
- Disclosure Scotland
- Education Scotland
- Forestry and Land Scotland
- Scottish Forestry
- Scottish Prison Service
- Scottish Public Pensions Agency
- Student Awards Agency for Scotland
- Social Security Scotland
- Transport Scotland

¹Buildings that fall within the civil estate are listed at Appendix 2. Note that legislation requires reporting on buildings where Scottish Government wholly control the energy consumption and provision only; multi-occupied properties are excluded.

3.1 Context

The organisations comprising Scottish Government and its executive agencies are complex and multi-faceted with executive, operational and administrative functions.

Supporting the delivery of these functions means the civil estate comprises a diverse collection of assets that range from administrative offices, to highly specialised facilities such as fisheries and agricultural research stations and laboratories.

This report focuses on the administrative part of the civil estate and particularly those offices where the core Scottish Government or its executive agencies are the main occupier and control the buildings, plant and environment. For completeness, the report includes the Key Performance Indicators (KPIs) for the whole estate, comprising both offices and specialist buildings, in a matrix in Appendix 3. The text generally refers to the administrative estate but comments on the whole estate where there are features of particular interest.

3.2 The Scottish Government's Office Component of the Civil Estate

During 2020-21, the office component of the civil estate comprised 29 administrative buildings with a net internal area (NIA) of 91,284.43m². The Scottish Government's core office estate includes both owner-occupied and leasehold properties. The three major administrative buildings in Edinburgh - St Andrew's House, Saughton House and Victoria Quay - are owned (Saughton House is held on a long ground lease) and comprise 60,218.80m², or around 66% of the total floor area of the 29 administrative office buildings. To make efficient use of existing contractual space, a significant proportion of this is shared on a co-location basis with other government departments such as the Scottish Courts and Tribunals Service (SCTS) and the Student Awards Agency Scotland (SAAS).

This report includes a number of specialist buildings including the freshwater fish laboratory at Faskally. The overall net internal area of both office and specialist buildings is 138,161.22 m².

The closure of government offices in late March 2020 as a result of Covid-19 has resulted in staff not working in the office for the full reporting period. However, for the purposes of this report, the figure used for full time equivalent (FTE) staff in each building is the number of FTE staff who would be occupying the building in a normal reporting year. This is to maintain the integrity of figures based on headcount.

3.3 Objectives of Estate Management

A key objective of Scottish Government's property strategy remains the reshaping of the civil estate so that it fulfils modern operational requirements effectively, economically and sustainably.

In 2008, the then Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney, published his Asset Management report. This provided a property management framework which led to the successful completion of a strategy to reduce the size of the Scottish Government core administrative estate (and related costs) by 25% by 31 March 2016.

The Central Estate Strategy published in April 2019 builds on this work and going forward will continue to be developed to reflect Ministers' climate, infrastructure and efficiency targets.

The main aims of the management of the civil estate remain to improve:

Efficiency – through using existing space more effectively and simultaneously reducing the size and running costs of the estate. The introduction of modern working practices means that the Scottish Government and its agencies will require less space for particular tasks and evolving work practices across society will inform future estate planning post Covid-19.

Sustainability – by reducing carbon dioxide emissions, water consumption and waste, and improving energy performance and waste recycling, the Scottish Government will continue to improve its environmental performance to meet Scottish Ministers' net-zero targets ¹. Additional guidance extending and refreshing Scottish Government's core estate strategy is in development.

3.4 Performance Measurement

The efficiency and sustainability of the civil estate is assessed using a number of KPIs taken from internal sources which enable measurement and reporting on:

- the overall area of the civil estate (m²) and the total number of full time equivalent (FTE) staff which allows calculation of space, cost and energy usage per FTE
- workspace efficiency in offices expressed as total estate cost (rent, rates and other costs of occupation) per FTE, rent per m² of Net Internal Area (NIA), and the use of occupied space expressed as NIA (m²) per workstation.
- commitment, wherever possible, to procure buildings in the top quartile of energy performance.
- sustainability performance against targets for waste recycling and water consumption.²

This report provides both a snapshot of the position as at 31 March 2021, and an indication of some of the changes over the last nine reports which are shown graphically.

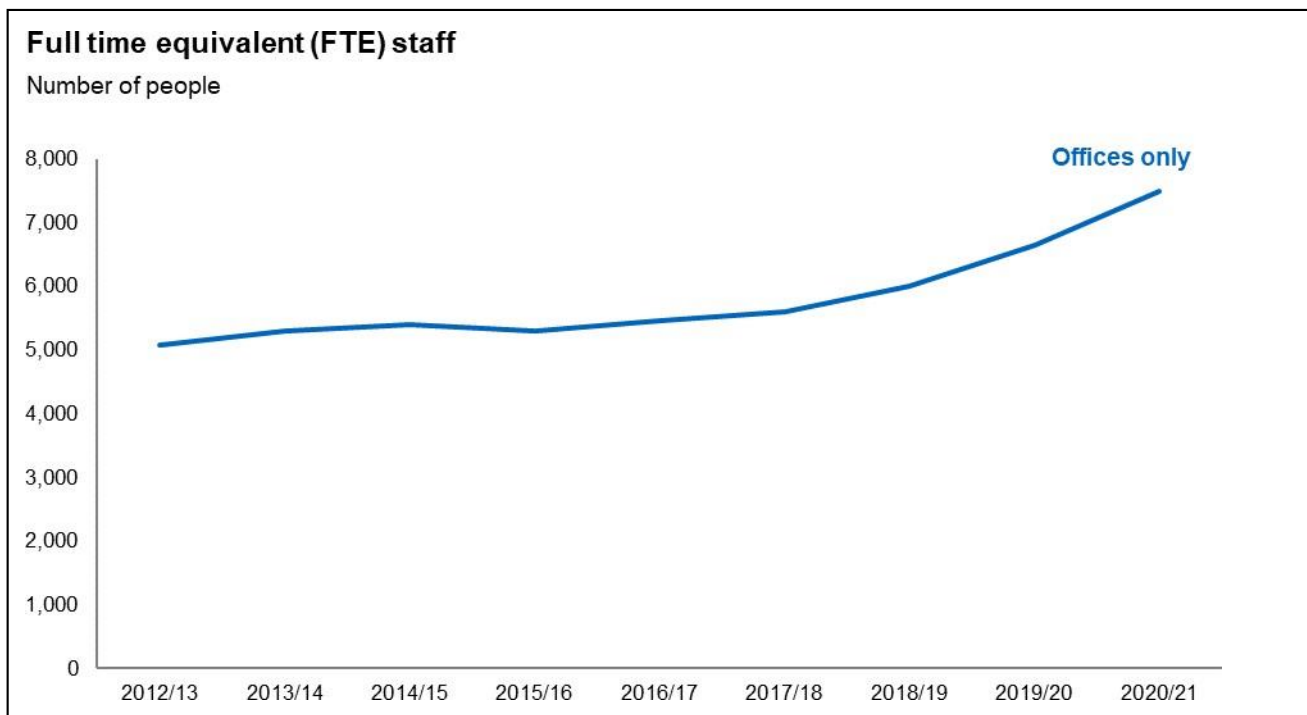
3.5 The Organisational Context

As organisations come into and leave the civil estate and the Scottish Government responds to key priorities, statutory powers change and staff numbers vary accordingly. This makes this series of reports difficult to interpret, particularly as the definition of what constitutes a FTE member of staff has also changed in that period within some of the organisations. Broadly speaking, most bodies have been reducing space per FTE over the 10 year period, and as that happens, they rationalise and dispose of space as their leases permit. For some organisations, this can cause KPIs relating to space usage to deteriorate for a period as smaller numbers of staff occupy more space than they need until the surplus space can be disposed of at lease-end. Overall the floor area of the estate is lower than at the start of the series. Social Security Scotland come into the report for the first time this year, adding one additional property.

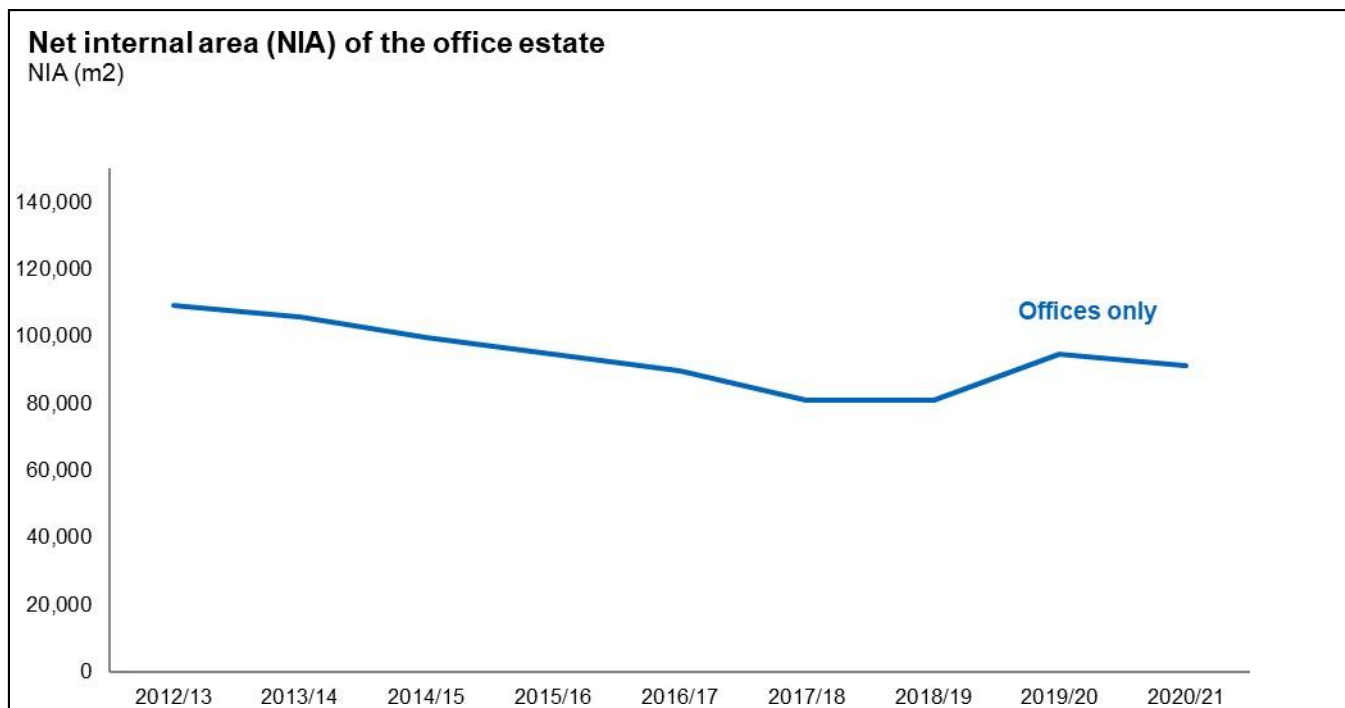
¹ [Link to Scottish Government Climate Change targets.](#)

² [Link to 'Scotland and the sustainable development goals...'](#)

4. Efficiency and Sustainability 2020-21



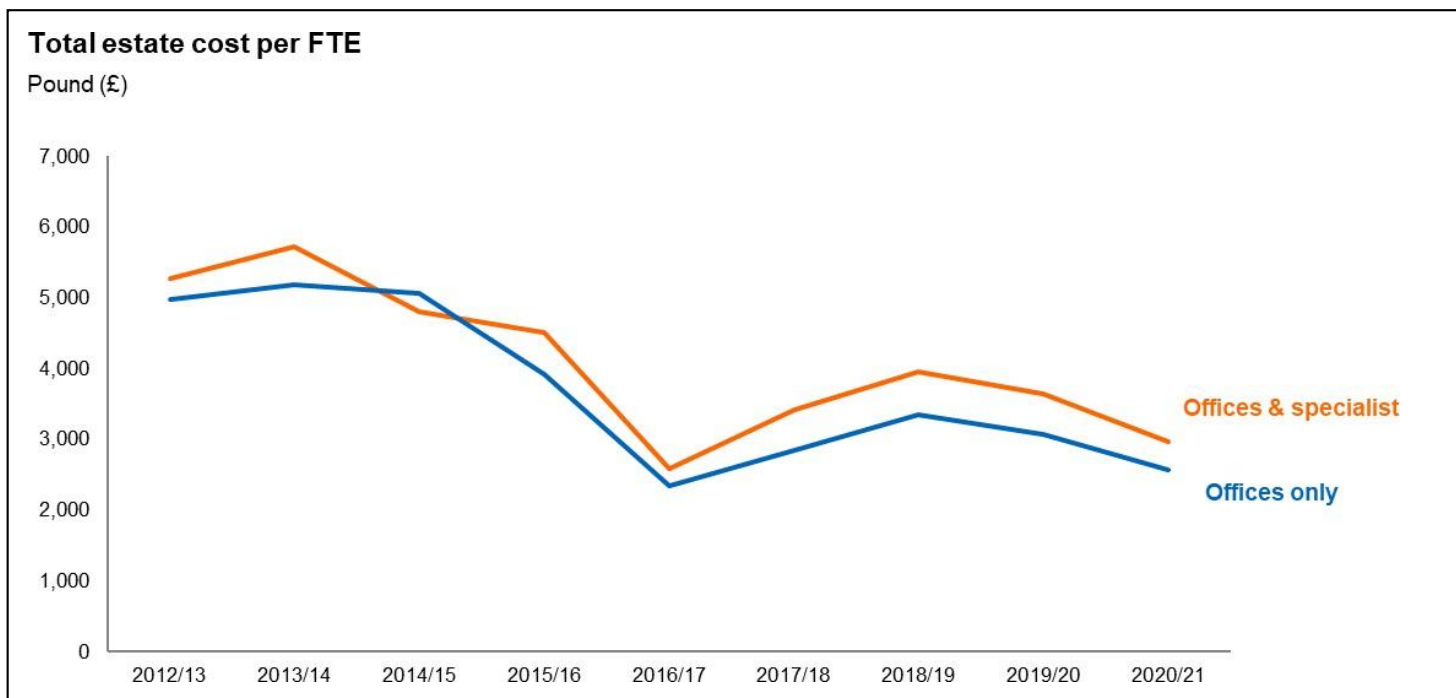
The basis of the full time equivalent count has been revised from 2014-15 onwards which affects comparisons with previous years' data. The increase shown over 2020-21 is a result of the addition of Social Security Scotland staff numbers in their property in High Street, Glasgow, as well as a slight growth in Scottish Government core numbers.



There has been little change in the underlying total net internal area in this reporting period³.

³ See section 3.5 'The Organisation Context' on page 6.

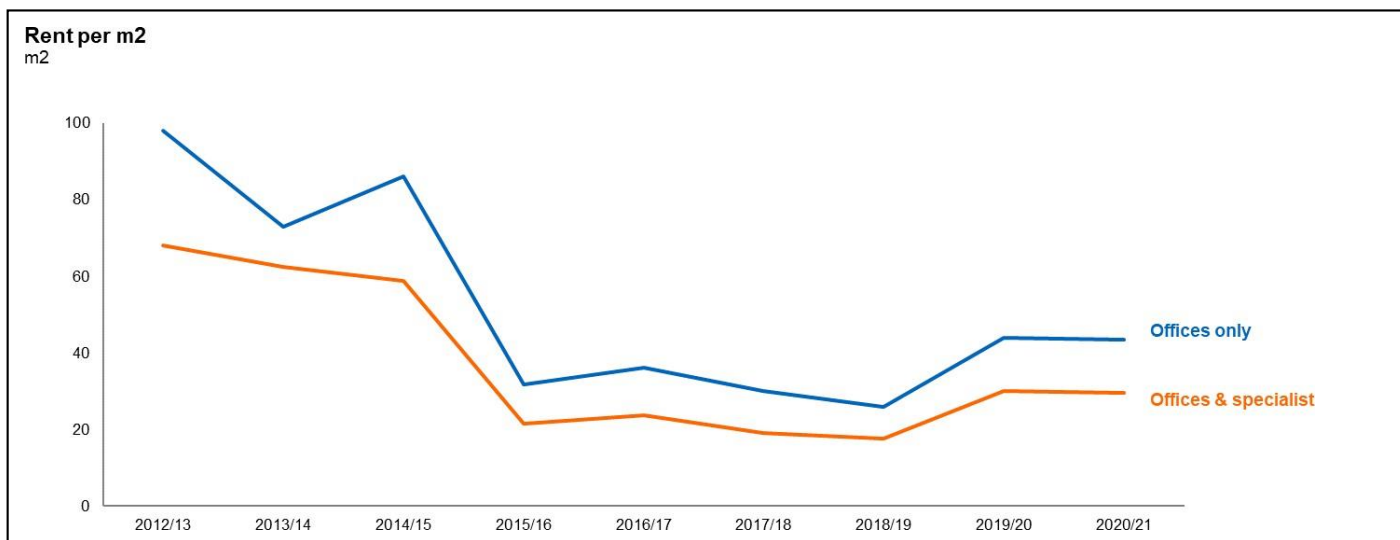
4.1 Property Costs of the Office Estate



Total Estate Cost includes rent, rates and a wide range of other costs of occupation including repairs and maintenance, service charges, water and sewerage, security and cleaning. There was a significant reduction in total cost per FTE between 2014-15 and 2016-17, which is a reflection of the reduction in floor space retained overall. The increases in total costs in 2017-18 and 2018-19 reflect investment in modernising current offices to optimise use of space.

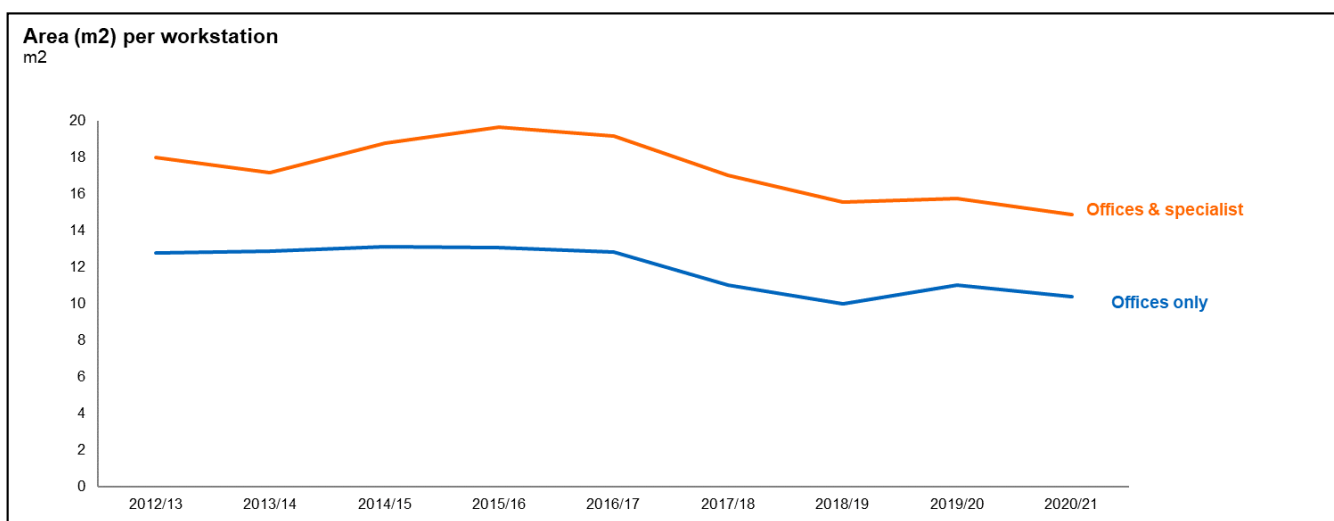
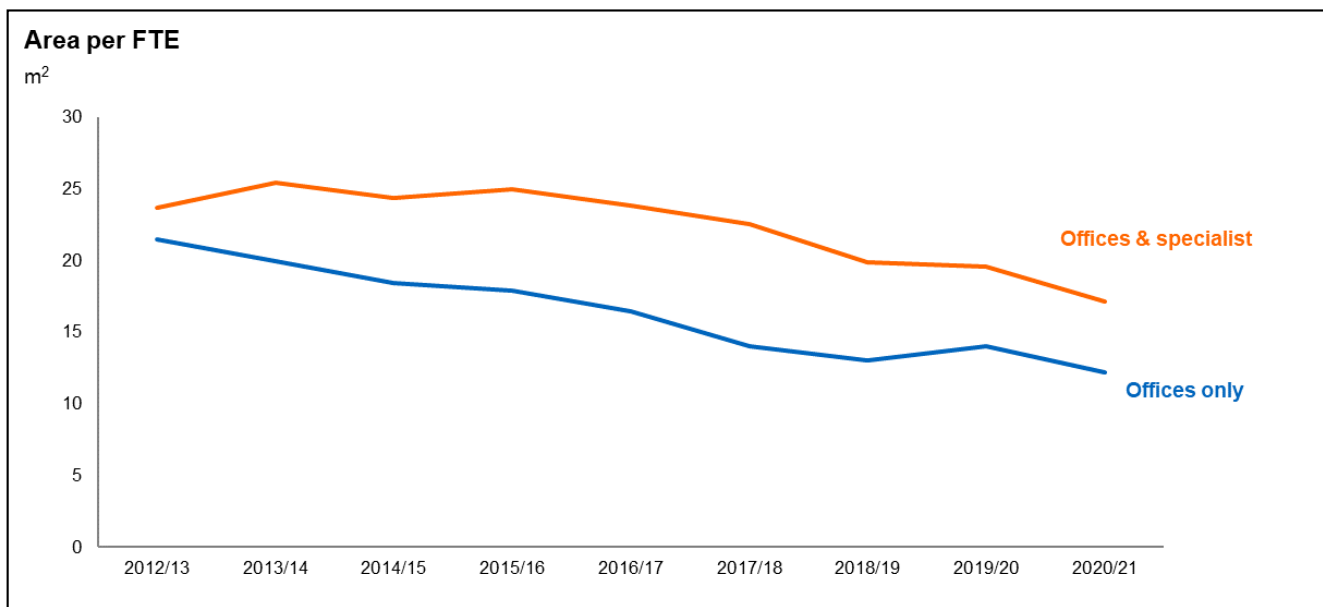
The data this year shows a decrease due to reduced costs while offices were mostly closed during covid-19 restrictions.

4.2 Property Costs on the Combined Office and Non-Office Specialist Estate



One of the factors affecting the total estate cost is rental levels. Property managers in the civil estate negotiate robustly with landlords at rent review, but some managers are faced with a lease that has either upwards only reviews of rent, or has index-linked increases built in, all of which preclude the ability to make reductions. As the market for offices is reinvigorated, demand has risen and the supply of vacant space fallen, so asset managers, including those in the public sector, have increasingly been working in an environment of declining incentives and rising rents.

4.3 Use of Occupied Space

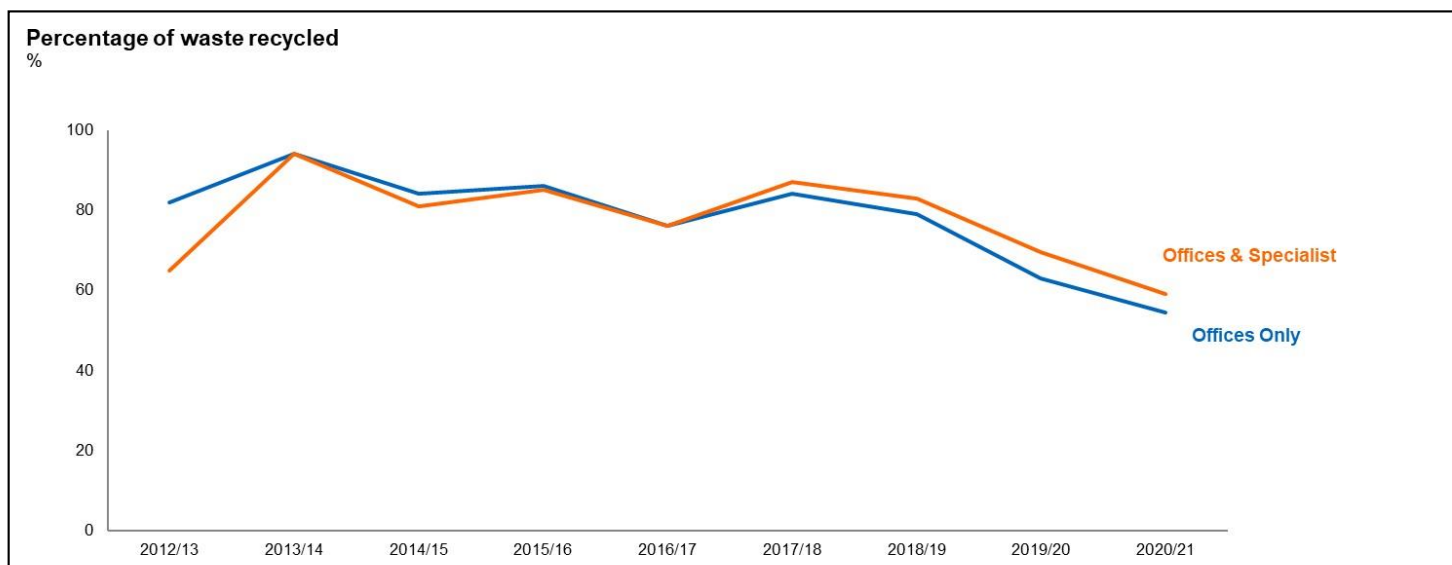


The part of the Scottish Civil Estate occupied by the core Scottish Government has embedded smarter working principles to make more efficient use of many offices. Many Executive Agencies are being supported to develop their estate strategy in this way also. By December 2016 these disposals at lease expiry and co-locations enabled a reduction of both 25% in cost and size of the estate with efficiency gains of at least £5.5 million per annum. Application of the same principles across the wider estate yielded efficiency gains of £29.1 million per annum by March 2018, and carbon savings of over 2,500 tonnes per annum.

Scottish Government introduced a Central Estate Strategy in April 2019. This strategy builds on the changes already achieved in preceding years to reduce the total estate size, its running costs and a transition by many organisations to ‘smarter working’ practices. The strategy promotes a more corporate and collaborative approach across organisations to ensure an efficient, sustainable and well-managed estate.

The part of the Scottish Civil Estate occupied by the core Scottish Government continued a programme of adaption, rolling out further refurbishment to its corporate buildings in Glasgow and Edinburgh to increase capacity. For example, in Glasgow where 1,750 staff work flexibly from 1,400 workstations and have access to more collaborative working spaces. Similarly in Edinburgh, the strategy for its largest building, Victoria Quay, is close to achieving its planned increase in capacity from 2,000 to 3,000 FTE.

4.4 Waste Recycling



Within Scottish Government, the overall recycling rate has been decreasing since 2017-18, although the overall landfill avoidance rate remains high. The decline in recycling is a result of the general waste stream from the majority of buildings going directly to incineration with energy recovery (EFW), rather than being hand separated in a Materials Recovery Facility for recycling and incineration with energy recovery. Food waste was previously sent for anaerobic digestion. Since 2019, it has instead (along with the commercially compostable takeaway packaging used in the staff canteens) been sent for composting, which is classed as a type of recycling.

Changes in how waste is disposed of such as using incineration with energy recovery produce an apparent downward trend in the headline recycling figures. This use of technology to recover energy is not classed as recycling but contributes to making the SG estate more sustainable.

Alongside that, Scottish Government is committed to reducing waste production, and to removing single use consumer plastics entirely from its waste streams. Again, these initiatives do not boost headline recycling rates in the graph above but do deliver reductions in waste production in the first place, thereby improving sustainability. Single use hot drinks cups have not been available from staff canteens or coffee outlets since June 2018. Ceramic cups are available for sitting in and staff can bring or buy a reusable cup for takeaway. When offices were fully open, this saved an estimated 450,000 single use cups a year. A number of interventions to remove single use plastics have been undertaken: products with plastic straws have been removed from staff canteens and plastic cutlery has been replaced with reusable metal cutlery. Plastic food takeaway boxes have been replaced with compostable alternatives, which are composted with the food waste in a closed loop system.

One of the last significant remaining sources of single use consumer plastics on the SG estate are cold drinks cups, located in dispensers in the shared kitchens and adjacent to water coolers. The plan to remove these dispensers and provide staff with reusable drinks bottles has been delayed by the pandemic. This work will take place when it becomes appropriate to do so. The cold drinks cups are compostable.

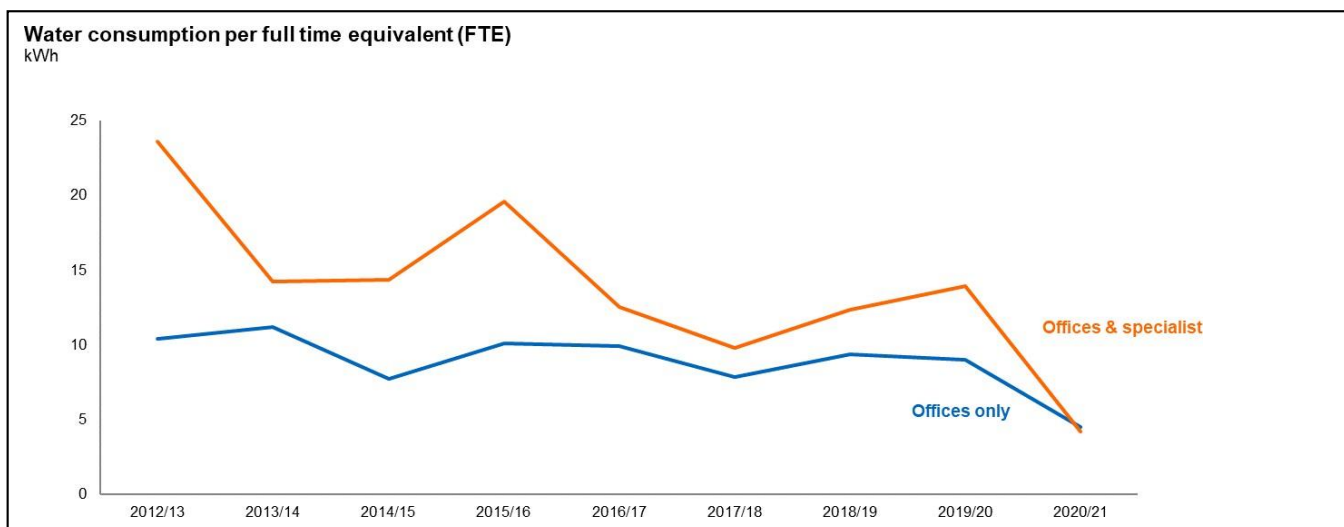
Utilities

With offices being closed to all but essential staff due to national lockdowns during the entire period of this report, the data this year shows sharp changes which are either due to temporarily reduced occupancy levels, such as water use, or arise from an increase in energy used to address heat loss due to an increased need for ventilation. Subsequent reporting periods will

likely reflect a transition back to more typical usage and planned improvements.

4.5 Water Consumption

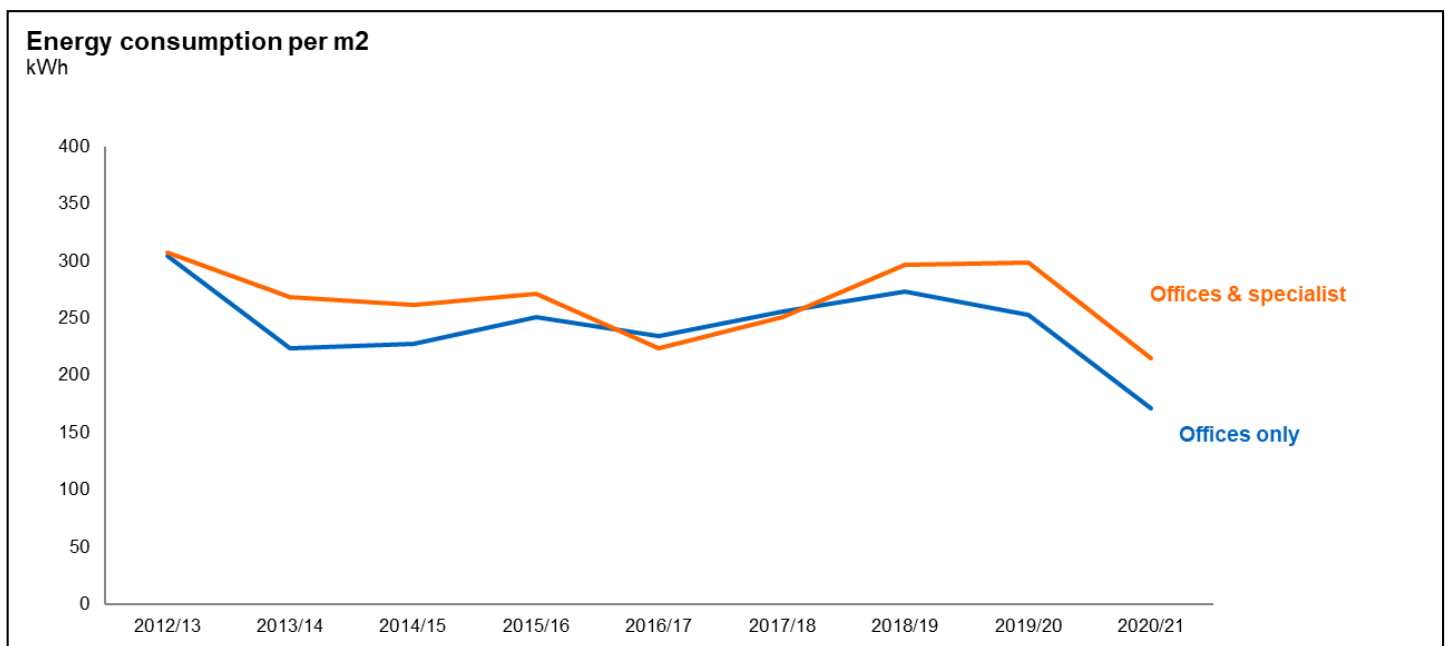
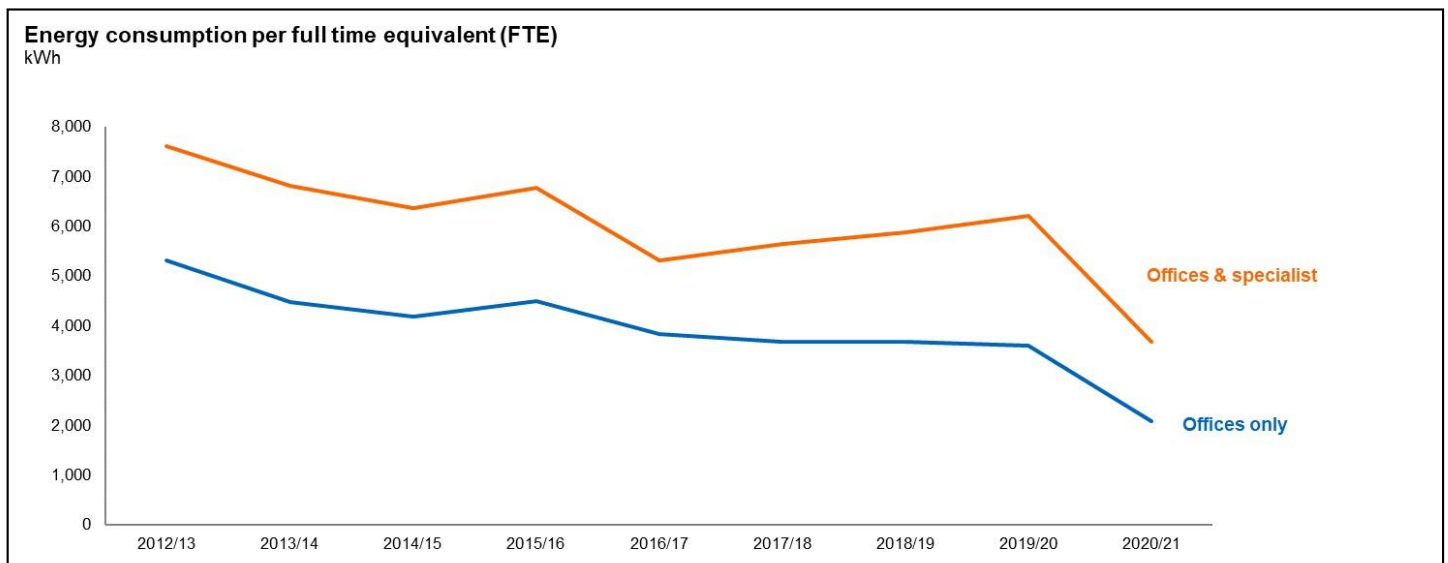
The coronavirus pandemic necessitated the closure of the majority of SG buildings for much of 2020-21. When access to the buildings was possible, they were opened to a small number of essential staff only: most SG staff worked from home for the year. One exception to this was the science and agriculture buildings, where staff could not feasibly work from home as scientific and research activities continued on site. Accordingly, the water consumption KPI appears to be significantly improved and this is representative of temporarily reduced occupancy levels.



The level of water consumption in the combined ‘Offices and Specialist’ buildings category is heavily influenced by the programme of experimentation at the SG’s Marine Laboratory where the focus is either on sea water-based, or fresh water-based activities. Sea water is extracted and returned directly to the adjacent coastal waters and is not included in the consumption figures. When the business needs of Marine Scotland require a switch to fresh water, mains water consumption increases.

Water consumption at the non-scientific sites relates directly to occupancy and has reduced significantly this year, reflecting low staff numbers in the buildings. Overall water consumption reduced to almost 50% of 2019-20 levels. Electricity consumption also reduced. However, electricity consumption is driven by baseline load as well as occupancy and overall reductions were less dramatic. At Saughton House, for example, electricity consumption was 14% lower than 2019-20. The building houses the data centre and essential IT and security staff. Across the Scottish Government core estate, electricity consumption was approximately 20% less than in 2019-20.

4.6 Energy Consumption



Gas consumption, used primarily for heating, reduced by around 27% compared to the previous year in buildings occupied by SG core. Heating was required in unoccupied buildings at a low level over the winter months for frost protection and to maintain building condition. When buildings did reopen, although staff occupancy was much lower than standard, heating was typically required to run as usual; and in some cases at an increased level to compensate for heat lost due to increased ventilation.

5. Looking Forward

Planned investment and improvement works programmed for 2020-21 were put on hold, with only essential maintenance carried out over the course of the year. These will be resumed when appropriate to continue to improve efficiency and sustainability performance and meet Ministers' targets on building-related climate matters.

The building-wide heating system upgrade at Victoria Quay, involving boiler replacements and the installation of gas-fired Combined Heat and Power (CHP) plant started in 2019-20. Delayed phases two and three, planned for 2020-21, are now programmed for the first half of 2021-22.

Appendix 1 - Climate Change (Scotland) Act 2009

The Scottish civil estate

75 Energy performances of buildings procured for the Scottish civil estate

- (1) The Scottish Ministers must, in so far as reasonably practicable, ensure that the energy performance of any building that becomes part of the civil estate in Scotland falls within the top quartile of energy performance.
- (2) For the purposes of subsection (1), a building becomes part of the civil estate if it is procured or constructed by or on behalf of the Scottish Ministers.
- (3) The Scottish Ministers may, by regulations, provide that the duty under subsection (1) does not apply in respect of specified buildings or categories of buildings.

76 Report on the Scottish civil estate

- (1) The Scottish Ministers must, in respect of each financial year beginning with 2010–2011, lay before the Scottish Parliament a report containing an assessment of the progress made in the year towards improving—
 - (a) The efficiency; and
 - (b) The contribution to sustainability,
of buildings that are part of the civil estate in Scotland.
- (2) If the energy performance of a building mentioned in subsection (3) does not fall within the top quartile of energy performance, the report must state the reasons why the building has become part of the civil estate.
- (3) That building is a building—
 - (a) to which section 75 applies; and
 - (b) which becomes part of the civil estate in the financial year to which the report relates.
- (4) The report under this section must be laid before the Parliament no later than 31 October next following the end of the financial year to which the report relates.

77 Scottish civil estate: supplementary

- (1) For the purposes of this section and sections 75 and 76—
 - (a) “building” means a building that uses energy for heating or cooling the whole or any part of its interior; and
 - (b) a building is part of the civil estate in Scotland if it—
 - (i) is used for the purposes of Scottish central government administration; and
 - (ii) is of a description of buildings for which the Scottish Ministers have responsibilities in relation to efficiency and sustainability.
- (2) The Scottish Ministers may, by order, provide—
 - (a) for buildings of a description specified in the order to be treated as being, or as not being, part of the civil estate;
 - (b) for uses specified in the order to be treated as being, or as not being, uses for the purposes of Scottish central government administration.

Appendix 2 – Offices and specialist buildings included in the 2020-221 figures

Office Building	Location
28 Cunzie Street	Anstruther
220 High Street	Glasgow
Alexandra Buildings	Lerwick
Balivanich	Benbecula
Cadzow Court	Hamilton
Caley Building	Peterhead
Callendar Business Park	Falkirk
Calton House	Edinburgh
Cameron House	Oban
Cotgreen Road	Tweedbank
Custom House	Stornoway
Douglas Centre	Buckie
Harbour Buildings	Mallaig
Keith Street	Stornoway
Longman House	Inverness
Pennyburn Road	Kilwinning
Saughton House	Edinburgh
Scorrybreck	Portree
St Andrew's House	Edinburgh
St Ola House	Scrabster
Station Street	Stranraer
Strathbeg House	Thurso
Strathearn House	Perth
Tankerness Lane	Kirkwall
Thainstone Court	Inverurie
Tweedbank Park 7	Galashiels
Unit 4B	Kinlochleven
Victoria Quay	Edinburgh
West Shore Street	Ullapool

Specialist Buildings	Location
Freshwater Fish Laboratory	Faskally
Marine Laboratory	Aberdeen
SASA HQ	Edinburgh
SPS Central Stores	Bathgate
SPS College	Falkirk
Unit 4A Bonnington	Edinburgh
Unit 4B Bonnington	Edinburgh

The merger between Historic Scotland and the Royal Commission on Ancient and Historical Monuments of Scotland (RCAHMS) to form Historic Environment Scotland completed on 1 October 2015. Any statistics relating to Historic Scotland have fallen out of the figures from 2015 - 2016 onwards.

Properties that do not form part of the Scottish Civil Estate

A building that does not use energy for heating or cooling the whole or any part of its interior, e.g. garages, water pumping stations etc.

A building that is not used for the purposes of Scottish Central Government Administration.

A building which does not meet the description of buildings for which the Scottish Ministers have responsibilities in relation to efficiency and sustainability, e.g. where Ministers are not the property holder in their own right and are not responsible for the control of the main environmental systems, e.g. Endeavour House and Buchanan House.

Scottish Prison Service: operational estate – prisons and staff college.

Appendix 3 – Performance summary Efficiency – Baseline KPIs (as of 31 March each year)

KPIs Offices	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21
Cost Per FTE (£)	4,977	5,179	5,066	3,914	2,347	2,852	3,358	3,073	2,563
Cost per m ² (£)	281	260	275	219	143	198	249	215	210
m ² per FTE (m ²)	21	20	18	18	16	14	13	14	12
Rent per m ² (£)	98	73	86	32	36	30	26	44	44
Rates per m ² (£/m ²)	54	53	48	44	92	51	52	51	41
Other Costs per m ² (£/m ²)	131	114	124	124	38	101	147	99	110
m ² per Workstation (m ²)	13	13	13	13	13	11	10	11	10
Workstations per FTE	1	2	1	1	1	1	1	1	1
Water consumption per FTE (m ³ /FTE)	10	11	8	10	10	8	9	9	5
% of total waste recycled	82	94	84	86	76	84	79	63	54
Energy consumption per m ² (kWh/m ²)	304	224	227	251	234	256	273	252	171
Energy Consumption per FTE (kWh/FTE)	5,314	4,473	4,188	4,490	3,843	3,687	3,674	3,600	2,080
Energy Cost per m ² (£/m ²)	23	19	17	16	13	16	25	19	16
Energy Cost per FTE (£/FTE)	401	377	318	286	214	228	337	271	194
FTE numbers	5,082	5,300	5,400	5,294	5,468	5,600	5,997	6,641	7,495
Estate Size	109,013	105,771	99,550	94,683	89,772	80,747	80,747	94,700	91,284
Energy Consumption per FTE (kWh/FTE)	5,314	4,473	4,188	4,490	3,843	3,687	3,674	3,600	2,080

As the organisations comprising the civil estate keep changing, the buildings listed within the estate vary, space holdings of organisations within the buildings alter with operational needs, the definitions of FTE change and measurement methods improve, year on year comparisons need to be treated with caution as like is not being compared with like.

Explanatory notes

1. The 2016-17 report covers core Scottish Government and seven agencies. Some data from the previous report has been updated in this version.
2. The 2015-16 report covers core Scottish Government and seven agencies.
3. The 2014-15 report covered the core Scottish Government and eight agencies.
4. The 2011-12 report covered the core Scottish Government estate and that of eight executive agencies. The 2010-11 report covered the core Scottish Government estate and 11 agencies. The KPIs over the years cover some different bodies and buildings.
5. The vast majority of the measurements upon which these KPIs are based, conform to the RICS Code of Measuring Practice 6th Edition, rather than the International Property Measurement Standards: Office Buildings introduced on 1 January 2016.



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