Estates management value for money indicators guidance

1) Introduction

This document sets out the indicators to be collected for the estates management function. The guidance below starts by defining the scope of the estates function and goes on to identify key questions which reflect the requirements of a modern, value for money estates management function that the indicators are aiming to help organisations achieve. The scope and key questions are included as background information as well as the primary and secondary indicators.

2) Scope

By estates management we are referring to the costs involved in managing and maintaining the administrative and operational buildings used by the organisation, and the 'estates management function' are the employees involved in managing the organisation's property (for example Head of Estates and their team).

Based on our research, the following elements are included within our definition of this function:

- Revenue costs (occupancy, building operations and estates management costs)
- Capital expenditure
- Statutory compliance and accessibility
- Project management
- Space utilisation[1]
- Environmental sustainability[2]
- Functional suitability[3]
- Flexibility[4]
- Satisfaction of internal customers

Outside our definition of this function are the following items:

- Storage / furniture
- IT infrastructure / support
- Pest control
- Waste disposal including disposal of confidential, toxic and sanitary waste and recycling
- Provision and maintenance of internal plants and flowers
- Grounds and gardens
- Car parking
- Telecommunications
- Catering and food services
- Reception services
- Courier and external distribution services
- Post room and internal distribution services
- Laundry and linen services
- Sterilisation services

---

[1] Space utilisation - developing an appropriate and consistent space utilisation definition across the sectors is very difficult but the indicators do incorporate some which focus on space utilisation such as NIA over GIA.

2 Environmental sustainability - developing a comprehensive building environmental assessment as part of this project is unrealistic as it would involve a significant appraisal, for example, similar to the Building Research Establishment's Evaluation Assessment Method (BREEAM). Some indicators which are linked to environmental sustainability are incorporated into the secondary indicators, for example, total energy consumption (kWh) per square metre (GIA).

3 Functional suitability - measurement of the functional suitability of the estate according to both staff and estates managers will rely on consultation surveys and the extent of responses received. This is captured in the commissioner / user indicator included in the primary indicators.

4 Flexibility - we have included some indicators which relate to flexibility, but we acknowledge that this is a difficult factor to capture consistently.

• Internal moves (churn)
• Vehicles and any transport costs
• Porterage

Investment properties held for commercial reasons (commercially let out to third parties etc) should be excluded from all calculations.

Where some or all of the service is outsourced, the outsourcing costs should be included within the calculation of costs.

3) Key questions

In order to help derive our VFM indicators for the estates management function, we have identified some key questions that reflect a modern, value for money estates management function which we hope the indicators will help to answer:

• Is the organisation's estates management function efficient and cost-effective?
• Does the estates management function help to ensure the organisation has buildings which are fit for purpose and which comply with key statutory requirements such as DDA?
• Does the estates management function help to ensure the organisation makes best use of the estate?
• Does the estates management function effectively support the organisation in minimising the impact of the estate on the environment?
• Does the estates management function manage maintenance and capital programmes effectively?
• Are internal customers satisfied with the services provided by the estates management function?
• Are internal customers satisfied with the functional suitability of the estate?

4) Summary list of indicators

"Area" can be measured by either GIA or NIA, according to what is normally used in a particular organisation. If organisations can complete PMS9 – GIA/NIA ratio – then they could use either or both denominators for comparison.

Primary indicators	
Primary Indicator 1	Total property costs (occupancy, operational and management) per square metre
Primary Indicator 2	Total accommodation (square metre) per employee.
Primary Indicator 3	Property maintenance backlog
Primary Indicator 4	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users. <u>Commissioner statements:</u> • The estates management function supports the overall objectives of the organisation. • The estates management function manages maintenance and capital programmes effectively (on time, budget and specification). • The estates management function helps the organisation to make best use of its accommodation. • The estates management function helps the organisation to reduce energy and water consumption. • The estates management function provides value for money. <u>User statements:</u> • The buildings / offices are easily accessible for staff, service users and visitors. • The buildings / offices are appropriate for my needs. • The buildings / offices are appropriate for service users' / visitors' needs. • The buildings / offices are appropriately secured to protect people and property. • There is a clear point of contact for any building or accommodation related queries.
Primary Indicator 5	Management practice indicator – the number practices that have been adopted by the organisation out of a possible total of 10. 1) For the last financial year, planned property maintenance costs

	equate to 60 per cent or more of total property maintenance costs. 2) There is a formal environmental management system in place covering all significant administrative buildings. 3) The organisation has the ability to 'zone' buildings in terms of heating to reduce energy consumption. 4) A comprehensive professional development programme is in place for professionally qualified property management staff which ensures that they receive at least 5 days of continuing professional development (relevant accredited training) per annum. 5) The Officer responsible for Property Services reports directly to a member of the Executive / Corporate Management Team and there is an identified individual at Board / Cabinet level with responsibility for the estate. 6) The organisation has clear and well publicised arrangements for staff who have property related queries, and all queries are logged and monitored. 7) Staff and user 'built environment' satisfaction surveys are undertaken at least annually and the results published and developed into an action plan which is monitored and regularly reviewed. 8) Surveys of the estate in relation to sufficiency, suitability, condition and costs have been carried out in the last five years and inform the capital strategy and plan and these are updated according to risk. 9) The organisation does not allocate individual 'owned' desks to staff who work in the office less than 50 per cent of their time, and regularly monitors workstation utilisation. 10) The organisation has undertaken an assessment of property requirements across the organisation within the last 3 years and has identified property that is either currently surplus to requirements or will become surplus within the next 3 years and has a plan agreed by the Board / Cabinet to address this surplus.
Secondary indicator 1	Cost of the organisation's estates management function a) per square metre b) as a percentage of organisational running costs
Secondary indicator 2	Total property occupancy/occupation costs (revenue) per square metre
Secondary indicator 3	Total building operation (revenue) costs per square metre
Secondary indicator 4	Percentage of property related capital projects completed within the project budget and timetable during the last three years.
Secondary indicator 5	Space use efficiency:

	a) Workstations per full-time equivalent staff (FTE) b) Area (square metres) per workstation
Secondary indicator 6	Average annual property capital expenditure over the last five years per square metre
Secondary indicator 7	Total annual energy consumption (kw/h) per square metre
Secondary indicator 8	Total annual water consumption (cubic metre) per square metre
Secondary indicator 9	Total accommodation (square metre NIA) over total accommodation (square metre GIA)
Secondary indicator 10	Percentage of solid waste that is recycled
Secondary indicator 11	The percentage of buildings which are used by the public in which all public areas are suitable for, and accessible to, disabled people

Gross Internal Area (GIA) as set out in the code of measuring practice is the area of a building measured to the internal face of the perimeter walls at each floor level and includes:

• Areas occupied by internal walls and partitions;
• Columns, piers, chimney-breasts, stairwells, lift-wells, other internal projections, vertical ducts and the like;
• Atria with clear height above, measured at base level only
• Internal open-sided balconies and the like;
• Corridors of a permanent essential nature (for example fire corridors, smoke lobbies, etc);
• Covered; lift rooms, plant rooms, tank rooms, fuel stores which are housed in a structure of a permanent nature, whether or not above main-roof level;
• Service accommodation such as toilets, toilet lobbies, bathrooms, showers, changing rooms, cleaners' cupboards and the like;
• Voids over stairwells, lift shafts, on upper floors;
• Loading bays;
• Areas with a head room of less than 1.5m; and
• Pavement vaults.
Any temporary or 'short life' space should be included.
It excludes:
• Perimeter wall thicknesses and external projections;
• External open-sided balconies, covered ways, fire escapes and minor canopies; and
• Canopies.

Net Internal Area (NIA) as set out in the code of measuring practice is the usable area within a building measured to the internal face of the perimeter walls at each floor level and includes:

• Atria with clear height above, measured a base level only;
• Entrance halls;
• Notional lift lobbies;
• Kitchens, cleaners' cupboards accessed from usable area;
• Built-in units, cupboards and the like, occupying usable area;
• Ramps of lightweight construction to false floors;
• A floor area which contains a ventilation/heating grille;
• Area occupied by skirting and perimeter trunking;

• Areas severed by internal non-structural walls, demountable partitions, whether or not permanent, and the like, where the purpose is partition of use, not support, provided the area beyond in not used in common;
• Pavement vaults.

Any temporary or ‘short life’ space should be included.

It excludes:

• Toilets, toilet lobbies, bathrooms and the like;
• Lift rooms, plant rooms, tank rooms, other than those of a trade process nature, fuel stores and the like;
• Stairwells, lift wells, permanent lift lobbies, atria, landings and balconies used in common or for the purpose of essential access;
• Corridors and other circulation areas, where used in common with other occupiers or of a permanent essential nature (for example fire corridors, smoke lobbies, etc);
• Areas under the control of service or other external authorities including meter cupboards and statutory service supply points;
• Internal structural walls, walls enclosing excluded areas, columns, piers, chimney breasts, other projections, vertical ducts and the like;
• The space occupied by permanent and continuous air-conditioning heating or cooling apparatus, and ducting in so far as the space it occupies is rendered substantially unusable (where such apparatus is present its area may be stated separately for valuation purposes);
• Areas with headroom of less than 1.5m; and
• Vehicle parking areas.

5) Detailed definitions for Primary indicators

Reference number	Primary indicator 1
Description	Total property costs (occupancy, operational and management) per square metre
Rationale and expected impact on behaviour	This indicator examines the overall cost-effectiveness of the Estates management function. In many circumstances organisations would aim to reduce their property costs relative to those paid by their peers over time. However organisations should examine their achievement against this indicator in conjunction with the measures of effectiveness of their estates management function (for example primary indicators 3 (measuring property maintenance backlog), 4 (the commissioner and user satisfaction index) and 5 (the management practice indicator) and secondary indicators 4 (percentage of capital projects completed within time and budget) and 11 (accessibility to public buildings for disabled people). Primary Indicators 1, 2 and 3 examine the 3 separate cost areas of occupancy/ownership, operational running costs and management costs.
Definition	The indicator should be based on figures for the latest financial year. Please refer to secondary indicators 1, 2 and 3 for the costs to be included in this indicator. Where organisations are able to provide cost data for all three of these indicators they should total these costs (occupancy, operational and management costs) to provide an overall property cost per square metre. If organisations are unable to identify costs separately for secondary indicators 1, 2 and 3, for example where building operation costs (such as facilities management costs) as captured by indicator secondary indicator 3, are included within the building rent, they should be able to calculate overall costs for the purposes of this indicator, but should provide a nil return for the secondary costs indicators where they cannot identify these costs separately. Example: Occupancy / ownership cost = £1m Operational cost = £500,000 Management cost = £365,000 Total cost = £1,865,000 Total accommodation (square metre) = 3000 Total property costs per square metre is therefore £1,865,000/3000 = £621.67 per m2

Reference number	Primary indicator 2
Description	Total accommodation (square metre) per staff full time equivalents (FTE).
Rationale and expected impact on behaviour	This indicator examines the extent to which the organisation uses its buildings efficiently. It is closely associated with secondary indicator 5 which examines the number of workstations and the average space they occupy. Organisations should compare their results for these indicators with those for their peer organisations and, where there are significant differences, to consider whether or not there are robust reasons for why this is so.
Definition	The indicator should be based on figures for the latest financial year. The calculation of staff FTEs applies to permanent staff only. Staff on fixed term contracts and temporary staff that have been employed by the organisation for over a year should be considered permanent. (Where the indicator is being calculated for administrative / office accommodation only – include only those staff who work within that accommodation) Base the number of staff on the average of the number of FTEs in employment at the beginning of the year and the number of FTE staff in employment at the end of the year for the latest financial year. Example: Total accommodation (square metre) = 6000 sq m Total FTE employees = 2000 Accommodation per staff full time equivalent is therefore 6000 / 2000 = 3 sq m

Reference number	Primary indicator 3
Description	Total property maintenance backlog as a percentage of average annual maintenance spend for the last three years
Rationale and expected impact on behaviour	This indicator examines whether the organisation manages the repair and maintenance programme of their estate effectively. High-performing organisations should expect to reduce their backlog over time.
Definition	Maintenance is work which is essential to the integrity and condition of an existing building and its operational purpose regardless of whether the sums concerned are capital or revenue. This indicator should be calculated as the estimated cost of the maintenance backlog as a percentage of the average annual maintenance spend over the previous three financial years. This should be actual spend not budgeted spend over the previous three years. Example: Total property maintenance backlog = £200,000 Total maintenance spend for the last three years = £1.2m Backlog as a percentage of average spend is therefore 200,000 / (1,200,000 / 3) = 50 per cent

Reference number	Primary indicator 4
Description	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users.
Rationale and expected impact on behaviour	This indicator assesses the effectiveness of the estates function by identifying the perceptions of commissioners and users of the function. Over time, organisations should seek to increase the proportion of commissioners and users agreeing with the statements. (Organisations may wish to incorporate these statements into existing surveys of users and commissioners.)
Definition	The commissioner and user statements are as follows: Commissioner statements: • The estates management function supports the overall objectives of the organisation. • The estates management function manages maintenance and capital programmes effectively (on time, budget and specification). • The estates management function helps the organisation to make best use of its accommodation. • The estates management function helps the organisation to reduce energy and water consumption. • The estates management function provides value for money. User statements: • The buildings / offices are easily accessible for staff, service users and visitors. • The buildings / offices are appropriate for my needs. • The buildings / offices are appropriate for service users' /visitors' needs. • The buildings / offices are appropriately secured to protect people and property. • There is a clear point of contact for any building or accommodation related queries.

Reference number	Primary indicator 5
Description	Management practice indicator – the number practices that have been adopted by the organisation out of a possible total of 10.
Rationale and expected impact on behaviour	The aim of this indicator is to assess the extent to which the estates management function has adopted a set of key management practices. This provides an indication of whether it is well-run, modernised and a professionally mature function. It is not anticipated that most organisations will have adopted all of the practices listed when first measuring themselves against this indicator set. However organisations should expect that the number of practices that they have adopted would increase over time. (The list of practices will be updated, if appropriate, in future revisions of the indicator set).
Definition	The management practices indicator consists of 10 statements of management practice. The respondent should assess whether their organisation follows each practice as set out below: 1) For the last financial year, planned property maintenance costs equate to 60 per cent or more of total property maintenance costs. 2) There is a formal environmental management system in place covering all significant administrative buildings. 3) The organisation has the ability to 'zone' buildings in terms of heating to reduce energy consumption. 4) A comprehensive professional development programme is in place for professionally qualified estates management staff which ensures that they receive at least 5 days of continuing professional development (relevant accredited training) per annum. 5) The Officer responsible for Property Services reports directly to a member of the Executive / Corporate Management Team and there is an identified individual at Board / Cabinet level with responsibility for the estate. 6) The organisation has clear and well publicised arrangements for staff who have property related queries, and all queries are logged and monitored. 7) Staff and user 'built environment' satisfaction surveys are undertaken at least annually and the results published and developed into an action plan which is monitored and regularly reviewed. 8) Surveys of the estate in relation to sufficiency, suitability, condition and costs have been carried out in the last five years and inform the capital strategy and plan and these are updated according to risk. 9) The organisation does not allocate individual 'owned' desks to staff

	who work in the office less than 50 per cent of their time, and regularly monitors workstation utilisation. 10) The organisation has undertaken an assessment of property requirements across the organisation within the last 3 years and has identified property that is either currently surplus to requirements or will become surplus within the next 3 years and has a plan agreed by the Board / Cabinet to address this surplus. For each practice tick 'yes' if the organisation has fully implemented that practice. For each practice tick 'no' if the organisation: • does not have that practice in place; • has the intention to develop this practice but it is currently not in place; or • is currently implementing this practice but it is not yet fully in place. The organisation should then count the number of questions where they answered 'yes' in order to calculate their score. The maximum score is therefore 10. The list below provides some further definitional details for specific practices: 1) This indicator is a key indicator of the effectiveness and efficiency of the repairs and maintenance service. The higher the proportion of expenditure on planned repairs and maintenance (research evidence has suggested a 60/40 split) and the higher the proportion of expenditure on non-urgent repairs the better. Include both capital and revenue expenditure completed during the financial year. 'Planned maintenance' covers cyclical maintenance carried out in regular cycles to prevent premature breakdown of components e.g. external painting, servicing of heating systems and gas fittings and pipes, lifts etc – and programme maintenance which is work to prevent the breakdown of components or to replace components (for example window frames and roof coverings. Total maintenance costs are the sum of planned and reactive maintenance ('reactive' being any maintenance work which has not been pre-planned or was not intended during the current year). 2) A 'formal environmental management system' is defined as 'A means of ensuring effective implementation of an environmental management plan or procedures and compliance with environmental policy objectives and targets' 7) 'Regularly reviewed' means at least every quarter.

6) Detailed definitions for Secondary indicators

Reference number	Secondary indicator 1
Description	Cost of the organisation's estates management function a) per square metre. b) as a percentage of organisational running costs.
Rationale and expected impact on behaviour	This indicator examines the cost-effectiveness of the organisation's estates management function. In many circumstances organisations would aim to reduce the cost of their estates management function relative to those paid by their peers over time. However organisations should examine their achievement against this indicator in conjunction with the measures of effectiveness of their estates management function (for example primary indicators 3 (measuring property maintenance backlog), 4 (the commissioner and user satisfaction index) and 5 (the management practice indicator) and secondary indicators 4 (percentage of capital projects completed within time and budget) and 11 (accessibility to public buildings for disabled people). This indicator complements secondary indicators 2 and 3 which examine other aspects of estates costs – occupancy/ownership and building operation costs. These costs will also be included in the total cost figure for primary indicator 1.
Definition	The indicator should be based on the latest financial year. Total cost of the estates management function should include: • Employee costs including employers NI, pension and recruitment costs (for all staff whose primary role is to manage the estate). The indicator should include only those staff with management responsibilities, not staff who are employed to deliver operational services such as cleaning, security, repairs and maintenance etc. • IT costs • Accommodation costs • Supplies / consumables • Outsourcing costs • Other costs such as consultant / agency fees. If you are able to provide a reliable figure for all the above costs (where relevant) please do this in the spreadsheet, otherwise provide details of the costs that can be reliably calculated and leave blank anything that cannot be completed. Where staff are devolved in the organisation, include the cost of those staff who spend more than 50 per cent of their time on estates / facilities management activities. Typical responsibilities of staff in the estates management function might include: • General strategic management, planning and reporting in relation to property • Contract negotiations in relation to property occupancy and facilities management • Collecting and analysing estates related management information

	• Managing estates related queries to ensure resolution • Estates related project and contract management etc. Include only costs relating to the management of existing property. Exclude any costs associated with relocation, for example feasibility studies and moving costs. Part b) Organisational running costs (expenditure) These are the costs for delivering the primary responsibilities / remit of the organisation. It should be exclude transfer payments, capital and programme spend, grants, precepts and other funds which simply flow through to another body, for example grants made to voluntary organisations. It should include payments made to any contractors for services which are within the main remit of the organisation (for example a refuse contract in a local authority). Example Cost of estates management function = £365,000 Area = 3000 sq m Cost per square metre is therefore £365,000 / 3000 = £121.66 per sq m

Reference number	Secondary indicator 2
Description	Total property occupancy/ownership costs (revenue) per square metre
Rationale and expected impact on behaviour	This indicator examines cost effectiveness by identifying the cost of building occupancy / ownership. As with secondary indicator 2, while many organisations will seek to reduce their property costs it is important that achievement against this indicator is interpreted alongside achievement against measures of effectiveness such as primary indicators 3 and 5 and secondary indicators 4 and 11.
Definition	The indicator should be based on the latest financial year. The indicator should include total annual rent paid for all rented accommodation. Leased accommodation should be calculated on an annual cost basis. For accommodation which the organisation owns, the indicator should be based on the current depreciation charge, the current financing charge or the return on capital employed. In both cases the costs should be calculated per square metre Exclude any costs associated with parking provision such as annual rent. Example: Total property occupancy costs (revenue) = £1million Area = 3000 sq m Cost per square metre is therefore 1,000,000 / 3000 = £333.33 per sq m

Reference number	Secondary indicator 3
Description	Total building operation revenue costs per square metre
Rationale and expected impact on behaviour	This indicator examines the cost effectiveness of the operation of the estate (incorporating what might also be called 'facilities management'). Capital costs are excluded due to potential for significant year on year variances. As with secondary indicator 2, while many organisations will seek to reduce their property costs it is important that achievement against this indicator is interpreted alongside achievement against measures of effectiveness such as primary indicators 3 and 5 and secondary indicators 4 and 11.
Definition	The indicator should be based on the latest financial year. The indicator should include the following costs: • Rates paid (excluding any rates rebates following a successful appeal but including rates relief). • Annual insurance premiums paid to include all building insurance, contents and business interruption policies including any relevant brokerage fees. Include premiums for terrorism, liability under the Health and Safety at Work regulations, flood, burst pipes, subsidence, fire, explosion and insurance premium tax. Exclude public liability insurance and damage to or theft of ICT equipment if covered by a separate policy to content policies. • Internal repair and maintenance including regular redecoration and minor improvements but excluding internal moves (i.e. costs associated with space reorganisation) and reinstatement such as costs for making good at the end of a contract / lease. • External and structural repair and maintenance including repairs to all integral structural parts of the premises including roofs, walls, fenestration, external drainage and foundations. Redecoration of external finishes and repair of external cladding and finishes should be included. • Repair and maintenance of mechanical and electrical equipment – annual costs associated with repair, servicing and maintenance of mechanical and electrical equipment. Includes maintenance or renewal of subsidiary/component parts of equipment as well as fire services, water and plumbing and sprinkler systems. Mechanical and electrical equipment may typically include normal building services (for example air conditioning, electrical power and lighting, lifts and escalators. Includes the full cost of employment, special equipment, materials and other associated costs as well as all design and contractor costs). • Security– the annual cost of securing the site and premises. Includes costs of security contractors and employed staff as well as the regular costs associated with the maintenance of security specific

	systems (usually in the form of a maintenance contract). Include any access control systems, swipe card readers, access gates/huts, vehicular access control, CCTV maintenance costs, uniforms and loudspeaker equipment. Exclude the complete renewal of systems due to disrepair. • Cleaning – the actual costs of all regular and routine cleaning of internal and external spaces. Include costs of staff (including cost associated with direct supervision of cleaning) and materials. Include cleaning of all ancillary spaces, toilets, staircases, landing and lobby areas and regular cleaning of windows, desks, phones, doors, floors, carpets, chairs etc. Also include any periodic special cleaning such as deep cleaning and shampooing of carpets. Exclude costs of any pest control and any costs associated with cleaning catering installations, mechanical and electrical services, and vending machine support. • Annual water and sewerage costs. • Annual cost of energy supplies to the premises (electricity, gas, oil etc) • Service charges covering the services defined above where it is not possible to identify these items separately Include all materials and equipment necessary to provide the services together with staff costs. Include the full cost of staff and their direct line managers (for example cleaning supervisors) involved in delivering the above services plus all materials and equipment necessary to provide the service. If not all costs from the above list can be identified please note in the data return which costs have been excluded. The following should be excluded: • IT infrastructure / support • Pest control • Waste disposal including disposal of confidential, toxic and sanitary waste and recycling • Provision and maintenance of internal plants and flowers • Grounds and gardens • Car parking • Telecommunications • Catering and food services • Reception services • Courier and external distribution services • Post room and internal distribution services • Laundry and linen services • Sterilisation services • Internal moves (churn) • Vehicles and any transport costs • Porterage Example: Cost of building operation = £500,000 Area = 3000 sq m Cost per sq m is therefore 500,000 / 3000 = £166.67 per sq m

Reference number	Secondary indicator 4
Description	Percentage of property related capital projects with in the last three years completed: a) within the project budget b) within the timetable c) within project budget and timetable
Rationale and expected impact on behaviour	This indicator examines the standard of project management within the estates management function, recognising that late running / over-spent projects can have a significant impact on the operational effectiveness of the organisation. Organisations would expect the percentage of projects delivered to time and budget to increase over time. This indicator should be interpreted alongside secondary indicator 6 (average annual property capital expenditure).
Definition	This indicator should be applied to all projects with a contract value of £50,000 or more. The indicator should be calculated on the basis of the percentage of capital projects completed within the last three years that were: • Delivered within the agreed budget – defined as the actual cost at the end of the defects liability where it falls within + / - 5 per cent of the cost predicted at the *commit to construct* stage of the project; and • Delivered within the agreed timescale – where the actual time between *commit to construct* and available for use is + / - 5 per cent of the time predicted at the *commit to construct* stage. Exclude any projects that have not yet been completed. Commit to construct is defined as the point at which the client authorises the project team to start the construction of the project. Available for use is defined as the point at which the project is available for substantial occupancy or use. This may be in advance of the completion of the project. Costs should be inclusive of all professional fees. The indicator is intended to track actual variation irrespective of the cause. The figures reported should NOT be adjusted to take account of agreed changes - although any such changes should form an important part of any detailed in-house report on reasons for variation.

Reference number	Secondary indicator 5
Description	Space use efficiency: a) Workstations per full-time equivalent staff (FTE) b) Area (square metres) per workstation
Rationale and expected impact on behaviour	This indicator examines the space use efficiency of workstation utilisation and the amount of space attributable to each workstation. This is a commonly used benchmark for space use efficiency often used to determine the amount of space needed across the organisation. This indicator is closely linked with primary indicator 2 (total accommodation per staff member). Most organisations will be particularly interested in comparing their results for this indicator with peer organisations and investigating whether there are robust reasons for any significant differences.
Definition	The indicator should be based on the latest financial year. This indicator is in two parts the first looks at workstations per FTE and the second looks at area per workstation. Workstations are defined as the number of designated workspaces within the building. This should include both occupied and vacant positions. Any workstations within designated meeting rooms or areas should be excluded. A workstation should have the capacity to act as a satisfactory place of work for one employee or contractor. The calculation of FTE employees applies to permanent staff only. Staff on fixed term contracts and temporary staff that have been employed by the authority for over a year should be considered permanent. Base the number of staff on the average of the number of FTEs in employment at the beginning of the year and the number of FTE staff in employment at the end of the year. Example: a) Total number of workstations = 500 Total number of FTE staff = 650 Therefore the number of workstations per full time equivalent is 500 / 650 = 0.77 b) Total area (square metres) = 560 Total number of workstations = 500 Therefore the area per workstation is 560 / 500 = 1.12 sq m

Reference number	Secondary indicator 6
Description	Average annual property capital expenditure over the last five years per square metre (GIA).
Rationale and expected impact on behaviour	An indicator which measures the extent of investment in the estate. Organisations may wish to compare their result for this indicator to their peer organisations and should investigate the reasons for any significant differences. Organisations should also examine their result for this indicator in conjunction with their achievement for effectiveness indicators (such as primary indicator 4, the commissioner and user satisfaction index) comparative to their peers and alongside secondary indicator 4 (the percentage of capital projects delivered to time and budget).
Definition	Capital expenditure is the expenditure on land and buildings classed as fixed tangible assets. The figure should be calculated as an average over the last five financial years to reduce the impact of significant year-on-year variances in capital spend. Base the calculation on net capital expenditure. Example: Total capital expenditure over the last five years = £2.5 million Total square metre = 6,000 Therefore the average expenditure per square metre is (2,500,000 / 5) / 6,000 = £83.33 Note: This indicator is not applicable to organisations who rent all of their property.

<table>
<tr><td>Reference number</td><td>Secondary indicator 7</td></tr>
<tr><td>Description</td><td>Total annual energy consumption (kw/h) per square metre</td></tr>
<tr><td>Rationale and expected impact on behaviour</td><td>This indicator examines the extent to which the organisation has minimised its environmental impact by reducing its energy consumption. Organisations should expect this cost to reduce over time.</td></tr>
<tr><td>Definition</td><td>The indicator should be based on figures for the latest financial year.

Total energy consumption is the combined annual energy consumption from all energy sources used by the organisation including electricity, gas, oil based on kilowatt-hours (kWh).

Conversion factors to kWh for different fuel types are given below:

<table>
<tr><th>Fuel</th><th>Unit</th><th>Conversion factor</th></tr>
<tr><td>Electricity</td><td>kWh</td><td>1.00</td></tr>
<tr><td>Natural gas</td><td>therm</td><td>29.31</td></tr>
<tr><td>Natural gas</td><td>kWh</td><td>1.00</td></tr>
<tr><td>Liquid petroleum gas</td><td>tonne</td><td>13,888</td></tr>
<tr><td>(LPG) (Propane)</td><td>litre</td><td>6.96</td></tr>
<tr><td>Butane</td><td>tonne</td><td>13,694</td></tr>
<tr><td>Butane</td><td>litre</td><td>7.85</td></tr>
<tr><td>Domestic heating oil</td><td>tonne</td><td>12,778</td></tr>
<tr><td>Domestic heating oil</td><td>litre</td><td>10.22</td></tr>
</table>

Source: http://www.entech.co.uk/entech/ener_conv.htm

Example:
Total annual energy consumption (kw/h) = 10,000
Total square metres = 6,000

Therefore total annual energy consumption per square metre is 10000 / 6000 = 1.7 (kw/h) per sq m</td></tr>
</table>

Reference number	Secondary indicator 8
Description	Total annual water consumption (cubic metre) per square metre
Rationale and expected impact on behaviour	This indicator examines the extent to which the organisation has minimised its environmental impact by reducing its water consumption. Organisations should expect this cost to reduce over time.
Definition	Total water consumption should be the volume measured in cubic metres, of water consumed in a year. This should be based on the latest financial year. Example: Total annual water consumption (cubic metre) = 5,200,000 Total square metres = 6,000 Water consumption per square metre is therefore 5,200,000 / 6000 = 866.67 It should be noted that this indicator may not apply to certain organisations (for example Fire Services) who are not charged for water. In addition some organisations will not be able to identify this due to current billing arrangements with the water company.

Reference number	Secondary indicator 9
Description	Total accommodation (square metre Net Internal Area) over total accommodation (square metre Gross Internal Area)
Rationale and expected impact on behaviour	This indicator examines the usability and design efficiency of the estate. Organisations would expect to increase this percentage over time. This indicator is closely linked to primary indicator 2 (total accommodation per staff member), primary indicator 4 (satisfaction index) and secondary indicator 5 (number of workstations and area attributable to them).
Definition	The indicator should be based on the latest financial year. Example: Total accommodation (square metre NIA) = 4,000 Total accommodation (square metre GIA) = 6,000 Net Internal Area over Gross Internal Area is therefore 4000 / 6000 = 0.67

Reference number	Secondary indicator 10
Description	Percentage of solid waste that is recycled.
Rationale and expected impact on behaviour	This indicator assesses the extent to which the organisation has made efforts to reduce the impact of the estate on the environment. High performing organisations would expect this percentage to increase over time.
Definition	The indicator should be based on the current status of the organisation's recycling operations. Full definition to be developed.

Reference number	Secondary indicator 11
Description	The percentage of buildings which are used by the public in which all public areas are suitable for, and accessible to, disabled people.
Rationale and expected impact on behaviour	This indicator assesses how well the organisation is meeting the requirements of the Disability Discrimination Act. High performing organisations would expect to achieve 100 per cent against this indicator (or, at least, for this percentage to increase over time).
Definition	Full definition to be developed.