

Telework cuts office costs

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In an age of remote working, it makes little economic sense for government employees to occupy prime downtown locations. Those ageing, inefficient buildings represent a burden to the taxpayer and advances in technology allow governments to reduce property costs by embracing flexible working and relocating staff to cheaper regions.

Relocating government is hardly a new trend. In the 1930s, Spain's short-lived Republican government uprooted and moved its army of civil servants to Nuevos Ministerios, on the (then) outskirts of Madrid.

Ireland's recent decentralisation programme stopped short of relocating its capital - but only just. In 2003, the Irish government said it would move 10,300 civil service jobs - over half of the total - from Dublin to 53 centres outside the capital.

The aim was to divert investment and job creation away from Dublin's overheating economy, and raise funds by selling the 200,000 square metres of Dublin office space. Six years on, the one-time Celtic Tiger economy is mired in recession and the programme has been halted, although 6,000 civil servants have already been relocated.

In the UK, a similar although less ambitious relocation is underway. A quarter of central government's 188,000 employees work in London where, according to the National Audit Office, accommodation costs are more than £500 a square metre. That is four times higher than the cheapest region, the north-east.

Not only are property costs lower outside London, so are salaries and levels of staff turnover - a big factor for organisations seeking to retain IT staff, for example.

Even without relocating, the NAO argues that the UK government could reduce property running costs by 40 per cent if buildings were managed to the same cost and space standards as the private sector, which would save central government a startling £1.25bn annually.

However, to achieve this, civil servants must abandon their "one person, one desk" culture and embrace flexible working arrangements, such as desk sharing and remote working, the NAO says.

Flexible working started in the IT sector where it was quick to take root. IBM says 42 per cent of its employees do not regularly come into an office, saving \$100m annually in real estate costs.

In recent years, flexible working has penetrated more sectors as the technologies have become easier to use. "Five years ago, it was difficult to work flexibly. People had to be at their desks and the technology did not allow roaming profiles," says Paul Statham, managing director of RNM Systems, a UK vendor of workplace management software.

Roaming profiles allow users to transfer settings and files to whichever PC they are using.

In the public sector, flexible working has been slower to take off, often because of cultural issues, says Massimiliano Claps, research director of Gartner and specialist in government IT. In his native Italy, for example, central government employees have notorious high levels of absenteeism.

"I don't see home working happening [for them] in the foreseeable future," he says.

In the US, a 2000 law obliged federal government to establish telework policies but there was much foot-dragging from some agencies. Nevertheless, more than 140,000 eligible federal employees - 19 per cent of the total - were working from alternative worksites in 2005.

Based on the success of the US legislation, Spain recently passed a law allowing some central government employees to telework. This year, 24,000 civil servants - 10 per cent of the total - will work partly from home although they have to come to the office for at least 50 per cent of the time.

As more workers take advantage of flexible working arrangements, it allows employers to save office space by closing offices, floors or even whole buildings.

Winchester City Council in the UK recently consolidated its offices from four locations into two, making undisclosed savings on their property costs. The council installed RNM's Condeco desk management solution to make better use of the reduced number of desks. Condeco is a web-based booking system that lets employees who work away from the office reserve desk space or a meeting room as and when they need it.

Despite the big change involved - where do you put the kids' photos if you don't have a permanent desk? - the shift to "hot desking" has been well received by Winchester staff.

"It has not been too much of a culture shock," says Shelly Osman, Winchester's IT administrator.

Even if the surplus office space is not sold - current market conditions are hardly favourable, as Ireland's government has discovered - Mr Statham argues that there are big savings to be had on heating, lighting and

cleaning costs.

He also stresses the environmental benefits of flexible working, saying councils can significantly reduce their carbon footprint by following Winchester's example and moving to smaller, more energy efficient buildings.

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