

Government premises and group steering

Government agencies paid about 865 million euros in rent on buildings in 2009 (812 million euros in 2008). Senate Properties' rent income totalled 687 million euros (640 million euros), of which 92.5% or about 635 million euros (93.6%, about 600 million euros) came from customers within the budget economy. Subtracting this amount, rent paid to other landlords totalled nearly 230 million euros (212 million euros).

The goal of the state strategy for premises, which was prepared in 2005, is to improve agencies' working environment by arranging premises that support activities in a cost-effective way while ensuring the state's overall interests and social responsibility. According to the strategy, within the framework of appropriations it is agencies' task to see that premises and the costs of premises are in line with real needs.

The strategy sets an efficiency target of 25 square metres per person for office-type units. A decision that was issued by the Government on 4 February 2010 estimated that cutting this figure by about 5 square metres per person would reduce the total need for premises by about 425,000 square metres based on personnel in 2010 and that this would lead to savings of about 16-32 million euros a year at the current level.

The objective of the audit was to determine how effective the implementation of the state strategy for premises has been. The audit examined the strategy in general and took a closer look at the administrative sectors of the Ministry of Justice, the Ministry of Employment and the Economy and the Ministry of Finance.

A survey that was conducted during the audit showed that the size and cost of premises vary considerably from one agency to another. The audit found that administrative sectors have not been instructed to monitor the management of premises or to report on costs, economy and efficiency related to the management of premises in a uniform way. Most of the ministries and agencies that were

examined in the audit did not monitor efficiency in the use of premises or energy efficiency.

The National Audit Office considers that ministries and agencies should have information collected according to consistent criteria on the size, cost, economy, efficiency, ownership and location of premises. Information on the economy and efficiency of premises is a precondition for the cost-effective replanning and steering of facilities. Such a procedure would also clarify the management of premises by ministries and agencies in terms of organization, tasks and responsibilities and would improve financial and operational risk management.

The audit found that premise projects are not presented in a consistent manner to the Cabinet Finance Committee. In some cases efficiency objectives have not been mentioned at all, and in other cases they have been presented in a helter-skelter way.

The National Audit Office considers that at least the financial and operational impacts of premise projects should be presented to the Cabinet Finance Committee in a consistent manner. Presenting information on the costs and size of premises in relation to personnel would make it easier to evaluate projects' economy and efficiency.

In the opinion of the National Audit Office, there is no point preparing a general strategy such as the state strategy for premises without setting concrete objectives that make it possible to evaluate the implementation of the strategy. Since the key objective of the strategy is to promote the efficient use of premises, it should be possible to evaluate how well this objective has been achieved in administrative sectors as well as central government as a whole and to ensure the implementation of the state strategy for premises in practice.

In 2010 Senate Properties began gathering a database on the entire stock of government premises. The National Audit Office believes that when it is fully functional, this database and the coherently collected information in can provide a good basis for the comprehensive management of government premises, the evaluation of efficiency objectives and related reporting. This supposes that the management of premises has been properly arranged.

The audit found that Senate Properties did not invite tenders for the premise management data system.

The National Audit Office emphasizes that Senate Properties must ensure compliance with the Act on Public Contracts and proper attention to prevailing competition conditions. The objective of the Act on Public Contracts is to promote the economical use of public funds, quality contracts and equal opportunities for enterprises and other entities to offer their services in tendering for public contracts.