



HM TREASURY

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Dear Accounting Officer

COLLABORATIVE MANAGEMENT OF THE CIVIL ESTATE

This letter is the third in a series of DAO letters¹ issued to implement the Lyons reviews². Central government bodies should now be guided by the revised Civil Estate Occupancy Agreement (CEOA) and Civil Estate Co-ordination Protocol (CECP). These documents relate to the occupation and management of workspace on the Civil Estate. The main changes relate to buildings held under private finance initiative (PFI) or public private partnership (PPP) contracts.

Contact

2. Please address enquiries to the OGC service desk on 0845 000 4999, or to ServiceDesk@ogc.gsi.gov.uk.

Action

3. Crown bodies occupying or sharing properties on the civil estate should now be guided by the [Civil Estate Occupancy Agreement \(2006\)](#). The new CEOA framework provides standard terms and conditions for existing and new memoranda of terms of occupation (MOTOs).

4. The [Civil Estate Co-ordination Protocol](#) applies to all central government bodies (crown and non-crown). The CECP sets out procedures for co-ordinating property activities and events across the civil estate.

5. More information on these documents is in Annex A. Both documents replace earlier versions and are available on OGC's website (www.ogc.gov.uk).

6. DAO(GEN)1/96 and DAO(GEN)15/96 are now withdrawn.

Yours sincerely

Paula Diggle
Treasury Officer of Accounts

¹ DAO (GEN) 05/06 and DAO (GEN) 08/05. [[DAO Index](#)]

² '[Well Placed to Deliver? – Shaping the Pattern of Government Service](#)' published in March 2004 and '[Towards Better Management of Public Sector Assets – A Report to the Chancellor of the Exchequer](#)' published in December 2004.

**Summary of changes to:
Civil Estate Occupancy Agreement
Civil Estate Co-ordination Protocol**

Coverage

The civil estate³ covers both crown and non-crown central government bodies. The CEOA applies only to crown bodies sharing property while all central government bodies are required to comply with the CECP.

Civil Estate Occupancy Agreement

2. Because the Crown is a single legal entity, crown bodies share space without entering into formal sub-leases. The Civil Estate Occupancy Agreement (CEOA) governs the relationship between crown bodies that share accommodation, and provides default terms and conditions and model documents.

3. The CEOA includes cost-sharing mechanisms and a process for resolving disputes. It is important that the organisations to which the CEOA applies should fulfil their MOTO commitments. At the same time they should seek the most cost-effective outcome for the Exchequer as a whole, in line with the established responsibilities of Accounting Officers.

Main changes

4. The CEOA has been split into three volumes, one each for leasehold, freehold and PFI properties. Each volume stands alone, with a full set of relevant model documents associated with it.

5. To encourage the proactive management of space, new MOTOs should normally be set for a three-year term. However, in short leasehold properties, the length of the MOTO will continue to be aligned to the pattern of main lease breaks and expiries.

6. The CEOA can only be applied to crown bodies on the civil estate. Non-crown bodies must occupy space provided by their sponsoring department or taken from other departments or the market on formal leases.

Civil Estate Co-ordination Protocol

7. The Civil Estate Co-ordination Protocol (CECP) is designed to achieve better co-ordinated asset management – that is, planning, acquisition, management, rationalisation and disposal of property and other workspace on the civil estate. OGC fulfils a central clearing house role, based around data held in the e-PIMS system, supported by specialised local knowledge. The roles and responsibilities for delivering successful co-ordination are set out in the protocol.

³ The Civil Estate is defined as workspace, offices and other property (land and buildings) used to deliver departments' activities that is owned, leased, or occupied by a government body including non-ministerial departments, agencies, executive NDPBs and Special Health Authorities in Great Britain. It does not include the operational NHS Estate, the Prisons Operational Estate, the Foreign Office Overseas Estate, the Defra Rural Estate, the privatised rail entities, public corporations or the defence estate (except for certain civil elements).

Main changes

8. The new approach to the co-ordination of property events is based on the assessment of potential risk. This replaces the standard arrangements specified in the earlier Civil Estate Co-ordination Agreement. The approach takes advantage of e-PIMS technology and the basic processes have been largely automated. The CECP clarifies arrangements for co-ordinating activity in space provided through PFI and PPP contracts.