

# ONE PUBLIC ESTATE

## INVITATION TO APPLY

### SEPTEMBER 2018



Cabinet Office



Ministry of Housing,  
Communities &  
Local Government



Local  
Government  
Association



The One Public Estate (OPE) programme is a cross Government partnership between the Cabinet Office, the Local Government Association (LGA) and the Ministry of Housing, Communities and Local Government (MHCLG), who are partnering to support the best use of that land and property including unlocking surplus public land for housing.

In addition to practical and technical support, a national fund of circa £15 million is available. This will comprise of £12 million in grant funding and £3 million in sustainable grants. New and existing OPE partnerships are invited to apply, and funding is likely to be awarded as a combination of grant and sustainable grant. This will support the delivery of collaborative public sector land and property projects – in particular those which enable the release of public land for new homes.



## One Public Estate

This year the OPE programme celebrated its fifth birthday. During that time OPE has grown from a pilot involving 12 councils in 2013 into a programme of national significance, working with 9 out of 10 councils in England. As well as increasing its coverage with local government, the programme today works with 13 land owning government departments, hundreds of health partners, dozens of emergency services and many more.

Over the past five years OPE has spent time developing and refining a way of working which allows the public sector to work in partnership to get the best out of its land and property. **Collaborative public sector working is at the heart of what we do**, with 318 participating councils working with public partners in 76 partnerships across England. Together, partnerships are delivering over 450 projects across county wide, City Region, Combined Authority and Local Enterprise Partnership (LEP) geographies.

By April 2020 current OPE partnerships are set to release land for 25,000 homes, create 44,000 jobs, raise £615 million in capital receipts, and cut running costs by £158 million.

The programme has expanded at the centre of government, with MHCLG now partnering with the Cabinet Office and the LGA. This partnership will also support the delivery of the Land Release Fund, a new £45 million fund announced in February 2018 supporting 79 council led projects to release land for 7,280 new homes.

**The ethos of OPE will remain the same – a locally led programme, bringing local and national partners together to address shared priorities through collaboration. All projects will be required to demonstrate collaboration across local government, central government and the wider public sector.**

**OPE will also continue to support its core objectives: local growth (homes and jobs), integrated services and efficiencies. However, this application round will place particular emphasis on one of the most pressing domestic policy priorities: increasing housing supply.**

# Our offer

Both new and established OPE partnerships are invited to apply for funding and support to bring forward cross public sector land and property initiatives.

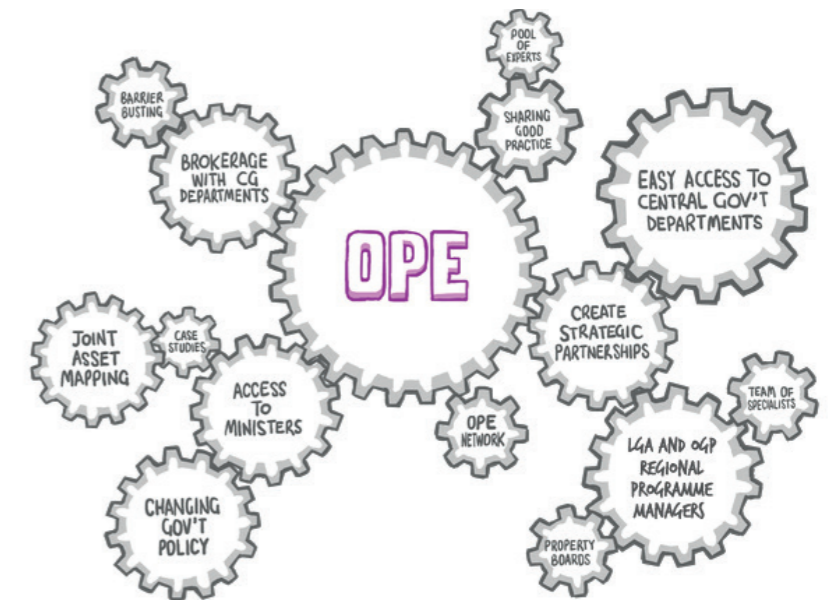
Successful applications will be able to access:

- Circa £500,000 towards programme management and delivery. In most cases, funding will be a combination of grants and sustainable (repayable) grants for activity including:
  - masterplanning
  - feasibility studies
  - options appraisals for sites
  - land assembly
  - survey works
  - project and programme management
  - development of business cases for sites/projects
  - valuations work
  - design work
  - specialist expertise and support to projects.

- Support from OPE Regional Programme Teams to:
  - drive delivery
  - unblock barriers
  - access central government departments and agencies
  - access specialist technical support
  - develop your partnership and projects.
- Facilitate workshops to support partnership and programme development.
- Support to influence development of government policy to assist local delivery.
- A Pool of Experts framework providing specialist expertise, negating the need for lengthy local procurement exercises.
- Technical support to map public estate locally.
- Links to senior central and local government experts.
- Closer links to wider MHCLG and Homes England housing initiatives and funding.

**In addition, for new OPE partnerships applying to join:**

- up to £50,000 to develop an OPE Strategic Assets and Delivery Plan following submission of a short expression of interest
- direct support from OPE Regional Teams in the development of your plans.



# New in 2018

## An increased focus on housing delivery

The delivery of new homes across England is a national priority. **The Government has pledged to increase the build rate to 300,000 new homes a year by the mid-2020s and committed to build 160,000 homes on its own land.** In order to deliver these ambitions the Government launched Homes England as a national housing agency earlier this year with a new remit to use its land, funding and powers to drive change.

Local government is equally committed to supporting housing development. The LGA, with the support of its member councils, has pledged that councils will release land for 160,000 homes. Councils have established over 150 housing development companies, demonstrating that local government is taking an increasingly hands-on role in developing their local area and looking for a return on investment. Local planning authorities are also now approving 9 out of 10 (387,000 a year) of all planning applications they receive, supporting development that meets local needs.

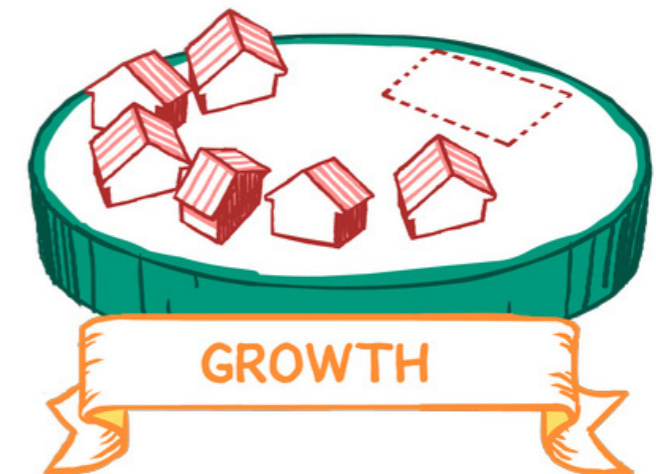
OPE is already actively supporting the delivery of new homes. To date early OPE schemes have released land for over 3,000 homes and expect to deliver more than 25,000 by 2020. Nearly two thirds of OPE's 450 current projects support housing delivery, with many also supporting other OPE objectives.

Whilst funding for OPE will focus on delivering housing, our core ethos remains the same.

- OPE continues to be locally led, driven by shared local and national priorities. It is for partnerships to decide which schemes they seek funding and support for, based on these shared priorities.
- All OPE projects must involve collaboration between two or more public bodies.
- All projects will be required to demonstrate collaboration across local government, central government and the wider public sector.
- We will provide funding for dedicated programme and partnership management, where there is a case to do so.
- We particularly encourage applications seeking to unlock or accelerate housing schemes using innovative technologies and delivery solutions such as Modern Methods of Construction which will deliver quality housing at pace.

**In this application round, we would anticipate that housing delivery will be the significant part of your overall partnership's application. Whilst some project proposals in your application may not focus on delivering new homes, full applications without a substantial element of housing delivery are unlikely to be successful.**

**We would ask that you work with your OPE Regional Team who can support the development of your proposals.**



# New in 2018

## Sustainable grants

Recognising the benefits delivered so far, OPE is developing ways to become more sustainable as a programme.

To achieve this we are:

- providing more focused support to large land owning public bodies
- supporting OPE partnerships to develop local self-financing options
- exploring opportunities to attract inward investment, and
- **implementing a new national 'sustainable grant', building on the phase 6 pilot.**

The sustainable grant fund looks to provide recyclable funding which will be returned to the national OPE programme within three years and reinvested into new OPE projects. Sustainable grants are provided on an interest free basis, with flexible repayment terms. In 2017 OPE distributed around £1.8 million in sustainable grants. Sustainable grants are particularly suited to projects that unlock substantial receipts and/or savings, or for example where an income producing asset such as a car park is being re-provided.

### Projects awarded sustainable grants in phase 6

#### Barnet OPE Partnership – Hendon Strategic Regeneration

Barnet OPE Partnership's Hendon Strategic Regeneration project proposes to undertake options appraisals and viability studies for a mixed-use redevelopment of three adjacent sites in multiple public sector ownership, including a car park and retail units. The proposed scheme could deliver a phased development of academic offices, a community theatre, new housing including community or health uses and a relocated fire station. The project will generate a substantial capital receipt in the first three years enabling the grant to be returned to OPE.

#### Bedford and Central Bedfordshire OPE Partnership – Blue Lights Collaboration

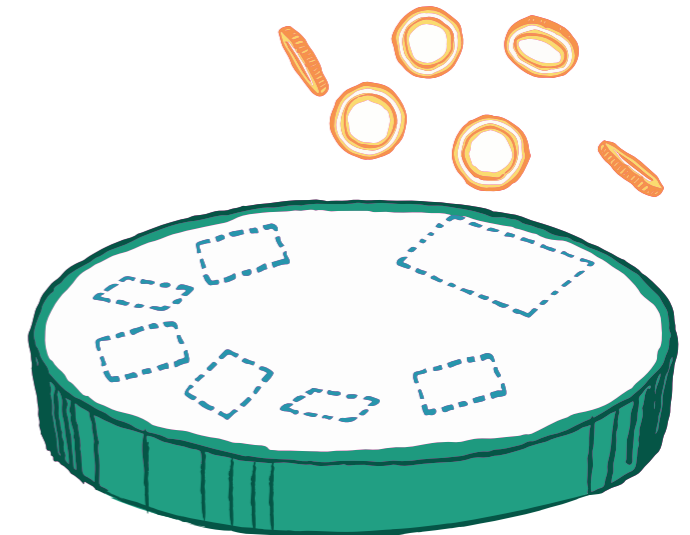
Bedford and Central Bedfordshire OPE Partnership has a five year estates rationalisation programme which aims to consolidate the blue lights estate across the county. The sustainable grant is funding feasibility work and project management to potentially combine a Fire HQ, Police HQ and Police Station plus disposal of other surplus sites which will allow for the grant to be returned. The project will co-locate public sector partners and deliver capital receipts, running cost savings and new housing.

**For 2018, around 20 per cent (approximately £3 million) of our overall budget will be provided as a sustainable grant. All established OPE partnerships are therefore expected to include a request for sustainable grant. Funds will be provided for project delivery activity.**

It is for partnerships to decide how to fund the repayment of a sustainable grant. This may be:

- directly linked to a specific OPE project or projects where all or part funding is awarded as a sustainable grant
- linked to wider partnership delivery, for example if previously funded OPE projects will generate a capital receipt during the three year repayment period.

The OPE programme board will evaluate all bids and may offer a sustainable grant to any element of your programme. This will ensure sustainable grants are allocated fairly across the OPE programme as a whole and targeted to activity which enables repayment.



# New in 2018

## NEW PILOT: targeted sites

Both central and local government have a huge amount of estate transformation underway. Some of the transformation programmes being delivered by central government are set out on page 7.

Whilst OPE has always looked to support shared national and local priorities, in many cases applications have reflected the priorities of local partners leading the development of applications.

We are keen to support both local and national priorities across all partnerships.

**To support this, we are announcing a new Targeted Sites Pilot to support the release of a number of key sites from a number of government bodies:**

- NHS Property Services
- Ministry of Defence.

Proposals should:

- meet OPE criteria set out within this prospectus
- be developed in partnership with the asset owning body
- deliver housing and where appropriate the enhancement of public services.

Initially four sites have been included in this pilot:

### **NHS Property Services:**

- London Borough of Hackney – St Leonards Hospital (and associated NHS sites)
- North Yorkshire County Council – Ripon Community Hospital.

### **Ministry of Defence:**

- Royal Borough of Greenwich – Woolwich Station area
- Huntingdonshire District Council – RAF Wyton.

Contact your OPE Regional Team to discuss any of the sites listed. Project funding requests will be considered in the same way as other projects for grant or sustainable grant funding.

It is possible that additional sites will be added to this list during the application window. Any additional sites will be published on:

[www.local.gov.uk/onepublicestate](http://www.local.gov.uk/onepublicestate)

**Additional weighting will be given to projects which support the delivery of these targeted sites.**



# Government Transformation Programmes

Government departments have announced a number of major estate transformation and infrastructure programmes. Each of these will have an impact on public land and property both nationally and locally, and represent an opportunity for collaboration. Current and prospective OPE partnerships should understand how these programmes play out locally and consider how they can form part of their OPE work programme.

## Government Estate Strategy

The latest **Government Estate Strategy** was published in July 2018. It sets out how the Government plans to use property as an enabler for local growth, civil service reform and service transformation. It includes commitments to transform how the Government operates and collaborates to improve efficiency, deliver the best possible public services, release surplus land for housing, and boost growth across the UK.

## Health

Sir Robert Naylor's 2017 Review sets out a vision for a new NHS strategy to enable the NHS estate to achieve the best outcomes from its property and estate. In January 2018 the Government published its response outlining actions which will drive transformation of the NHS estate. A critical part of this is the drive for a more efficient estate to improve local health and care systems as set out in Sustainability and Transformation Plans (STPs). They combine targeted investment with clear leadership on estates matters from a new NHS Property Board and a strategic estates planning team to provide on-the-ground support for STPs. In October 2017 the Health Secretary announced a right of first refusal for affordable homes for NHS staff on surplus NHS land. OPE has

awarded funding and procured dedicated support to work with five OPE partnerships to deliver a Homes for NHS Staff pilot.

## Housing

Homes England is the Government's housing delivery body. Their Land Development and Disposal Plan (LDDP) provides an overview of the landholdings that Homes England expects to bring forward for development and/or disposal over the next year, including bringing to market more than 1,250 hectares of development opportunities across 221 sites. OPE is working with MHCLG and Homes England to help tackle the housing crisis by unlocking public land.

## Education

In 2017 the Government launched LocatED – the wholly-owned property company which is creating much-needed school places for thousands of children by acquiring land and buildings and developing sites to help create 500 new free schools by 2020 and create 600,000 new school places by 2021 across the country. LocatED will act on behalf of the government to secure the right sites, at the right price, to ensure hundreds more free schools can open.

## Defence

The Ministry of Defence (MoD) is one of the largest landowners in the UK and remains committed to making the defence estate more efficient and better suited to modern needs. Throughout 2016 the MoD announced a total of 91 sites to be released across the estate by 2040 through the Better Defence Estates strategy. The programme has already delivered nine disposal sites, including Somerset Barracks and Chalgrove Airfield. Over the next 10 years the plans will deliver savings of over £140 million of running costs, rising to

almost £3 billion by 2040. The involvement of OPE as a third party has had a positive impact and helped partners develop a greater understanding of housing and infrastructure needs and opportunities.

## Transport

The Department for Transport (DfT) is committed to releasing public sector land creating space to build more homes. Network Rail (part of DfT) have created a new property company to help them release surplus land for new homes and raise capital to fund rail investment. Network Rail Property have ambitious plans to release land for around 12,000 new homes across more than 150 sites by 2020.

## Department for Work and Pensions

In 1998, DWP transferred ownership and management of its estate to Telereal Trillium under a 20 year contract known as PRIME, which was extended for a further 10 years in 2018. However, in the context of benefits reform, DWP has been looking at opportunities to improve delivery of its services. DWP is currently reviewing its estates strategy to determine the actions to be taken in respect of those properties where they have flexibility, through lease breaks and short leases, to divest sites within the next five years that are either not fit-for-purpose or do not represent good value for money, and will consider the scope for delivering additional co-locations. There are a number of co-location proposals still in the pipeline, many supported by OPE, and there is scope for further co-location in the future.

# Application criteria

## For an application to be successful partnerships must agree to meet the pre-selection criteria:

- Record all land and property assets (except social housing stock) owned by partnership authorities and public sector partners on the ePIMS Lite system.
- Make details of all land and property owned by the partnership publicly accessible including in authorities' statutory annual reports.
- Provide an estimated value of all local authority owned land and buildings within your partnership area.
- Provide data on
  - **all local authority land released since 2015 and assumed housing capacity**
  - **commit to provide information on all local authority land planned for release before March 2020 and assumed housing capacity on a bi-annual basis (until 2020).**
- Name all local authority and wider public sector partners.
- Have in place an effective board, bringing together partnership members and wider public sector partners who will help to drive your plans. **Local authority partners only will not suffice.**
- Agree to adhere to reporting arrangements three times a year which provide progress on partnership activity, project delivery and data updates.
- Set out a detailed timeline demonstrating how your partnership will meet all pre-selection criteria by 30 June 2019.
- Identify a lead local authority with the lead authority's S151 officer or chief executive signing-off the application, and evidence of partner sign-up.

## For applications to be successful partnerships should:

- **Demonstrate the housing benefits generated by their projects, in both hectares released and units expected to be delivered.**
- **Demonstrate that housing units are additional and not displacing other housing development.**
- Detail other OPE core objectives met (where applicable):
  - creating economic growth (new jobs)
  - delivering more integrated, customer-focused services
  - generating efficiencies, through capital receipts and reduced running costs.
- Describe how projects deliver/support the delivery of major service transformation and/or economic growth priorities across the partnership area.
- Provide a clear project description and detailed delivery plan setting out the key milestones and timeline for each project.
- Demonstrate clear and achievable outputs, broken down by year, and identify an evidence base for all outputs confirming their deliverability.
- Demonstrate deliverability of outputs within a five year period, or 10 year period for large/strategic projects.
- Demonstrate that projects would not have occurred without OPE intervention.
- Provide details of any other funding streams that are in place and are essential to successful delivery of the project (eg Homes England funding such as Accelerated Construction, Estate Regeneration, Devolution Deals or Growth Deals etc).
- Where relevant, demonstrate links to delivery of government land and property reforms (including those enclosed within this prospectus on page 7).

## In addition, partnership bids will need to consider:

- **How central and local government and wider public sector partners in the partnership propose to deliver outcomes in collaboration, and clearly state the location and ownership of assets involved in projects.**
- **How the partnership will operate - or confirm that any current operating model is fit for purpose, as well as how it links to wider priorities such as devolution proposals, LEPs/Local Industrial Strategies or other relevant delivery groups.**
- **A breakdown of the funding requested by project, setting out how it will be used to deliver projected outputs and benefits and demonstrating the funding request is proportionate to the planned activity.**
- **How the projects and wider programme of work will support the delivery of local and national priorities and explain why OPE support is needed to progress the plans.**
- **Where relevant, give details which demonstrate innovative technology and delivery solutions including Modern Methods of Construction to deliver quality homes at pace.**
- **Existing OPE partnerships must demonstrate a successful track record of delivering their current OPE activity.**
- **Sustainable grants: Established OPE partnerships will need to demonstrate a commitment to the sustainable grant within their application. Proposals should also confirm that funding can be returned within three years of receiving the funds.**



# The application process and timeline

## The application process for new areas/partnerships (not currently on the programme)

Those applying to join the OPE programme are particularly encouraged to partner with neighbouring local authorities and other public sector bodies to form a larger partnership. This may be an existing or emerging combined authority area or other sub-regional cluster. The partnership structures are for you to decide. Applications from individual councils with credible programmes that will bring about significant transformation locally are also welcome.

Successful applicants will have ambitious programmes and credible delivery plans. They will clearly show how proposals will deliver new homes and meet wider OPE objectives.

### New applicants will complete a two stage application process:

By **19 October 2018**, and in addition to fully completing the mandatory basic details form, you must also submit an **expression of interest** setting out why your bid requires funding and support from the programme. It should:

- be no longer than **eight A4 pages**, Arial font size 11; this can be a Word or PDF document, but applications exceeding this will not be considered
- confirm your commitment to meeting the pre-selection criteria set out within the application criteria
- detail the key projects you plan to focus on which have the potential to increase the delivery of housing in your area, and meet wider OPE objectives
- outline the likely benefits your partnership expects to deliver in each of the next ten years: new homes, jobs created, capital receipts raised, running cost savings, investment income or details of local authority land released for new homes
- identify the assets you expect to see in play, these will need to include assets owned by more than one partner
- where appropriate include plans which consider assets owned by other public sector bodies locally and support the delivery of the central government transformation programmes (see page 7)
- explain how you plan to use the funding
- set out the costs of this first stage of work
- show that projects deliver outputs which are in addition to schemes currently in delivery.

By **2 November 2018** we expect to inform partnerships of the outcome of their Expression of Interest. Successful applicants will receive up to £50,000 and support from OPE Regional Programme Managers to develop and finalise your Services and Assets Delivery Plan.

By **30 November 2018** you must submit an updated basic details form and your final Services and Assets Delivery Plan (application) which includes:

- how your partnership will meet all pre-selection criteria by 30 June 2019
- a detailed project plan for each project set out within your application
- a detailed plan of the outputs that your programme will deliver including an identified evidence base
- a revised cost plan showing how all funding will be spent against a timeline
- meet all selection criteria set out earlier in the prospectus (page 8).

Further guidance on your application is available from the relevant OPE Regional Team for your area.

APPLICATION STAGE	DATE
Expression of interest open	28 September 2018
Expression of interest deadline	19 October 2018
Decision on expressions of interest (successful applicants will receive up to £50,000 to develop their final Services and Assets Delivery Plan)	02 November 2018
Final Services and Assets Delivery Plan deadline	30 November 2018
Decision on final application and announcement of funding awards	February 2019

# The application process and timeline

## The application process for existing OPE members

OPE members should submit an appendix to their existing Services and Assets Delivery Plan outlining new opportunities by 30 November 2018, additional outputs that will be achieved, a timetable, plus details of funding and support requested.

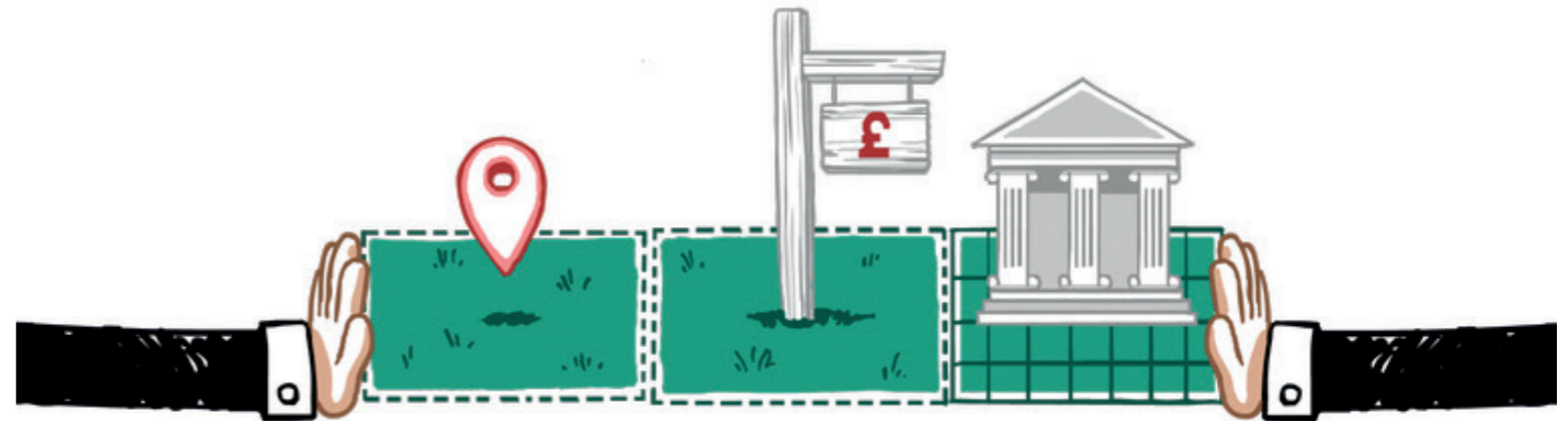
Partnerships should set out succinctly what projects and outputs will be delivered, the timetable, plus the additional funding and support requested, and from which funding stream (grant and sustainable grant).

Submissions will be assessed jointly by Cabinet Office, the LGA and MHCLG. Higher scores will be given to ambitious and credible proposals.

Consideration will also be given to:

- projects that involve a range of public partners and deliver OPE core objectives, in particular housing
- new projects that have not previously received OPE funding, or existing projects that have been significantly developed in scope with a demonstrable increase in outputs
- clear projected benefits focusing on the delivery of new homes, whilst also giving consideration to new jobs created, capital receipts raised, reduced running costs, investment income and service transformation
- a strong track record of OPE engagement and delivery.

APPLICATION STAGE	DATE
Application window opens	28 September 2018
Final Services and Assets Delivery Plan Appendix deadline	30 November 2018
Decision on final application and announcement of funding awards	February 2019



# Assessment of applications

All applications will be jointly assessed by Cabinet Office, the LGA and MHCLG. When assessing applications higher scores will be given to ambitious but credible applications and proposals which demonstrate innovative delivery solutions (eg Modern Methods of Construction technologies) and/or support the delivery of targeted Government sites.

WEIGHT	CRITERIA
<b>Mandatory</b>	Meeting pre-selection criteria
<b>25%</b>	Strength of partnership arrangements (all)
	Track record of delivery (existing partnerships)
<b>50%</b>	Project plans and deliverability
	Innovation and delivery of targeted sites
<b>25%</b>	Value for money, including schedule of costs and benefits

When assessing applications the joint assessment team will also give consideration to:

- proposals which support the delivery of affordable housing, particularly in areas known to have high affordability ratios
- ensuring that funds are not disproportionately allocated to areas/regions
- areas with a high Local Housing Need (LHN) are provided with adequate levels of funding to support new housing delivery
- value for money – to ensure at a national/ programme level that OPE demonstrates value for money.

**We reserve the right to partially fund grant applications and/or offer sustainable grant funding.**

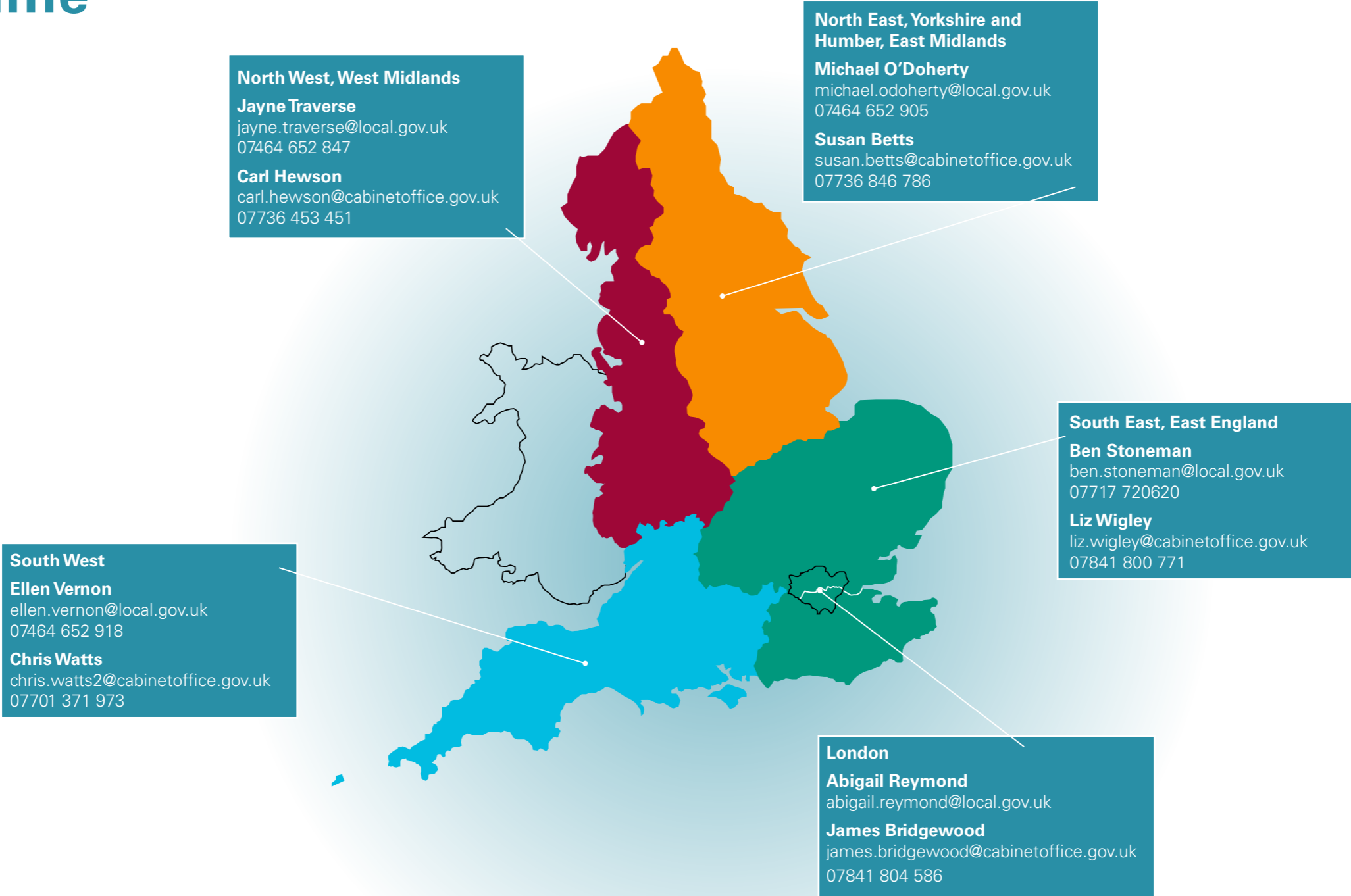
Applications must be signed off by the lead authority's S151 officer or chief executive.

**An open day for existing and prospective OPE partnerships will be held on 18 October 2018.**

Please email [onepublicestate@local.gov.uk](mailto:onepublicestate@local.gov.uk) for further details.



# OPE Regional Programme Team contacts





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