

ONE PUBLIC ESTATE

DCLG LAND RELEASE FUND

INVITATION TO APPLY AUGUST 2017



A new cross-government partnership between One Public Estate and the Department for Communities and Local Government (DCLG) will create a wider support package to unlock more surplus land and property.

One Public Estate (OPE), delivered by the Cabinet Office and the Local Government Association (LGA), will join with DCLG's Land Release Fund – recently announced in the Housing White Paper – to support more local housing projects.



One Public Estate

OPE is an established national programme delivered in partnership by the Cabinet Office Government Property Unit (GPU) and the LGA. It provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners.

OPE partnerships across the country have shown the value of taking a strategic approach to asset management and working together across the public sector. At its heart, the programme is about getting more from our collective assets. This could be catalysing major service transformation, such as health and social care integration or benefits reform, unlocking land for new homes and commercial space, or creating new opportunities to save on running costs and generate income.

One Public Estate:

- creates economic growth (new homes and jobs)
- delivers more integrated, customer-focused services
- generates efficiencies through capital receipts and reduced running costs.

Starting in 2013 with just twelve areas, OPE is now working with more than 250 councils on projects that are transforming local communities and public services across the country. Together, these 63 local OPE partnerships have shown that, with the right expertise and support, a small investment can unlock significant service transformation, local growth and efficiency saving benefits. Expectations are that by 2019/20 these partnerships will have generated 44,000 jobs, released land for 25,000 homes, raised £615 million in capital receipts, and cut running costs by £158 million.

DCLG Land Release Fund

Increasing the supply of land for new homes is central to the Government's vision of a country that works for everyone. Making the best possible use of surplus public sector land is a critical contribution. Both central and local government play a key role in increasing housing supply, importantly, releasing surplus land for housing development to meet the country's urgent housing need.

At Budget 2016 the Chancellor announced that councils would collaborate with central government on a local government land ambition, working with their partners to release surplus land with the capacity for at least 160,000 homes. This local authority land ambition, for which the LGA has pledged its support, sits alongside the central government target to dispose of land for 160,000 homes. This is an important part of a broader strategy to increase the supply of land for housing and meet the DCLG objective of driving up the supply of new homes.

To support councils, the recent Housing White Paper announced a **£45 million Land Release Fund**. The fund will allow local authorities to bring forward surplus land for housing that would otherwise not be developed. It will provide capital funding for works, such as remediation and the provision of small scale infrastructure, to enable sites to be released for housing development.

Some councils have expressed an interest in the Accelerated Construction programme. We are working closely with this programme to consider how the Land Release Fund could help the Accelerated Construction approach, and ensure that local authorities get the funding most suitable for their housing needs.

Our offer

Funding and Support

Both established OPE partnerships and those councils not already part of OPE are invited to apply for funding.

One Public Estate

- Open to all

Up to £500,000 revenue funding to deliver land and property projects.

- Open to existing OPE partnerships and those in the top 100 asset-owning areas

A repayable grant of up to £500,000 to support further projects in local areas, in addition to grant funding.

Land Release Fund

- Open to all

Capital funding for small-scale land remediation and infrastructure projects that will bring forward new local authority owned land for homes. Precise annual levels of funding are subject to internal approval, but are expected to be up to £24 million capital funding in 2017/18 and up to £21m across 2018/19 and 2019/20. Applications may seek up to £15,000 per home, however note the fund will be competitive and applications will be ranked on the basis of value for money (see below). Applications should clearly state the year for which funding is sought. If any funding for future years remains following this bidding round we may launch a further bidding round.

Funding from both pots

- Open to all

Some schemes may be able to benefit from both funding pots where resource and capital funding is required to allow local authority owned land to be released for housing development. For example, OPE revenue funding could allow for land or infrastructure studies to be undertaken, with Land Release capital funding enabling any necessary works arising from these studies to be undertaken.

Which funding pot or mixture of funding your partnership applies for is for local partners to decide. Please indicate in your application if you are only applying for OPE revenue funding this year, but intend on applying for Land Release capital funding in potential following bidding rounds.

It should be noted that OPE will give higher weighting to applications from partnerships of councils, but will also consider single site opportunities where delivery at scale can be demonstrated. Weighting for the Land Release Fund will be given to applications that propose innovative models for delivery and are in areas of high housing need. Applications involving projects requesting both OPE revenue funding and Land Release capital funding are welcomed but will need to meet the criteria for both funding pots.

- A single coherent application process for all elements of available funding and support (see sections A and B for full details).
- A single governance mechanism and support function between GPU, DCLG and the LGA to drive delivery of projects and programmes of work.
- Practical LGA, GPU, and DCLG support including barrier-busting and sharing good practice, including day-to-day support from a team of expert OPE Regional Programme Managers.
- Technical support from analysts and data experts, including recording, mapping and benchmarking data.
- Specific support from the Homes and Communities Agency, including:
 - a nominated point of contact for partnerships to liaise with
 - sharing of intelligence on HCA initiatives within a partnership area (property transfers, etc) so that linkages with local authority and OPE projects can be made as needed
 - support to access additional HCA funding opportunities such as the Starter Homes Land fund and Home Building fund loans or other relevant opportunities
 - support to unlock HCA sites that may be key to delivering council land release and OPE projects, especially those which are not earmarked as priority sites for the HCA

- HCA expertise in strategies for 'de-risking' sites in preparation for disposal, including approaches to infrastructure development and land remediation where appropriate
- brokerage with housing associations where a partnership approach to development is applicable
- easy access to HCA technical panels to support the smooth delivery of Land Release fund and OPE projects
- easy access to the HCA Atlas team to support bringing forward large sites.
- Access to senior central and local government experts.
- Facilitated opportunities workshops to support partnership development and identify new projects to take forward.
- Continued development of government policy to assist local delivery, such as the Duty to Engage and Power to Direct Disposal which will come into force in 2018 through Part 8 of the Housing and Planning Act (www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm).
- An OPE pool of experts to provide identified specialist expertise where unavailable within local partnerships. The pool will improve the speed and outputs of project delivery across OPE, supporting learning and best practice across the programme and negating the need for lengthy, drawn out procurement activity for individual partners.
- DCLG will provide support and advice on proposed projects for any Land Release Fund application until two weeks before the deadline.

New in 2017

One Public Estate

We are continuing to build on the successful foundations of earlier One Public Estate phases, retaining the philosophy of cross-public sector working on land and property to unlock major service transformation and/or economic growth priorities locally, and joining with DCLG to offer an increased package for local authorities.

We are inviting partnerships to apply, putting forward **ambitious** and **credible** work programmes to be delivered in collaboration with other public sector partners in their area. Applicants must clearly set out how they will deliver the core OPE objectives to:

1. create economic growth (new homes and jobs)
2. deliver more integrated, customer-focused services
3. generate efficiencies, through capital receipts and reduced running costs.

In particular, new applicants should also consider how the programme can support their wider service transformation and economic growth priorities, for example, sub-regional level health and social care integration or unlocking major economic growth opportunities. They should also set out how they see OPE and the property board aligning with wider activity such as devolution deals, including any land commission or joint assets board.

Pool of experts

OPE is establishing a pool of experts that will provide capacity and professional capability to support and deliver projects where expertise does not reside in-house. This includes nominated individuals identified by OPE who can quickly support projects on the ground.

Specific specialised skills will include:

- master planning
- feasibility studies
- options appraisals
- surveyors
- design
- procurement

Individuals will have undergone security vetting and will be able to be called on at short notice. This will offer a streamlined approach to procuring expertise without the need for individual and lengthy procurement activity at the local level; and provide a trusted team of specialists who can share learning and experience to accelerate successful delivery across the OPE programme.

Partnerships can discuss their specialist requirements with OPE Regional Programme Managers who can suggest suitable experts to be considered to meet the specific needs of the brief.

OPE grants – pilot scheme of repayable grants

As part of plans for establishing a sustainable One Public Estate programme, we are inviting applications from existing OPE partnerships to pilot a repayable grant system of funding.

This would be in conjunction with some OPE grant funding and possible match funding from other partners.

The pilot will look to offer repayable grants up to £500,000 to four or five OPE partnerships, which would be fully repayable by a pre-agreed number of years (three years is likely). This interest free grant would be available to well established partnerships already participating on the programme and those not yet on the programme but who are within the top 100 largest asset owning English local authorities.

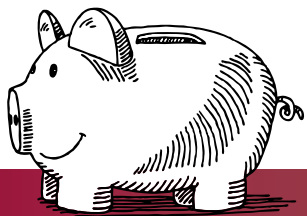
We will consider providing a repayable grant for activities usually funded to aid project delivery and technical support, along the lines of:

- feasibility and master planning
- site remediation
- planning
- valuation
- other funded works outside programme capacity building activity.

If you would like to discuss other considerations, please get in touch with the OPE programme team. Please note we are not presently offering repayable grant funding for programme management or capacity building activity.

Any funding asks for repayable grants will need to show they produce additional or accelerated outputs.

By 2020, OPE partnerships expect to deliver...



£158 million

running cost savings



£615 million

capital receipts



44,000

new jobs



25,000

land released for new homes

Over the past year, government departments have announced a number of major transformation programmes. Each of these will have an impact on public land and property both nationally and locally, and represent an opportunity for future collaboration. Existing and prospective partnerships should be aware of how these initiatives play out locally and consider how they can form part of their OPE work programme.

Housing

New housing delivery remains a key priority for both central and local government, as reflected in the recently published Housing White Paper 'Fixing our broken housing market'. Government has committed to releasing land for 160,000 homes from its central estate by the end of March 2020 and, as part of a shared ambition with its member councils, the LGA has pledged to match central government's ambition by releasing local authority land for 160,000 new homes over the same period.

Health

The NHS is in the process of transforming its services, with the disposal of surplus land high on its agenda. The Naylor Review was also published in March 2017, examining how the NHS can make the best use of its estate to support NHS England's Five Year Forward View. Much activity has already begun in response to the review, with opportunities to support sustainability and transformation plans (STPs) and optimise the use of NHS land and buildings.

Defence

The Ministry of Defence (MoD) has conducted detailed planning work to develop 'A Better Defence Estate' (2016) and has identified almost 130,000 hectares of surplus land across 91 MoD sites for disposal.

Work and pensions

In January 2017, the Department for Work and Pensions (DWP) announced plans to transform into a smaller, more efficient department. The department will retain the majority of DWP offices (both back office functions and Jobcentre Plus offices) but will divest some out-dated and surplus offices, creating more efficient processing sites, merging smaller sites with larger ones, and reorganising its corporate centre to maximise the use of six regional corporate hubs.

Government Hubs

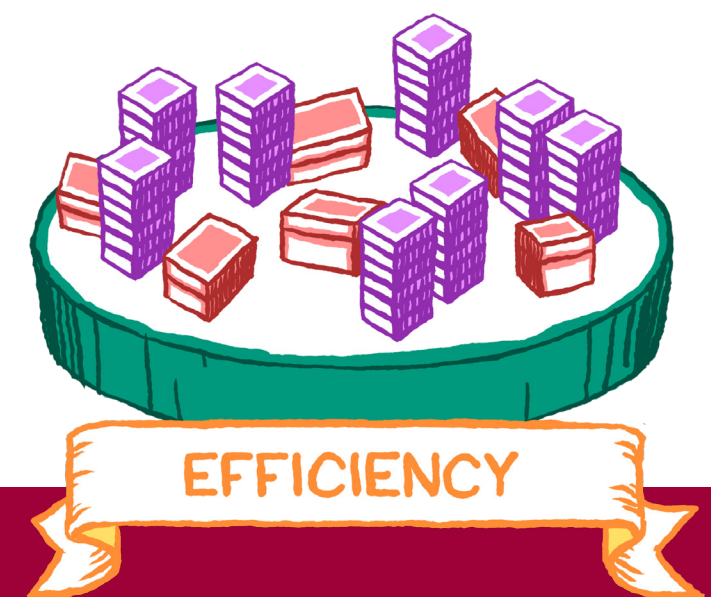
The Government Hubs programme was set up to transform the government estate to drive efficiencies for the taxpayer, boost the UK economy by freeing up much needed land and property, and provide a modern working environment for civil and public servants. The programme aims to consolidate government's c.800 offices into c.200 by 2023.

Transport

In April 2016 Network Rail gave its specialist transport property business, Network Rail Property, greater independence by establishing it as a property company. It now has its own board to approve investments in the estate and make decisions about the disposal of property.

Education

The Education Funding Authority is leading work to open 500 Free Schools by 2020 and is seeking to work with councils to identify suitable sites to meet local educational need. LocatED is the Department for Education's new property company, which opened in March 2017 and is tasked with buying sites for free schools.



Application criteria

For an application to be successful partnerships must be willing to meet the pre-selection criteria.

Record all land and property assets owned by partnership authorities (except social housing stock) and public sector partners on the ePIMS Lite system.

- Make details of all land and property owned by the partnership publically accessible including in authorities' statutory annual reports.
- To provide data on:
 - all local authority land released since 2015 and assumed housing capacity
 - information on all local authority land planned for release before March 2020 and assumed housing capacity
 - disposals and future disposal strategy on a bi-annual basis
 - estimated value of all local authority owned land and buildings within your partnership area.
- 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 quarterly reporting arrangements which provide progress on partnership activity, project delivery and data updates on Local Authority land released.
- Set out a detailed timeline for meeting all pre-selection criteria set out above by 31 December 2017

These criteria are applicable to applications made for any part or mix of the available funding.

As noted earlier, it is for local areas to decide which funding pot and how much they wish to apply for. All applications must include:

- name all local authority partners and identify a lead local authority; the lead authority's S151 officer or chief executive must sign-off the application and evidence of sign-up of all partners should be provided
- name other partners from central government, the wider public sector and beyond, and confirm that there is senior level approval to join your partnership
- clearly set out how the partnership will operate (new areas) or confirm the current operating model (existing areas) and how this links to wider priorities such as devolution proposals, LEPs or other relevant delivery groups
- detail the key projects your partnership plans to deliver in the 'Delivery Plan'

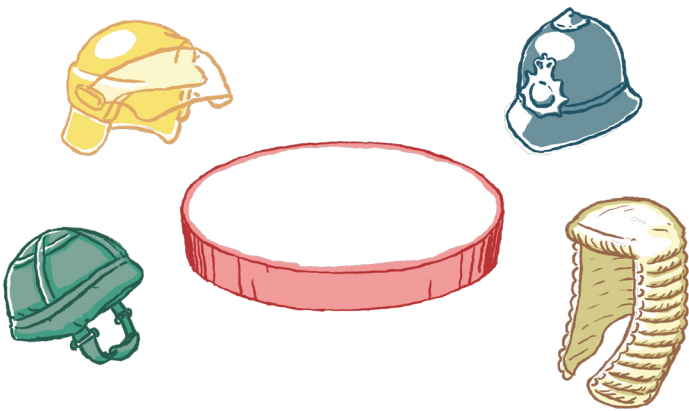
- provide a clear project description and detailed delivery plan setting out the key milestones and timeline for each project
- detail how your projects and wider programme of work will help support the delivery of local priorities
- demonstrate clear and achievable outputs, broken down by year, and identify an evidence base for all outputs confirming their deliverability
- clearly break down the funding requested from each funding stream and by project, setting out how it will be used to deliver projected outputs and benefits
- provide details of any other funding streams that are in place and are essential to successful delivery of the project (homes, devolution deals, estates regeneration, growth deals, starter homes, and Accelerated Construction, etc)
- provide details of programme management costs involved in delivering the wider programme.



One Public Estate criteria

For projects to be successful in applying for OPE revenue funding they should:

- demonstrate how the partnership proposes to deliver outcomes together with central government and/or wider public bodies and clearly state the ownership of assets involved in projects
- deliver against one or more of the OPE **three core objectives**:
 - creating economic growth (new homes and jobs)
 - delivering more integrated, customer-focused services
 - generating efficiencies, through capital receipts and reduced running costs
- show how projects deliver/support the delivery of major service transformation and/or economic growth across the partnership area
- provide details of any other funding streams that are in place and are essential to successful delivery of the project
- where funding is requested for existing projects, show evidence that funding will significantly develop the scope of the project and provide a demonstrable increase in outputs or pace of project delivery
- provide a delivery timeline within the next five years (by 2022) and 10 years (by 2027) for major transformative projects.



Land Release Fund criteria

For projects to be successful in applying for DCLG's Land Release Fund, applications will need to give evidence of three types of criteria.

1. Applications will not be considered unless the following 'gateway' criteria are satisfied. Applications must demonstrate that:

- the land to which the bid relates is fully owned by the local authority. For schemes of mixed land ownership funding would only be available to support work that delivers local authority land release
- funding must enable the release of the land for housing by 2020 or earlier, and must not be available from any other source
- that the works for which funding is sought are deliverable, and within a time frame that will enable the land to be released in time.

2. Evidence must be given that applications represent good value for money on the basis of an economic appraisal following the principles set out in the Green Book and the DCLG Appraisal Guide. Applications will be ranked competitively, and those with the best overall score will be successful. The value for money assessment will carry 60 per cent of the weighting by which applications will be ranked.

The economic appraisal will be based on the present value economic benefits of a scheme divided by its present value costs to central government. This will generate a benefit cost ratio. These two elements are described below.

Economic benefits: the Land Release Fund is targeted at releasing local authority owned land that is suitable for housing development. The economic benefits of releasing this land will be quantified using land value uplift, which represents the economic benefits of converting land to a more productive use. Land value uplift is calculated by the difference between the value of the land in its new use, minus the value in its previous use. **A Technical Annex** has been published alongside the prospectus setting out in detail what information local authorities should provide.

The total land value uplift on a site will provide the gross economic benefit. It will then be necessary to estimate how much of this economic benefit is genuinely additional; that is, how much development would have occurred in the absence of the intervention. This could include:

- demonstration of clear site specific market failure, including, where relevant, evidence that the works would not have been undertaken by the private sector
- evidence that releasing land for residential development on the site won't displace activity elsewhere, for example due to:
- market displacement – increases in housing supply that will be off-set by reduced supply elsewhere in the same housing market, due to a limit on the level of private supply that the market can support
- local plan substitution – increases in land allocated for housing that will result in reductions in allocated land elsewhere in the same local authority.

Costs: in appraising costs, we will only take into account any costs on central government. This will reflect both spending through the local authority land release, and any other funding that has been received from central government. This will not reflect any money spent or recovered by the local authority.

All costs and benefits will be discounted at the standard rate of 3.5 per cent p.a. This will tend to favour delivery sooner rather than later.

3. 40 per cent of weighting will be given to projects to the extent that they demonstrate:

• **Innovative models of delivery, this could include:**

- proposals to take forward development at pace
 - proposals for development to be taken forward by small and medium enterprises
 - proposals to work with private developers who are taking forward modern methods of construction/innovative design
 - joint ventures
 - land swaps
 - joining up across local authority boundaries.
- That land will be released in areas which support government's strategic growth ambitions.

The application process

Section A:

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

Those applying to join the OPE programme and bid for DCLG's Land Release Fund 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 core OPE objectives.

Pre-selection criteria

All applicants must:

- name all local authority partners and identify a lead local authority
- name other partners from central government, the wider public sector and beyond

if applying for OPE funding or a combination of OPE and Land Release Fund funding, by **18 August 2017** submit an expression of interest and a basic details form (see below)

commit to produce a final 'Services and Assets Delivery Plan' and updated **basic details form** by **3 November 2017**, setting out your programme of work and associated benefits in each of the next ten years

- commit to completing all pre-selection criteria set out further above by **31 December 2017**.

Process and timetable

New applicants will complete a two stage application process:

By 18 August 2017, and in addition to fully completing the mandatory basic details form, you must also submit an **expression of interest** setting out why you bid to receive 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 above
- detail the key projects you plan to focus on which have the potential to radically transform your place and/or how your partnership goes about its business
- for OPE: outline the likely benefits your partnership expects to deliver in each of the next ten years: jobs created, new homes, capital receipts raised, running cost savings, investment income or details of local authority land released for new homes
- for DCLG's Land Release Fund: outline the total new homes that can be built on local authority land by 2020 or earlier
- all OPE activity should also specify how services will be transformed
- identify the assets you expect to see in play, these will need to include:
 - assets owned by more than one partner for OPE projects
 - details of local authority sites for Land Release Fund projects including amount sought, brief details of the works for which funding is required, and indicative housing capacity

- applicants are encouraged to put forward plans which consider assets owned by other public sector bodies locally and support the delivery of the central government transformation programmes above
- explain why you need support from the programme to progress your plans and how you plan to use funding
- set out the costs of this first stage of work
- show that projects demonstrate additionality, with all projects demonstrating outputs which are in addition to schemes currently in delivery.

By **15 September 2017** 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 **3 November 2017** you must submit an updated basic details form and your final Services and Assets Delivery Plan which includes:

- how your partnership will meet all pre-selection criteria by 31 December 2017
- a detailed project plan for each project set out within your application
- the 'early wins' your partnership aims to achieve i.e. in years one and two
- 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.

Land Release Fund applications should include:

- evidence of how the funding criteria are met
- a detailed project plan setting out what the funding will achieve and timelines for land release
- a cost plan showing how all funding will be spent with a timeline.

OPE Regional Programme Managers are available to provide assistance when developing your proposals for either OPE or DCLG funding.

Application process and timetable for new partnerships/councils seeking to join

Application stage	July 2017
Expressions of interest open	1 August
Expression of interest deadline	18 August
Decision on expressions of interest (stage one). If successful, awarded up to £50,000	15 September
Final Services and Assets Delivery Plan (stage two) deadline	3 November
Decision on final applications. If successful, join the programme and awarded up to £500,000	8 December

Section B:
The application process for existing OPE members

Existing OPE members are invited to bid for further OPE funding and support to deliver additional projects and benefits, for the Land Release Fund or for a combination of both.

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

Partnerships should set out succinctly what projects and outputs will be delivered, the timetable and what additional funding and support is requested from which funding stream.

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

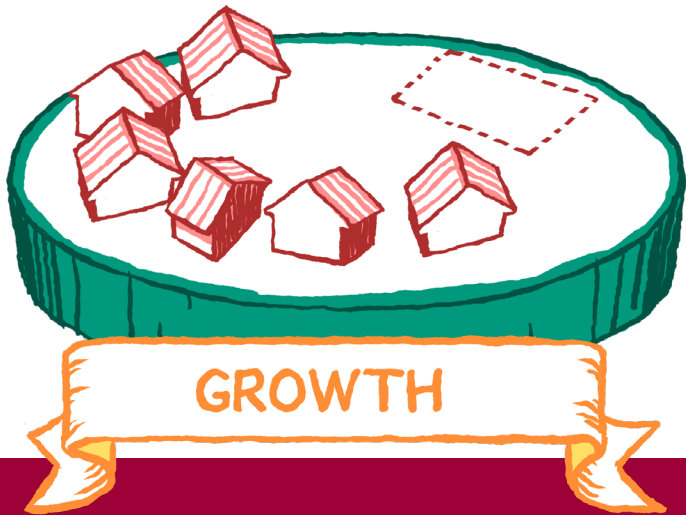
- projects that involve a range of public partners and deliver OPE core objectives
- new projects that have not previously received OPE funding, or existing projects that have been significantly developed in scope with a demonstrable increase in outputs
- clear projected benefits including new jobs,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

Land Release Fund applications should include:

- evidence of how the funding criteria are met
- a detailed project plan setting out what the funding will achieve and timelines for land release
- a cost plan showing how all funding will be spent with a timeline.

Application process and timetable for existing OPE members

Application stage	July 2017
Invite to apply for additional funding to expand programme	1 August
Deadline for appendix to Service and Assets Delivery Plan	3 November
Decision on final applications. If successful, awarded up to £500,000	8 December



Assessment of applications

All applications will be assessed jointly by the Cabinet Office, DCLG and the LGA. Higher scores will be given to ambitious and credible proposals. For DCLG Land Release Fund projects innovative solutions to building new homes, such as off-site/modular construction, will be considered over applications based on marketing material or used to apply for other initiatives. Consideration will also be given to:

- the ability to meet all pre-selection criteria within specified timeframes
- a clear timetable of outputs, including early wins in years one and two
- clear additional outputs including new homes, and in addition for OPE; jobs, capital receipts raised, reduced running costs, investment income and service transformation.

We reserve the right to partially fund applications.

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 11 August 2017 at Layden House, 76-86 Turnmill Street, London EC1M 5LG.

Please email onepublicestate@local.gov.uk for further details.

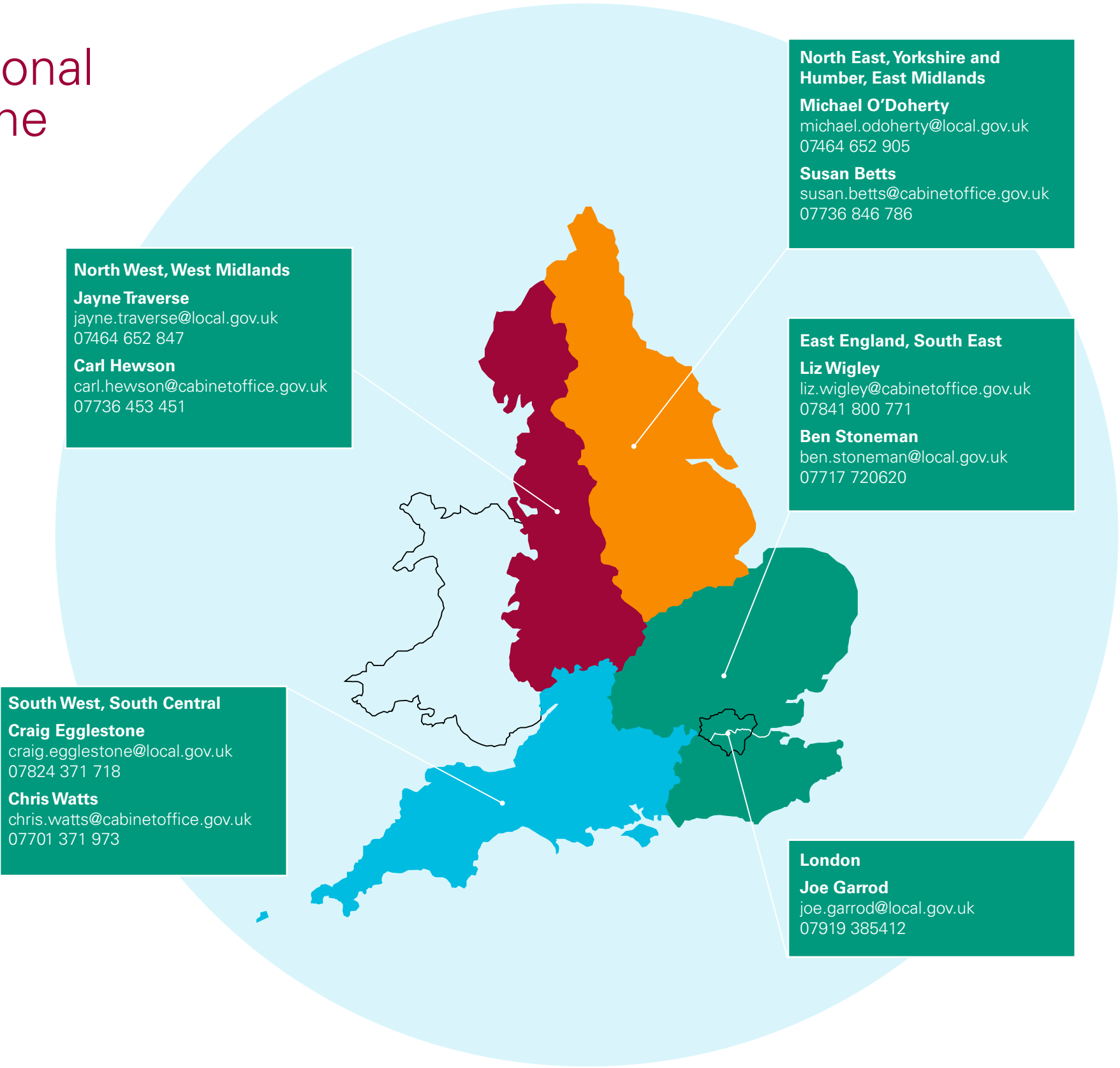
DCLG Land Release Fund

Weighting	Criteria
Mandatory	Pre-Selection Criteria
60%	Value for money
40%	Delivery model and support to government's strategic growth ambitions

One Public Estate

Weighting	Criteria
Mandatory	Pre-Selection Criteria
25%	Strength of partnership arrangements
50%	Project ambition and delivery plan
25%	Value for money, including schedule of costs and benefits

OPE Regional Programme contacts





ONE
PUBLIC
ESTATE



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We consider requests on an individual basis.

REF 11.46