

ONE PUBLIC ESTATE: TRANSFORMING PROPERTY AND SERVICES



Cabinet Office



GPU

The Government Property Unit (GPU) was set up in 2010 to improve efficiency and release value within the Government's property estate.

We aim to deliver a modern, sustainable and fit-for-purpose estate, boosting productivity, driving up efficiency and releasing surplus assets to create economic growth. Through coordinating how central government uses property, as well as working closely with organisations across the public sector, we aim to achieve maximum value for the taxpayer.

www.gov.uk/government/groups/government-property-unit-gpu

Local Government Association

The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.

We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

www.local.gov.uk

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Introduction

The total value of local government land and property was estimated by the Audit Commission to be almost £170 billion in 2012/13. In the same year, Councils spent £5.6 billion – about four per cent of all revenue spending – on premises-related expenditure.¹ There is no recent figure for the value of the entire public estate, but in 2008 the Office for National Statistics estimated it to be around £380 billion.

Recent years have seen councils invest time and energy in making better use of their assets in response to the reduced resources available to them. Since 2010, the Local Government Association (LGA) has worked with more than a third of all councils on estate rationalisation, supporting them to adopt a place-based, collaborative approach to managing their land and buildings and to use capital and property assets to generate savings and promote local economic growth.

2013 saw the launch of One Public Estate (OPE), a pioneering initiative designed to expand this asset management and estate rationalisation across the whole public sector.

The programme, delivered by the Cabinet Office Government Property Unit (GPU) in partnership with the LGA, is designed to facilitate and enable councils to work successfully with central government and local partners on public property and land issues through sharing and collaboration.

In many cases, the programme is accelerating work that councils had already begun, improving their ability to co-ordinate work programmes with other public sector asset holders.

£380bn public land & property

£5.6bn a year running costs for councils

£13.3bn projected capital receipts 2015-18

¹ Managing council property assets: using data from the value for money profiles, June 2014, Audit Commission <http://www.audit-commission.gov.uk/2014/06/can-local-governments-2-5-billion-surplus-assets-be-put-to-better-use-2/>

OPE has four priorities



Create economic growth – enabling released land and property to be used to stimulate economic growth, regeneration, new housing and jobs.



Deliver more integrated and customer-focused services – encouraging publicly funded services to co-locate, to demonstrate service efficiencies and to work towards a more customer-focused service delivery.



Generate capital receipts through the release of land and property.



Reduce running costs of central and local government assets.

“

We have made good strides in rationalising the government estate, and putting more land and property into better productive use. Our estate is now two million square metres smaller than it was in 2010 and the sale of surplus freehold space has generated more than £1.4bn for reinvestment in delivering public services.

In GPU we have been working ever closer with our partners in local government in developing a number of innovative public sector hubs to provide the services communities need, more efficiently and effectively. The One Public Estate programme represents a very natural shift towards working more collaboratively with both local government and the wider public sector on better utilising all of our public assets. The programme has played an important role in bringing public sector bodies together into an integrated approach.

The programme’s successes from year one demonstrate the value of this collaborative approach for both central and local government, but most importantly for citizens; in the next couple of years, the benefits of this excellent programme will be seen in terms of new homes, new jobs and greater economic activity in communities up and down the country.

We look forward to the opportunity to work in partnership with more councils in the future, delivering exciting projects that provide more savings to the taxpayer and better services for our communities.



Bruce Mann
Finance Director, Cabinet Office
and Executive Director of the
Government Property Unit

”

“

Building on a strong track record of collaborative working, local authorities are leading this modernised approach to making the most of public sector assets. We have pioneered integrated ‘blue light’ services in places as far flung as Worcestershire and Hull, and local government asset sales are forecast to dwarf those of central government, totalling £13.3 billion between 2015-18.²

As leaders of place, councils are increasingly taking a regional and area-based approach and we are ambitious to do more. We have made significant advances in service integration with our NHS partners locally, and now want to increase the pace of regeneration, particularly in our big cities. We also want to see significant new housing growth in communities where homelessness, overcrowding, or simply being priced out of a home are taking their toll.

Councils have an unparalleled understanding of their local area and economy and are well placed to assess how local assets can be used to drive growth. Councils already work in partnerships, such as local enterprise zones, and have strong links to business and industry.

I am delighted that an additional 20 councils in 12 programmes have been invited to participate in the OPE programme. This offers an exciting opportunity to build on the success of year one, creating new initiatives that save taxpayers’ money, boost economic growth, release land for much needed housing development, create new jobs and improve the delivery of local services.

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Councillor David Sparks OBE
Chair, Local Government
Association

² Office for Budget Responsibility, March 2013: Fiscal Supplementary Tables (Table 2.25)

Introduction

SUCCESSFUL LOCAL AND CENTRAL GOVERNMENT COLLABORATION:

Regeneration

- Release or development of assets to support local economic growth and regeneration

Service Delivery

- Right space in the right place to improve service delivery
- Property asset base aligned to forecast demand
- Integrated, collocated workplace

Finances

- Reduce operating costs by £Ms per annum
- Capital receipts from asset disposals

Efficiency

- Modern, fit for purpose workspace supporting higher productivity
- Sharing of assets and facilities
- Streaming of public sector asset base

The 12 pilot councils involved in year one of the programme are already delivering projects improving local economies and generating significant efficiencies. They have adopted a new approach to managing assets by developing partnership arrangements with public bodies through council led, local property boards.

As the case studies in this booklet demonstrate, they are putting robust organisational frameworks in place and strengthening the relationships with partners that are so critical to the success of a 'one public estate' approach.

The success of this approach is being developed further at a national level with several of the largest public land owning government departments.

Facilitated by the GPU and LGA, a much more collaborative approach with local government is being taken to the development of policy and processes to enable public sector partnership working at a local level.

There is substantial central/local involvement with The Department for Work and Pensions/JCP – it is now almost remarkable to find a council who is not heavily engaged in joint delivery of some kind with DWP.

Larger councils, and the 172 housing stock holding authorities, all have engagement with The Department for Communities and Local Government, particularly through the Homes and Communities Agency.

Engagement has just begun in earnest with the Department for Transport on the release of 'amenity asset' land (land and property held as a consequence of other direct service provision). It is estimated that Central Government Departments and their agencies hold around 4,000 of these 'amenity assets'.

The Ministry of Defence is coordinating the joint development of a protocol to improve the decommissioning and disposal of land process, ensuring greater economic and social benefits for the local authorities, communities and stakeholders involved.

We are seeing increased partnership working with Community Health Partnerships (CHP – head tenant of the National Health Service Local Improvement Finance Trust (LIFT) estate) .

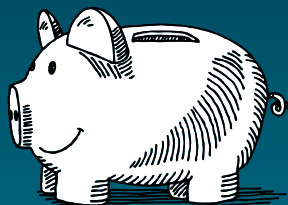
This will encourage the alignment of One Public Estate activity with CHP asset rationalisation programmes in localities, as well as help facilitate integrated health & social care services.

While the pilots featured in this publication are the flagships, this type of innovation is evident in councils right across the country.

It is hoped that the projects featured here will be of interest to all local authorities as they develop partnerships and look for new ways of managing, rationalising and consolidating the local public estate.

£21 million

Projected savings in running costs.



£88 million

Generated in capital receipts.



£40 million

Further estimated long-term benefits to local economies.



5,500

new jobs.



7,500

new homes.



Year one has seen:

The development of pan-public sector property and delivery boards

Establishment of cross-public sector asset mapping

Asset and service alignment with the 'blue light' services

Key projects with central government departments

Councils working in partnership with district and borough councils

Public sector hub-and-spoke design

The development of innovative asset management and delivery models

Co-location and alignment of local and central government services

Keys to success

Based on their experiences in the first year of the One Public Estate programme, the pilot authorities and the OPE programme team have compiled a 'top 10' of their key learning points and reflections on what to consider when embarking on estate rationalisation, co-location and integration projects.

1. Services should be the key driver and property the facilitator. Assets are the platform and levers for change and growth but people will deliver the change. For example, creating a new public sector area in Andover, Hampshire will improve links between services and provide more joined-up and accessible services for local people.

2. Develop strong relationships: engage with public sector partners to find joint solutions. Silo operation is not the way forward and seeing the bigger picture will maximise the rewards for local communities. Create opportunities for discussion if they don't already exist – for example, Bristol's new stakeholder group of public sector landholders has revealed an opportunity to relocate a city centre fire station and create over a hundred new homes.


3. A shared vision is critical to collaborative working. All partners must buy in to it from the start with a willingness to invest time and resources as appropriate. Understand your partners' priorities: each will have their own strategies and savings targets and projects will only move forward if everyone can demonstrate real savings or service improvements to their staff and customers.

4. Think creatively – even small scale opportunities can offer rewards. For example, releasing 25 per cent of an under-utilised hospital site in Epping, Essex, will create space for much-needed affordable housing. At the other end of the scale, working with a large number of partners will make a project more complex and lengthy but can bring greater rewards than looking at isolated sites. Surrey has conducted a major review of public sector provision in a number of town centres to maximise the long-term benefits of estate rationalisation.


5. Match governance structures to objectives – there's no one best structure, it is all about what you want to achieve. A Partnership can be just as effective as an incorporated structure, and sometimes cheaper and easier to set up.

6. Local leadership is essential to drive progress and ensure success. Getting elected members and senior managers on board will provide momentum. For example, in Nottingham plans to co-locate youth employment services in the Council's headquarters benefited from a strong commitment from councillors, which meant that it progressed quickly and smoothly.

7. Set up flexible processes and strong project management that can be reviewed and adapted as the project progresses. Hull carried out an independent review of service delivery relating to its plan to co-locate local advice services and implemented a number of changes as a result. Create an overall project timeline with flexibility built in to it that allows for future expansion.



Sovereignty can be both a strength and a barrier to better outcomes



A vision and a plan are critical ... but so too is the flexibility to seize an opportunity when it arises

8. In co-location and integration projects, talk early on about **the basis of occupation** (such as a space sharing agreement) and the level of financial remuneration to be applied to the space (if any), as this can be a sticking point.

9. Bringing services together and forming new teams can mean **merging different working cultures**. Set up effective communication channels that include staff at all levels and emphasise the shared values, such as delivering the best services to local people.

10. Look at **examples of best practice**, such as those in this booklet, network and talk to people in other authorities with projects underway that could be replicated in your area.

Whether it is direct championing from an elected mayor (Bristol) or from a council leader (Worcestershire), top level support is critical to form and maintain partnerships and take the collective decisions that are necessary in property rationalisation



Think creatively; this unused railway shed in Bristol has been developed into a business incubation hub for up to 40 start-ups

Bristol: Creating a city-wide property stakeholder group

A new stakeholder group of public sector landowners in Bristol is identifying opportunities for co-location, improved service delivery, capital receipts and reduced running costs through a range of potential OPE projects.

“Bristol has created a strong and effective Property Board with representation from the private sector and the Homes and Communities Agency (HCA) to complement GPU and City Council attendance, chaired by the elected Mayor George Ferguson. The Board is also serviced by a wider stakeholder group including the NHS, universities and blue light services who are already taking forward the collaborative projects and ideas that have come out of early discussions.”

Ann Carter-Gray

Deputy Director – Head of Regional Strategy, Government Property Unit



The challenge

At the start of their involvement in the OPE pilot, Bristol's public sector partners had no forum through which to share information on assets and examine how and where collaboration may bring added benefits to the sector and its service users.

The vision

The partners came together to set up a property stakeholder group which has provided a base for discussions. As a result, a number of opportunities are starting to emerge that will provide a strong programme of work going forward. The ambition is for these projects to lead to more integrated services, co-location and sharing of space, reduced running costs and increased capital receipts.

Actions taken

The stakeholder group was set up in September 2013 with representatives from Bristol City Council, the Homes and Communities Agency (HCA), Government Property Unit, the 'blue light' services, Bristol University, the University of the West of England, City of Bristol College, NHS Estates and local health trusts. The vast majority of public sector assets in the city are owned by the Council (95 per cent), which is currently developing its own property strategy.

The group has a number of objectives:

- adopt a collaborative approach to public sector assets in the city
- share information
- reduce total occupied space to enable the public sector to lower its property running costs and carbon emissions
- release property for regeneration and raise receipts from surplus land/buildings
- improve customer access, service quality, organisational communication and working dynamics by co-locating different services.

At its initial meetings, members identified a number of projects for investigation:

- sharing office space, meeting rooms, conference and training facilities
- development of shared customer-facing facilities
- possible co-location of depot and vehicle maintenance facilities
- working together with regard to disposals and sharing information on opportunities and requirements
- geographical reviews
- shared procurement, IT and facilities services.

A consultant was appointed to carry out initial scoping work on three main projects: the sharing of customer-facing facilities, possible co-location of depot and vehicle maintenance facilities and a focus on the Knowle area arising from the changing requirements of the Police Service here.



Bristol: Creating a city-wide property stakeholder group

Expected outcomes

The stakeholder group has already provided:

- networking opportunities
- a tool for circulating information on requirements and opportunities
- an opportunity to look at public sector assets on a geographical basis
- an opportunity for sharing strategies as they are developed.

The ultimate outcomes will include better service delivery, increased regeneration and growth, a rationalised public estate, disposal of surplus assets, reduced costs and improved productivity. As no projects have been completed yet, capital receipts and running cost reductions are expected to begin in years two and three of the work.

In the meantime, individual partners have been working together to work on some 'quick win' projects. For example, Bristol City Council, the HCA and the Ambulance Service are working together to relocate the Ambulance Service from its current site in the city centre, releasing this for the development of up to 130 homes.

The Council and HCA are also working to release a former British Rail depot and sidings for a further 200 homes. The HCA has purchased both sites to speed up the development process. The total costs it incurs are likely to be about £3 million and the sites are expected to deliver total capital receipts in the region of £5.5 million.

The Council's Cabinet has approved a plan to convert two floors of the central library into a free primary school. This will lead to reduced library service running costs for this building in the region of £75,000 per year and has provided a capital sum of £600,000 and annual rent of £60,000 to the Council, out of which it will meet the relocation costs. It has also helped with the delivery of a much-needed educational facility at a saving to the public purse in the region of £2 million.

Bristol City Council says that being part of the OPE programme has raised the profile of collaborative working within the city as well as providing funding for consultancy support to investigate opportunities for joint working.



Cheshire West and Chester: A new public sector hub for Ellesmere Port

Public sector partners across West Cheshire own more than 1,500 assets, from car parks to office blocks, with annual running costs of over £40 million. They are working together to examine how these assets can be used to reduce running costs and stimulate growth through co-location.

“Cheshire West and Chester have shown strong leadership in gaining wider public sector partners’ collaboration on the feasibility study for the public sector hub project in Ellesmere Port. The shared vision from the partners is making this happen and this project will act as a catalyst for the wider regeneration of the town centre.”

Hashmukhlal Mistry FRICS

Regional Property Adviser – NW & YH/NE, Government Property Unit



Cheshire West and Chester: A new public services hub for Ellesmere Port

The challenge

The West Cheshire Partner Estate Group, led by Cheshire West and Chester Borough Council, was set up in 2012 to consolidate and develop the local public estate in a coordinated way. It has identified assets similar in nature and use: for example, 60 buildings are used as generic office accommodation, costing £12.4 million a year to run.

The Coronation Road area of Ellesmere Port town centre, which is mainly in public ownership, was identified as ideal for redevelopment and a suitable location for local public services such as health, police, fire, ambulance, Jobcentre Plus and council services. This 8.5 acre site currently houses a number of public service providers in individual premises, with many of the buildings in poor condition.

The vision

Co-locating public services on the site would enhance service delivery, reduce the size of the public estate and reduce running costs for public service providers. A project of this scale could also be a catalyst for the regeneration of Ellesmere Port town centre and developments in the wider area. The Ellesmere Port Vision and Strategic Regeneration Framework 2011 produced by the Ellesmere Port Regeneration Board sets out the location and scale of potential developments.

The public sector hub will generate footfall to stimulate much-needed investment and increase the vitality, vibrancy and resilience of the town centre, increasing investor and developer confidence and attracting private sector investment.

Actions taken

The significant potential benefits the project could generate, together with the funding received as a pilot OPE area, has enabled the project to proceed quickly with full partner support. As a first step, consultants were commissioned to provide detailed options for the creation of a shared public services hub and show how it could support the regeneration of the town centre and act as a catalyst for developments in the wider area.

They assessed whether the provision of a new building and co-location of services had the potential to generate savings.

The objectives for the scheme are:

- a reduction in the cost of the public estate
- service redesign to provide improvements in service delivery
- creation of fit for purpose flexible accommodation
- improved partner working
- to act as a catalyst for regeneration and private sector investment in the town centre and wider area.

Potential outcomes

The feasibility study identified a reduction in floor space required of 35 per cent and potential savings of £5 million (excluding savings generated by the potential for service redesign as a result of co-location). It showed that a carefully located hub could deliver wider physical and socio economic benefits for the town as a whole and, if existing sites are released for redevelopment, could generate capital receipts for re-investment in service delivery.

The project could enable the release of around 15 acres of town centre land and 42 acres on the edge of town. It could also trigger the development of 1,880 new homes and safeguard or create 2,000 jobs, as well as leading to major public realm enhancements.

The investment in the town could prompt further developments in the Waterfront regeneration area, which could deliver an additional 1,000 new homes, new employment and leisure space and 350,000 additional visitors (spending an extra £28 million) by 2019. Phase two of the regeneration plan could deliver a further 4,000 homes. The development could also trigger transport improvements unlocking a new employment zone, with the potential for more than 2,500 jobs.

Potential barriers could include:

- the different abilities of partners to retain and recycle capital receipts and raise capital
- reconciliation where one partner invests and another receives the savings
- different tax and VAT regimes among the partners
- potential requirement for some partners to have freehold ownership.

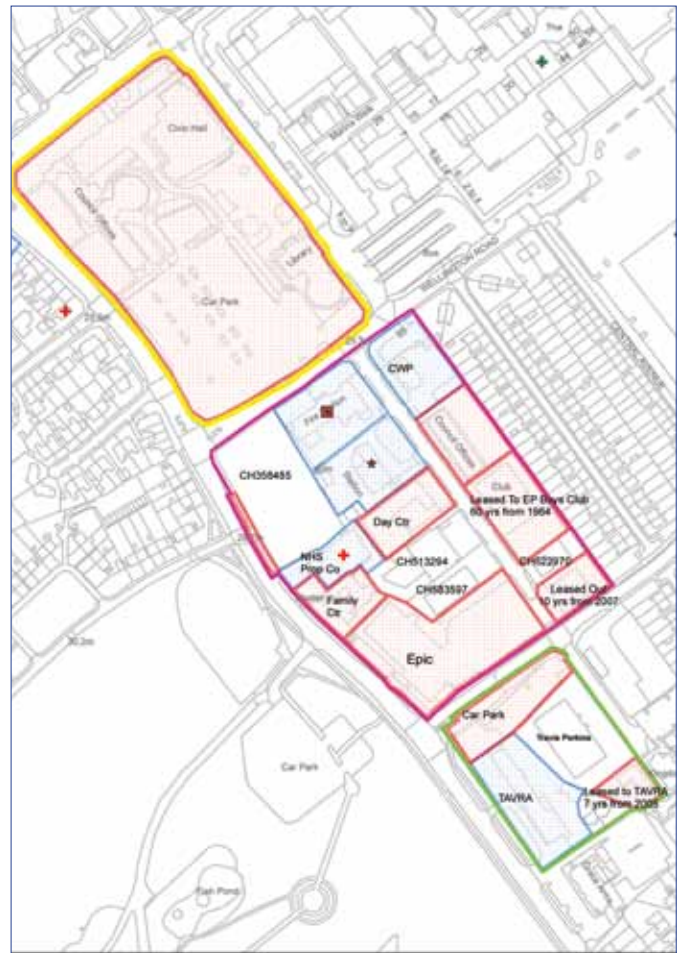
Regeneration will see the development of **1,880 new homes** and safeguard or create **2,000 jobs**



Next steps

In the next stage, the partners have commissioned an outline business case to develop the proposal and examine the potential for service redesign. Sources of capital funding and potential delivery models will also be investigated. A full business case will be produced by mid 2015 if partners approve the outline business case. Subject to partner approval and funding, a 24-month delivery stage will then begin.

Cheshire West and Chester Council says being part of the OPE programme has helped the project to progress quickly by providing a forum for discussion and resources for the feasibility study. Other estate projects in the borough include joint work with Tarporley Parish Council to release land for new homes and improve sporting facilities (which has generated £7 million in capital receipts) and a new customer access point for health, housing and council services in Frodsham.



Essex: Locality reviews identify land for affordable housing

Essex County Council and its partners are using their involvement in OPE to instigate locality reviews in Epping Forest, Rochford and Tendring, looking at schemes that could address housing and public land issues.

“The need for more housing land is a priority in Essex, especially for affordable housing. Public sector land holdings could play a special part in identifying new opportunities. The OPE programme has followed up county-wide demand studies with a careful search for supply opportunities in each local area, and is leading to worthwhile results.”

Richard Emmens

Regional Lead – Greater South East, Government Property Unit



The challenge

The locality review work has strong links with the Whole Essex community budget pilot, which looked at how the partners could work together to provide affordable and specialist housing where this was identified as a need. The partners have been examining a range of approaches, including:

- identifying land that can be released for housing development
- collaborating on shared-use initiatives to release additional sites
- accepting different types of development on disposal sites.

As well as addressing housing issues, these projects have the potential to generate capital receipts and improve local services.

The vision

Although many of the surplus buildings and sites identified through the locality reviews will simply provide housing development opportunities, some cross over with non-housing issues. One example is the housing land project with the potential to develop specialist housing for adults with learning disabilities to reduce running costs of existing facilities, generate capital or income and improve services for local residents.

Potential outcomes

The project is currently at design stage but it will seek to refine and scope some broad outputs:

- revenue savings: reduced property running costs (from better utilisation and more cost-effective buildings) and reductions in the cost of providing services to elderly and disabled residents (through more cost-effective living options), leading to savings in the Council's adult services budget
- capital and/or income generation through sale of land and the construction of homes for rent
- service redesign around customer contact and moving to 'one stop shops' – for example a police reception/reporting facility being located in a library
- social benefits: helping disabled local people to live independently for longer in safe, suitable housing
- growth: stimulating economic growth and regeneration through new housing, helping to attract and retain people and create job opportunities.

The project has the potential to significantly reduce the public sector partners' running costs over three to five years and beyond, as well as enabling them to generate capital receipts through the release of land and property.

Next steps

One important step in considering the potential of this project will be determining the profile of housing need locally. This is certain to underline affordability as a barrier to people entering the housing market along with an under-supply of specialist housing. A key challenge will therefore be to balance investment in healthcare with specialist, affordable and private housing.

The Council says being part of the OPE programme has helped to stimulate a range of conversations on collaborative asset management. Without it, the partners would have been unlikely to talk until they had developed their own individual asset strategies. It has led to:

- key partners coming together
- a focus of attention to generate new opportunities
- raised awareness of asset management at the most senior level
- identification of opportunities for collaborative working.



Hampshire: A proposed public services hub in Andover

Delivering more customer-focused services for local people is at the heart of a proposed joint project in Andover, Hampshire, led by Hampshire County Council and Test Valley Borough Council involving several other public sector partners. The idea is to bring together a range of public services that are currently housed in different buildings around the town and make better links with existing cultural and leisure services.

“Within two or three years, local services in Andover will be improved and much more accessible as a result of our co-operation across the public sector including county, borough and central government.”

Richard Emmens

Regional Lead – Greater South East, Government Property Unit



The public sector working together will see the community benefit from a more **customer focused and cost effective service**

The challenge

Hampshire County Council has developed a One Public Sector Estate programme for the county and held a series of area opportunity workshops with key partners in each district. This was designed to begin to get the partners thinking differently about their assets with the aim of eventually achieving a long-term culture change.

An area opportunity workshop for the Test Valley area took place in October 2012 involving representatives from Test Valley Borough Council, health, police, fire and rescue and the Government Property Unit. Asset maps were used to identify possible opportunities for improving the use of public sector buildings and aligning strategies. The key idea that came from that workshop was to explore a new customer-facing gateway in a central location in Andover.

The vision

The idea is to bring together a number of different public services that are currently located across Andover, a market town which also serves villages in the Test Valley area, ideally within existing publicly owned vacant or under-used space. Taking a more collaborative approach would improve links between services and facilities and provide more joined-up and accessible services for local people, as well as attracting private sector investment to the area.

Actions taken

The first step was to identify a potential site within public ownership. Initial high-level viability work has suggested that while there would be significant costs involved in refurbishing and reconfiguring the identified building, it could result in a very successful re-use, enabling services to be delivered more efficiently and providing a real benefit for the community and the place.

Discussions have taken place between the public sector partners to explore options for a sale of the property to the two local authorities without the need to put it on the open market. An independent valuation has been commissioned to assess an appropriate price and discussions are ongoing to find a mutually agreeable way forward.

Potential outcomes

The anticipated outcomes of the proposed project include:

- re-use of the building by public sector partners
- reduced overall asset liabilities through rationalisation of existing freehold and leasehold properties
- capital receipts from disposals
- release of public land for development, regeneration and growth
- a catalyst for private sector investment in the area
- reduced staffing costs through co-location of services
- reduced running costs through refurbishment.

Hampshire County Council will always consider alternative uses or ways to generate revenue from surplus assets before committing to a disposal. The priority is to minimise revenue expenditure and generate income from assets where possible.

Along with other projects underway across the county, the Andover project would ultimately result in reduced staffing costs from co-location of services. It would also lead to reduced running costs through refurbishment and disposal of surplus assets. There is a focus on vacating leasehold properties which will contribute substantially to revenue savings.

Hampshire: A proposed public services hub in Andover

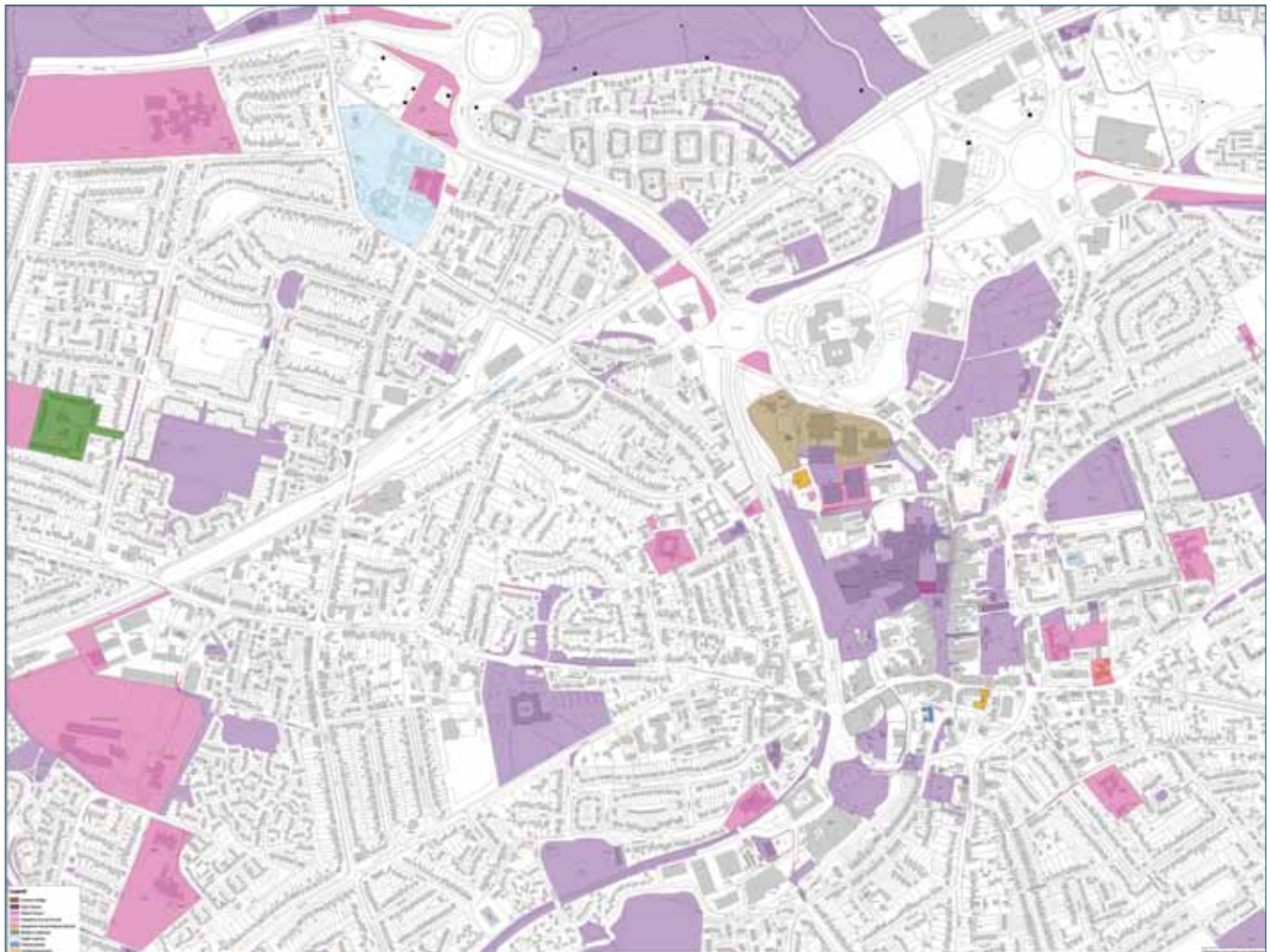
Next steps

A more detailed business case and feasibility work is now underway to ensure the viability of the project. Although the property is in a good strategic location and while there would be some revenue savings through co-location and the release of leasehold assets, the adaptation and refurbishment work is likely to be of significant cost.

The hope is that this investment by the local authorities would act as a catalyst for further regeneration of Andover and significant private sector investment. The ultimate aim would be a significant improvement to the public realm in this location and a higher customer uptake of cultural, community, leisure and health services through co-location and improved facilities, leading to improved health and wellbeing outcomes.

This is one of a number of projects underway or at the planning stages in Hampshire which are strengthening the culture change towards a 'one public service' ethos now beginning to take root.

Among the others is the formation of a joint working partnership called H3. This is a major collaboration between Hampshire County Council, Hampshire Constabulary and Hampshire Fire and Rescue which includes sharing of business and support services and co-location of some staff.



Hull: A new help and advice centre for residents

A range of public estate projects are underway in Hull under the strategic lead of the City Plan, which aims to support its traditional commercial strengths while creating new opportunities for growth, investment and jobs.

“When I visited the Wilson Centre recently I was really impressed by this one-stop-shop situated right in the heart of the city, where citizens of Hull can access advice and services from range of different organisations, while saving the tax payer money”.

Christine Morton

Project Coordinator, Government Property Unit



Hull: A new help and advice centre for residents

The challenge

Maximising the efficiency of the public estate will play a key role in achieving the ambitions of the City Plan, which has been developed by Hull City Council and its partners. The first project to be completed on schedule was the creation of a new central location for residents to access help and advice from a range of organisations as well as pay bills and fines, book tickets, register life events and report general issues.

Hull City Council had funded the Community Legal Advice Centre (CLAC) in partnership with the Legal Services Commission until the contract ended in 2013. Budget cuts meant the Commission could no longer provide this funding, so the CLAC service was no longer financially viable. CLAC occupied private rented accommodation in the city centre costing £180,000 a year. The Council's welfare rights service rented part of the same building at a cost of £6,000. Meanwhile, Citizens Advice Bureau (CAB) rented offices elsewhere at £50,000 a year. There was some overlap in the general advice services provided by CLAC and CAB.

The vision

The vision was to merge the CLAC generalist service with the Council's welfare rights service to form the Hull Advice Service, and co-locate this in one building with other facilities. A suitable location was the Wilson Centre, the Council's flagship customer service centre.

This would reduce running costs and enhance service delivery: local residents could access help with family, housing, employment, immigration, welfare, community care and debt issues in one central location.

The objectives were to:

- enable the valuable CLAC function to continue, supporting residents through welfare reform pressures
- reduce duplication of services
- co-locate a range of front-facing services in one central building
- relinquish expensive leases.

Welfare reform has resulted in a substantial loss of income for many Hull residents. CLAC contributes to the Council's priorities by safeguarding the most vulnerable people and providing acute support. It is the main referrer to the food bank and provides emergency grants for living and fuel expenses along with advice on welfare rights, debt and housing, so the Council felt it was important to preserve the service.

Actions taken

Some refitting work was necessary before the partners could move into the Wilson Centre. This was completed in June 2013 and the newly formed Hull Advice Service moved in, followed by CAB. All the advice service functions are now co-located here and workspace is provided for the advisers.

The refit involved a one-off cost of around £100,000. As Hull City Council owns the property there are no rental charges and the Council is paying for the utilities as its contribution to delivery of these important services. This represents an annual saving of £236,000 in accommodation costs for the three organisations.

Outcomes

Co-location has improved the customer experience for residents using these services. The Wilson Centre provides a one-stop shop with first-class facilities for people who need advice and is a huge improvement on the quality of the previous buildings. People can be signposted to other services easily – from applying for a school place or free school meals to getting help with filling in council forms, paying bills, reporting environmental issues or registering a birth or death.

Hull demonstrate that **'golden thread'** linking a clear city vision with a comprehensive understanding of customer needs, and how to set that in the context of reduced resources

The main benefits realised are:

- retention of a valuable service with the customer offer enhanced
- a reduction in accommodation costs for the Council's partners
- increased capacity for the Council to deal with welfare issues via an extended in-house service
- CAB has gained extra stability and funding bids are likely to be more successful because of the close working arrangement with Council services
- The Wilson Centre is now fully utilised as a building that meets public need
- there is less duplication and confusion for customers, who can access advice from one point.

Next steps

Hull City Council says being part of the OPE programme has brought benefits including:

- better relationships with public sector partners and the Government estate, leading to a better understanding of land and property in Hull
- awareness that the use of land and property assets is essential in delivering the City Plan
- a better understanding of the different types of asset data across the Council, which are now being cleansed and coordinated
- a greater understanding of how respective services could fit together to better support local communities in the future.



Leeds: An integrated health and social care service

A joint approach to service delivery is being developed through an integrated health and social care programme in Leeds involving Leeds City Council and Leeds Community Health.

"The Leeds integrated health and social care service will transform service delivery. It will bring joined-up services to 'area hubs' making the services accessible, improving the customer experience and making considerable savings."

Christine Morton

Project Coordinator, Government Property Unit



An excellent example of **using assets to drive service transformation**, at the same time as reducing cost and duplication

The challenge

The integrated health and social care programme is one of a range of projects aiming to make better use of public buildings in Leeds, creating new models of service delivery and encouraging partners to work more flexibly together.

It is building on lessons from pilot projects that were already in place in the city, such as:

- co-location of joint care teams in Council and health buildings
- basing local authority social workers in hospitals to support ongoing social care needs and patient discharge arrangements.

The vision

Central to this health and care service transformation, which will see around 900 staff integrated into new area-based teams, is a joined-up approach to estate management. Better use of assets and co-location will reduce running costs while also offering an improved service for customers.

The programme will create 13 integrated health and social care neighbourhood teams across the city, working under a new operating model designed to increase efficiency of processes and enhance the sharing of information.

Each team will have a main integrated office location, with additional 'touchdown' facilities located in other Council and health buildings. Twenty health staff have already been relocated to the Council's main customer contact centre.

Actions taken

A working group involving representatives from both organisations was set up to develop a joint office accommodation strategy and prepare a city-wide implementation plan for the integrated health and care programme.

The team prepared detailed design principles and guidance for estate decisions, together with a framework for charging and re-charging the costs of integrated service accommodation. They examined how the programme would enhance service delivery, generate capital receipts through disposal of buildings and reduce running costs across both organisations.

Leeds City Council mapped all operational property on a ward-by-ward basis, including the assets of key public sector partners (police, Leeds Community Health, the fire service, ambulance service and hospitals). This has helped to identify the best-fit properties in terms of location, condition, space and other factors for delivering joint facilities and space sharing.

Predicted outcomes

Once fully developed and delivered, the new integrated health and social care operating model will feed into the Council's city-wide office accommodation review, which should see running cost savings of up to £3 million in the first three years and up to a further £4 million in years four and five (following the refurbishment and reoccupation of the Council's Merrion House building).

There is also the potential for capital receipts to be realised by the Council and/or Leeds Community Health through office accommodation rationalisation. An asset management plan is due to go to Leeds City Council's executive board for approval in November 2014 which will include a number of projects with a cross-public sector focus.

The asset management plan will play a part in achieving a range of Best Council objectives, including:

- becoming a more efficient and enterprising Council
- joining up health and social care services
- promoting sustainable and economic growth
- supporting communities and tackling poverty.

Leeds: An integrated health and social care service

Next steps

The first neighbourhood teams (covering South and East Leeds) will be integrated and co-located by March 2015, involving around 300 staff. Property solutions across the rest of the city will be identified by the same time and work will be underway to deliver fully integrated neighbourhood teams across Leeds.

In addition to this programme, a jointly commissioned and provided intermediate care facility opened in April 2013 at a surplus Council-owned residential care home. It is estimated that savings could be generated of up to £1 million per year for every 50 people, from the 400-plus using the service, enabled to live independently at home rather than being released from hospital with a long-term care package.

Leeds City Council says being part of OPE has raised the local profile of the integration and co-location agenda. Public sector partnership working has been further strengthened.

There has also been useful discussion with other local authorities on approaches to rationalisation and sharing of space. Among the other projects in their early stages are:

- a community hub programme delivering integrated front-facing customer services across Leeds
- a public sector campus for occupation by various NHS and health teams as well as others such as the Department for Work and Pensions
- a co-location/integration proposal between the fire service, police and Council on a site presently occupied by the police.



Nottingham: Increasing the 'employability' of young people through co-location of services

In Nottingham, the Department for Work and Pensions (DWP) is co-locating its youth employment services in Nottingham City Council's main headquarters building. The project will enable closer working between the partners, leading to better-designed services in a welcoming and accessible city centre location.

"Significant progress is being made in Nottingham to improve customer facing services. At the heart of this are Nottingham City Council and the Department for Work and Pension's commitment to develop a joint youth service centre within Loxley House and in the process reducing operating costs. This will be a catalyst for similar service improvements across the city."

Stephen Jacobs

Senior Programme Manager, One Public Estate, Local Government Association



Nottingham: Increasing the 'employability' of young people through co-location of services

The challenge

Nottingham City Council occupies modern, flexible accommodation in Loxley House. Nearby are two buildings occupied by the DWP, one of which supports delivery of the Youth Contract (providing employment opportunities for 18-24 year olds). Through its involvement in OPE, the Council and its partners have been looking at options for co-location of services.

The vision

As a result of this work, the DWP is now re-locating its Youth Academy (the Youth Contract team and related services) to the ground floor of Loxley House. The proposal created an opportunity for the Council to redesign the ground floor of Loxley House to create a more welcoming and open environment with flexible workspace for both DWP and other customer facing services.

The Youth Academy team already works closely with the Council's economic development youth training function. Co-location will cement this relationship and bring mutual benefits for both partners. The DWP's experience elsewhere has shown that co-location and service integration with local authorities can break down engagement barriers with service users.

Closer working will also support several strands of the Nottingham Growth Plan, which sets out the Council's plans for economic growth to 2020. It will help to reshape the city's skills profile to ensure that workforce supply meets demand now and in the future, and will help tackle poverty and deprivation by getting more people into good jobs.

Actions taken

Initial proposals were drafted to integrate the Youth Academy into Loxley House in a flexible, open plan layout providing 35 workstations. The relocation has been a trigger for DWP to carry out further rationalisation of its estate in the city, which will immediately reduce its overall running costs by £500,000 a year.

The project has benefited from a strong commitment from the Council's leadership, who were keen to work more closely with the DWP and find a workable solution for the co-location plans. This top-level commitment has helped it to progress quickly and smoothly.

A formal and complex lease structure has been avoided in favour of a simple agreement to occupy a number of workstations at a fixed 'all in' rate per workstation. This can easily be adapted as the space required by the DWP changes with demand for its service (which is expected to increase over time). Work is underway and the aim is that DWP will move in to Loxley House by December 2014. A project steering group, with clear governance and robust reporting requirements, was set up to ensure that time and budget expectations are met.

Predicted outcomes

The expected outcomes include:

- a saving in property operating costs for DWP
- generation of new income for the Council
- enhanced collaborative working leading to improved service delivery
- reconfiguration of the ground floor of Loxley House to improve the user experience for the public, staff and other partners
- the release of a site for redevelopment next to Loxley House
- better alignment between youth skills and local job market opportunities.

DWP will immediately benefit from a cost saving of £500,000 a year and the Council will receive additional income from the 'leasing' of space to DWP, an income stream that is expected to increase over time. In Year 1, the additional revenue will total £100,000 arising from co-location of the Youth Academy and youth training team. The main non-cash benefit at this stage will be more focused training and job opportunities for young people.

From Year 3, with full integration of service delivery, the Council expects the revenue to rise as additional DWP services are brought into the building and the site vacated by DWP will be free for regeneration. By Year 5, the ambition will be for the local labour force to be better aligned to job opportunities.



The development of a joint youth service between Nottingham City Council and the Department for Work and Pensions will lead to a **reduction of £500,000 in annual running costs**

Next steps

A number of OPE projects are underway in Nottingham including co-location of the Council's emergency planning services with the Fire & Rescue Service, the co-location of the Council's Community Protection officers with the Police Service, redevelopment of Cotgrave town centre and colliery site and the potential consolidation of IT server facilities for Nottingham City Council and Nottinghamshire County Council.

There is a widespread recognition that public sector collaboration is necessary for efficient and better-designed service delivery. Being part of OPE has created a new forum for conversations between Nottingham's public sector partners and enabled the creation of a single property database, which is helping to identify opportunities for further collaboration.



Portsmouth: Co-location of police and council services

Partnership working between Portsmouth City Council and Hampshire Constabulary will see the co-location of police services in council accommodation along with a new state-of-the-art police investigation centre for the city.

“Some significant transfers of property are taking place in Portsmouth between different parts of the public sector, but one of the most iconic may prove to be between the police and the city council, who are exploring a number of possibilities. Sharing space between uniformed and other services could show very visibly how they can work together and buildings can be used more efficiently.”

Richard Emmens

Regional Lead – Greater South East, Government Property Unit



The challenge

Hampshire Constabulary has a major estate development programme in place across the county. The strategy includes closing some police stations, relocating safer neighbourhood teams into existing accommodation at the heart of local communities and building four new police investigation centres. The aim is to rationalise the police estate, replace outdated facilities and reduce running costs.

Portsmouth has four main police stations: Central, Southsea, Fratton and Cosham. Work to rationalise the police estate here is being done in close collaboration with Portsmouth City Council. As well as reducing running costs, the programme will help to provide integrated, improved co-located services in the city.

The vision

A new estates strategy for Portsmouth has been developed by Hampshire Constabulary, in conjunction with the City Council, which earmarks the closure of all four current police stations by late 2016. Instead, neighbourhood policing teams will share existing public sector accommodation in parts of the city where they will deliver the greatest benefit. There will also be a new state-of-the-art police investigation centre with custody facilities.

One neighbourhood policing team will be located in the Council's Civic building, which will include the area commander; another will be co-located with Hampshire Fire and Rescue. Other opportunities for co-location are currently being finalised. The traffic response team will be based in a Ministry of Defence office building. The result will be a more locality-based model of service delivery, the release of surplus assets for regeneration, reduced running costs and opportunities for economic growth.

Actions taken

The first stage in this work was to establish a working party between Portsmouth City Council and the Office of the Police and Crime Commissioner to look at:

- 1) opportunities for accommodation sharing and joint working
- 2) redevelopment opportunities of the existing Hampshire Constabulary assets.

Hampshire Constabulary then set out its plans to close the existing police stations, including vacating the central police station by mid-2016. Options are now being explored for disposal of this central site along with an adjoining Council-owned site, including linking in to ambitious plans by the University of Portsmouth to expand its teaching and student accommodation space.

Local police neighbourhood teams will be co-located in alternative accommodation from late 2014 onwards and the Police Authority will market its surplus assets from the start of 2016.

Another possibility being explored by Portsmouth Council and the police is a single uniformed service for street based environmental crime enforcement, involving community wardens and police and community support officers (PCSOs). They are looking at how this has the potential to improve service delivery and save money through the joint use of assets such as office space.



Portsmouth: Co-location of police and council services

Expected outcomes

The police estates project will help to rationalise the public estate in Portsmouth, with joint occupation of Council assets by the police and City Council and some level of service integration. The release of assets will significantly reduce running costs and bring in capital funding. Although this has not yet been fully quantified, the project is likely to produce capital receipts in excess of £2 million and revenue savings of more than £350,000.

Next steps

Portsmouth City Council's strategy for its OPE involvement is to align it, wherever possible, with other Council and wider public sector workstreams. The Council has a clear strategy around asset development with a focus on delivering regeneration, economic growth and improved financial independence of the City Council. The OPE programme is directly contributing to the aims and objectives of the strategy and has enabled the Council to seek to align its asset strategy with those of its public sector partners.

Other projects being discussed include establishing cross-public sector provision from a single base in the Guildhall area of Portsmouth town centre. As part of this work the Council is developing plans to rationalise its own office accommodation, which will create opportunities for partners to work together in a new city centre facility. In Cosham there are plans for rationalisation of NHS, Department for Work and Pensions and Portsmouth City Council assets, with services delivered under one roof and land freed up for commercial and residential development.



Sheffield: A new community hub for Burngreave

Public sector partners in Sheffield are systematically reviewing the public estate on a place-by-place basis and have already delivered a major co-location project in the city's Burngreave district.

"It was excellent to see Sheffield's Burngreave Hub in action where re-designed multi-agency services have been corralled in the heart of the community, giving ready access to local residents and releasing other properties for education and training."

Christine Morton

Project Coordinator, Government Property Unit



Sheffield: A new community hub for Burngreave

The challenge

A broad range of public sector organisations are involved in a community investment programme as a key component of their OPE commitment. This involves reviewing the public estate on a locality basis, using information such as customer insight data to assess what services are needed and where. Opportunities for savings and efficiencies are being realised through divestment of unsuitable assets, co-location of services and service redesign.

Sheffield's Burngreave district is one of the UK's most deprived areas. Despite a number of regeneration initiatives improving conditions here over the years, it continues to be an area of significant economic deprivation. Burngreave is also Sheffield's most culturally diverse ward.

The vision

Sorby House in Burngreave was the first deliverable project arising out of the Community Investment Programme. It involved co-locating a mix of public sector services in one building (formerly the Department for Social Security offices) along with community enterprise, commercial, employment and education provision. The resulting community hub is expected to bring regeneration benefits to the wider community, including new jobs.

Measurable outcomes for the project include:

- a reduction of floor space and property maintenance liability within the area
- an impetus for service redesign
- a reduction in property running costs
- capital receipts through the disposal of property
- acting as a driver for further regeneration in Burngreave.

Actions taken

The project began early in 2013. Sorby House had been identified as ideal for co-location due to the occupancy levels and nature of tenure at the time. The four-storey building was mainly occupied by commercial tenants. The tenants were asked to move onto one floor, leaving the remaining three floors for council and community services. At the same time, the terms for the commercial tenants were refreshed, allowing for a more consistent approach to third party occupation.

The project was managed using a phased approach. In phase one, an area appraisal identified a number of services across the locality and the wider area that could be co-located at Sorby House. In order to move them, capital investment was required to prepare the office accommodation. From June 2013 this investment was made by the City Council, allowing back-office provision to begin occupying the building from September that year.

Phase two involved the 'front of house' provision being implemented. This includes a single reception point and involves the following:

- a Multi-Agency Support Team (MAST) – children and families protection, care and education services including NHS services and South Yorkshire Police
- library services
- the housing office
- community youth teams.

Sheffield College is refurbishing the vacated housing and library buildings to deliver complementary education and training services. As other properties are being vacated they are being divested to reduce property liability and, in some cases, provide capital inflows and further regeneration opportunities. Among other buildings, co-location in Sorby House has released the former MAST site to construct a new primary school and the library and housing buildings to provide rent income and a capital receipt.

Potential outcomes

The Burngreave project will deliver significant revenue savings and provide capital to be used for pump-priming other property solutions being developed through the community investment programme. It has also enabled substantial service redesign and opened up opportunities for more efficient ways of working across local public services.

In year one, the new community hub generated £200,000 in capital receipts to fund future investment and led to a £230,000 reduction in running costs for the Council. This was against service redesign costs of £100,000. The reduction in running costs will be a long-term annual saving. Overall, the wider programme is predicted to provide £5.5 million in cumulative capital receipts together with £27 million capital receipts via asset enhancement. Over time it will deliver an £8.8 million reduction of the maintenance backlog and a 55,000m² reduction of gross internal area.

The outcomes are not only financial. Redesign of the multi-agency support team has already led to benefits for service users, namely streamlined statementing of high-risk family cases and a more seamless handover and integration between different services.

Next steps

Sheffield City Council reports that being part of the OPE programme has led to much better exchange of information with the Government Property Unit, along with benefits from taking a regional development view with its partners in neighbouring Hull and Leeds. Public sector partners across the city are continuing the community investment programme, with a number of projects under discussion.



Surrey: A new town centre strategy for Staines-upon-Thames

Surrey County Council is working with local and national partners to identify major economic growth opportunities through large-scale redesign of public sector sites in various towns.

“Surrey’s approach is perfect entrepreneurialism: slimming down their own operational estate, but finding new uses for old much-loved landmarks at the same time as increasing the commercial estate to underpin front-line service costs.”

Brian Reynolds

Director of One Public Estate, Local Government Association



Reducing the operating footprint but increasing the commercial returns from property to **underpin front line services** has been Surrey's USP

The challenge

Surrey want to move away from stand-alone public service buildings towards shared community hubs, enabling cross-service integration, reduced operating costs and improved frontline services. A number of master planning studies have been completed, providing a vision for the medium- to long-term future of a range of town centres and their public services.

A major project at Knowle Green, Staines-upon-Thames, has seen the Council working in partnership with Spelthorne Borough Council, the Ministry of Justice and the NHS to review the provision of services from an old-fashioned public sector quarter on the edge of the town centre. This large site houses a number of dated properties which are no longer fit for purpose and have high backlog maintenance liabilities.

The vision

The site is being reviewed as part of the Staines-upon-Thames town centre strategy. The plan is to move the public sector services into new fit-for-purpose buildings at the heart of the town centre, freeing up the current site for much-needed residential development, including affordable housing. The project will provide an opportunity to integrate local and central government services, encouraging greater public use as well as providing long-term benefits from reduced running costs to capital receipts and service improvements.

Actions taken

An initial proposal for improving the Knowle Green public sector area and freeing-up land for development was expanded into a joint partner review of the town centre strategy. Consultants were commissioned to undertake master planning, which led to a revised target for a more central site to be identified for the services. It was felt that this would increase customer satisfaction levels while contributing to the improvement of the town's core retail offer.

Potential sites were identified and appraisals were undertaken as to the cost savings and capital receipt generation of the new proposal, which would also release more land for housing development. By December 2014, the aim is to have identified alternative sites for public services and have plans in place for redeveloping the current site.

Expected outcomes

Many potential benefits have been identified which are being balanced against the project's capital costs. They include:

- around 340 new homes, half of them affordable units
- new, fit-for-purpose public sector facilities
- additional office and retail units for partners or to generate income
- new health and leisure centres
- significant carbon reduction
- up to 50 per cent reduction in operational costs
- potential capital receipts of £15-20 million
- eliminating backlog maintenance liabilities of over £3 million
- public sector occupation of empty town centre units, helping to rejuvenate the high street.

Cost savings would come not only from a reduction in the number of buildings but also through shared communal areas, for example reception desks, and more flexible facilities. The project would link into further implementation of 'new ways of working' across the public sector, allowing for smaller space requirements and a more flexible workforce.

Capital receipts generated from releasing the current sites for redevelopment are expected to cover the capital costs of the project. If there is a shortfall, this will be balanced against ongoing operational cost savings and elimination of backlog maintenance liabilities in order to create a strong business case for the additional spend, by one or both partners.

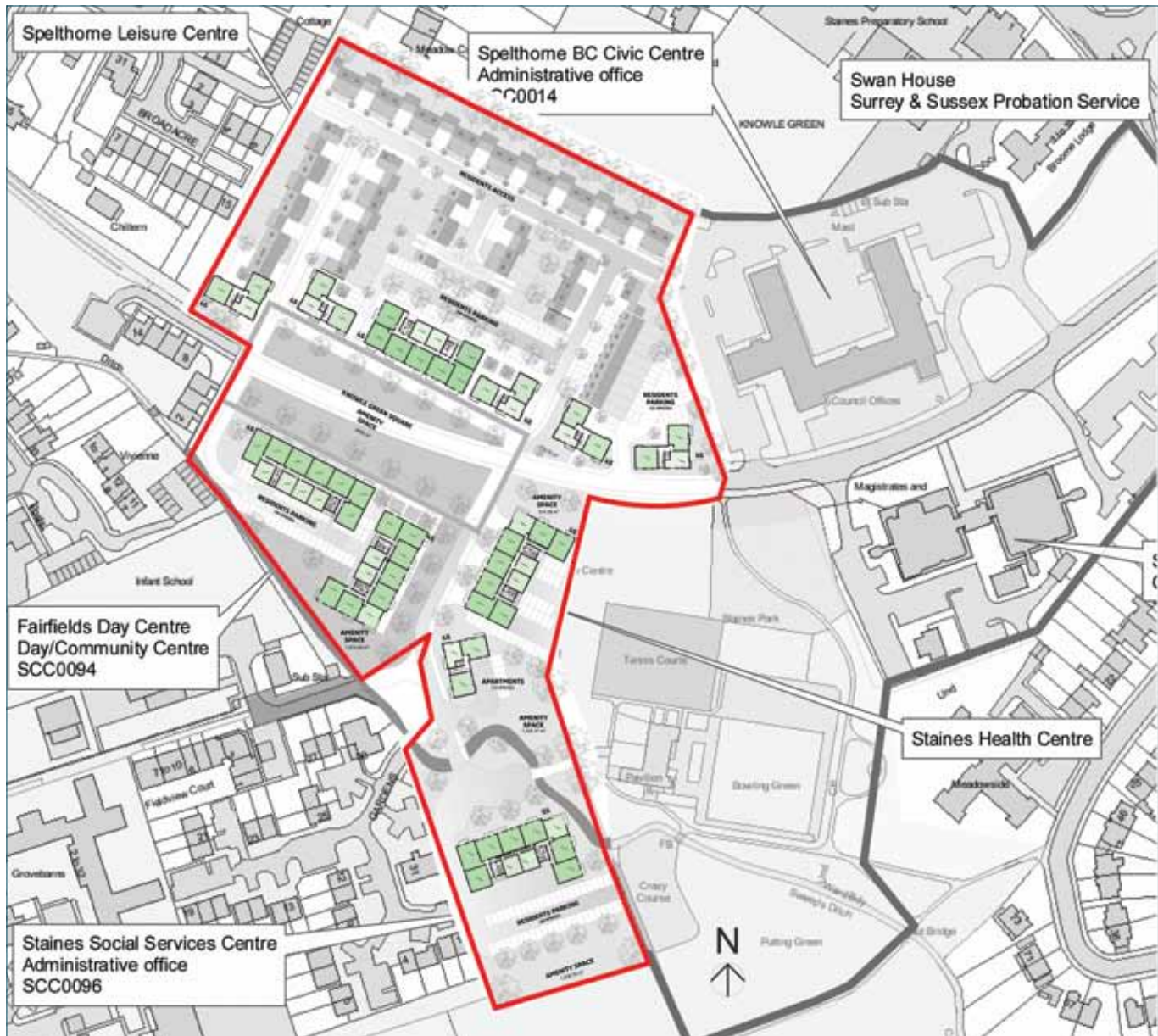
Benefits of the single public sector facility for service users will include easier access to services, services housed in new or fit-for-purpose facilities and more effective services through greater partnership working.

Surrey: A new town centre strategy for Staines-upon-Thames

Next steps

Surrey County Council has published a strategic asset management plan to guide its future property decisions, which is closely linked to the delivery of the OPE programme. Underpinning the plan is a set of customer-focused actions that officers and members are committed to deliver. These include targeted spend through local suppliers, carbon and energy usage reduction, support for regeneration, growth and investment and the move towards smarter ways of working.

Overall, the Council anticipates the OPE projects will generate millions of pounds of capital over the next five years, to be shared among the partners involved. The OPE programme has helped to highlight the huge savings and service improvements that can be delivered across the county. Another specific strand of work involves blue light collaboration, looking at ways to reduce costs and improve service delivery for the emergency services across Surrey and into neighbouring counties.



Warrington: Creating a new central business district

Warrington Borough Council is leading a £190 million regeneration scheme to create a new central business district in the Stadium Quarter, just north of the town centre, stimulating economic growth and generating capital receipts.

"The Stadium Quarter Project presents a key opportunity for partnership working to deliver the principles of One Public Estate. Warrington is making good progress in working through the challenges of the partners' requirements, to create a public hub facility within their new consolidated location."

Hashmukhlal Mistry FRICS

Regional Property Adviser – NW & YH/NE, Government Property Unit



Warrington: Creating a new central business district

The challenge

The redevelopment forms a major part of Warrington's town centre strategy, a 15-year masterplan aiming to develop the local economy. The strategic objectives include:

- securing the regeneration and renewal of older areas of the town, strengthening existing neighbourhoods and making the most efficient use of infrastructure
- strengthen Warrington town centre as an employment, retail, leisure and cultural destination and a transport hub.

The Stadium Quarter covers around 36 hectares and was historically used for industry and more recently for large retail units. The area has good transport links and some vacant Council-owned sites which are being utilised for new facilities.

Until now, Warrington had an identified lack of managed workplace facilities for small businesses. The management costs of providing multi-occupied buildings can be high and smaller businesses often require flexible lease terms. This lack of provision had been identified by the Council as a barrier to increasing job opportunities and economic growth.

The vision

The Stadium Quarter development is taking a phased approach to delivering a mixed-use living and working community. Phase one, now underway, involves developing a business incubator facility; phase two is a university technical college (UTC) and phases three to five will be the central business district, delivered by Warrington and its joint venture partner.

The business incubator centre is being funded by the Council and the European Regional Development Fund (ERDF) and will provide more than 40,000 square feet of office space, housing up to 40 businesses and creating jobs for about 170 people in an energy efficient building.

The UTC, with a focus on nuclear and energy engineering, will be sponsored by the University of Chester with support from the Council and local employers. Warrington has one of the UK's largest clusters of nuclear research and technology firms employing around 3,000 people. The college will help to grow and protect these employment sectors by addressing skills gaps. The Council-owned site will be transferred to a new UTC company which will deliver the project.

The central business district will be delivered by the joint venture partner in line with the town centre strategy. It will create up to 1,000 jobs during the construction phase and almost 4,000 permanent jobs when completed by 2024, as well as providing much needed new housing in and around the town centre.

Actions taken

The first step involved securing £87 million in investment. Bids were made to central government for funding for both the UTC and business incubator facility. By January 2014, funding was confirmed for developing the incubator centre on a vacant Council-owned site; work began soon afterwards. This development is costing over £8 million, of which £1.5 million is from the ERDF.

The remainder will come from capital generated through prudential borrowing by the Council. Income will be generated from rents paid by occupiers and the increase in business rates. The Council will run the business hub in conjunction with an operating partner, thereby reducing its exposure to the risks of self-management and generating a higher return than simply leasing it to an operator. Funding for the UTC was also confirmed earlier this year.

The redevelopment project is being managed by Warrington and Co which was established to act as a partnership between the Council, business leaders and key organisations as a business-friendly interface. It is envisaged that the joint venture arrangement will allow Council land to be drawn down for delivery of subsequent phases of the masterplan.

The regeneration of the Stadium Quarter will allow Warrington to strengthen its nuclear energy sector with the **creation of thousands of jobs** and state of the art educational facilities

Expected outcomes

While there will be some financial return to the Council, the main benefits will be the transformation, vitality and viability of the town centre. The success in securing funding for the incubator centre and UTC is an important step in kick-starting the wider regeneration scheme.

The Stadium Quarter is one of three key regeneration sites in the Council's town centre strategy. Significant progress is already being made in relation to the central Bridge Street Quarter which will provide a public service delivery hub.

The relocation of the Council's main offices to a new facility will allow the release of a number of administrative buildings across the wider public sector, generating financial savings for those organisations who have committed to the scheme, and giving further impetus to the regeneration of the town centre.

Warrington Council says being part of the OPE pilot has had a big impact in aiding and shaping delivery of the town centre strategy and has helped to spark conversations with other public sector bodies through the work of the Public Sector Property Working Group.

The Pilot has fuelled a growing awareness that self-interest and 'silo' operation is no longer the way forward, and this momentum is driving further plans for the town

The recent delivery of the Penketh Community Hub, providing a police station as part of a larger community facility, is testament to the progress being made in breaking down barriers to joint working.



Worcestershire: A public sector joint property vehicle

Public sector partners across Worcestershire and the wider region are exploring forming a single vehicle to jointly manage their property portfolio. Their aim is to achieve a single efficient estate, co-locate services within shared buildings and generate significant revenue savings.

“Worcestershire have pioneered blue light integration and county towns protection; one to watch for any rural county with a fragile local economy.”

Brian Reynolds

Director of One Public Estate, Local Government Association



The challenge

Worcestershire's public sector partners are keen to make better use of their combined property assets to reduce running costs and improve service delivery. In the past this has been difficult as property tends to be maintained separately by each organisation, while multiple management structures have created layers of complexity. In response to this challenge, they have come together to form a joint property vehicle (JPV) to manage their combined property portfolio.

The project originally involved six core partners:

- Hereford and Worcestershire Fire and Rescue Service
- Redditch Borough Council
- Warwickshire Police and West Mercia Police
- Worcestershire County Council
- Worcestershire Health and Care NHS Trust
- Worcester City Council.

Together they developed an outline business case. However, it became apparent that the health trust could not legally become a shareholder in a limited company so it withdrew, although it remains interested in purchasing a service from the JPV. Discussions are underway with other local public sector bodies that have expressed an interest in joining the venture. Herefordshire Council are now a core partner in the proposal.

The vision

The JPV project has the potential to drive transformational change in the way public sector property is used across Worcestershire. The overall aim is to make the property portfolio more customer-facing, responsive to local needs, flexible, sustainable and energy efficient and more affordable.

The shared strategic objectives include:

- delivering revenue savings
- improving customer service delivery
- maintaining and protecting frontline services
- facilitating service integration
- driving operational efficiency
- driving capital receipts
- enhancing the quality of the property portfolio
- driving cross-organisational working
- driving regeneration and growth
- increasing revenue generation.

The JPV plans would achieve a 20 per cent reduction in workforce by the end of year one and reduce revenue costs by more than 25 per cent over the same period. However, the participants are aware that this is a partnership vision: the benefits may not always be apparent to each individual partner, nor will they apply with equal priority.

Actions taken

The new JPV is expected to 'go live' by April 2015. The remaining partners are committed to the project and a full business case is being developed, for delivery in October 2014. The plan will deliver an arms-length limited company, wholly owned by the public sector partners.

Each partner will have an equal stake and voting rights in the new organisation, and the shareholding group can expand to embrace other local public sector bodies in the future. As a 'Teckal' company it will have the ability to trade up to 10 per cent of turnover with organisations outside of the shareholding group.

An implementation team is leading the project and the partners are currently considering if any organisation can lead on the various support functions (such as legal and finance). The timeframe is challenging but there is a strong drive and momentum to move the project forward.

Worcestershire: A public sector joint property vehicle

Potential outcomes

The project has been subject to robust assessment through the outline business case stage. Jointly, the six organisations spend £56 million a year on their property portfolio. The main spending areas are facilities management costs (52 per cent), energy (19 per cent), staff costs (13 per cent), rates (10 per cent) and rent (six per cent).

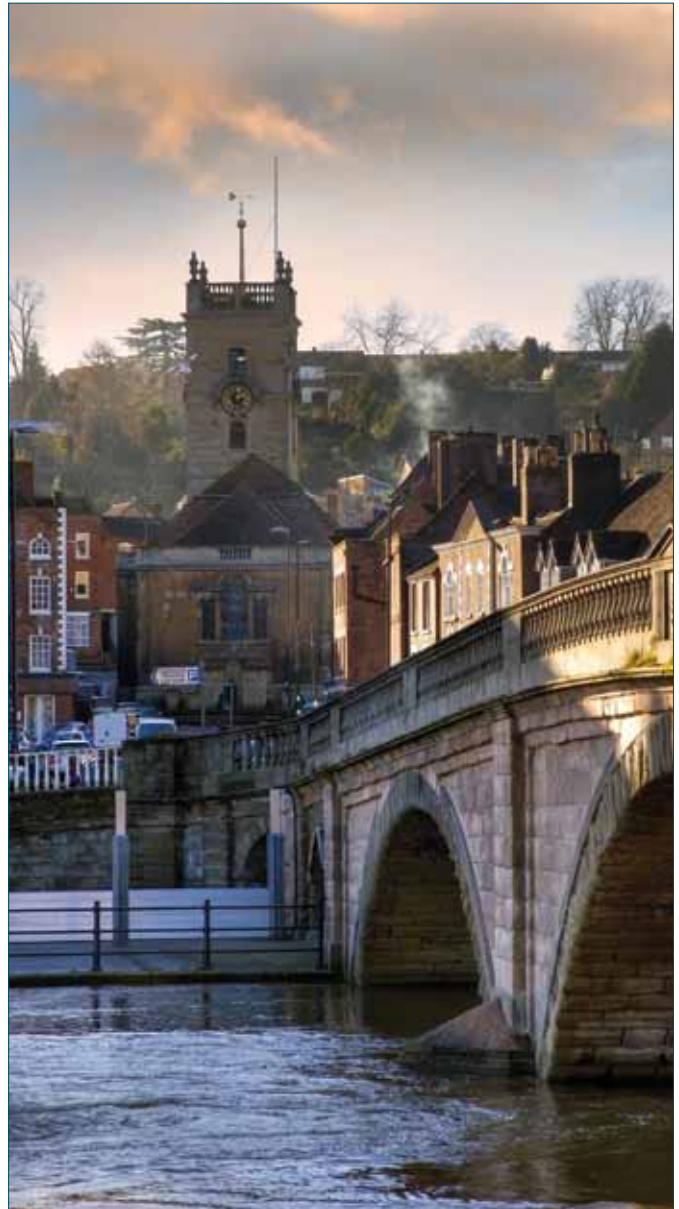
Implementing the JPV is expected to generate revenue savings of £15.7 million a year by 2025, 28 per cent of the current spend. It will generate revenue savings in year one of approximately £3.7 million and a further £3.9 million by year three. The total revenue saving over 10 years will exceed £110 million. The project is also expected to release £118 million of capital receipts over 10 years (18 per cent of the property portfolio).

Among the other benefits will be:

- delivery of a single unified estate strategy
- a 'one town' approach to asset management, leading to service improvements
- closer integration with the Government Property Unit on government estate strategies
- close liaison with Local Enterprise Partnerships on regeneration strategies
- rationalisation of service and maintenance supply contracts.

Next steps

The partners report that being part of the OPE programme has helped to focus minds at senior and elected member level to recognise the huge potential of this project, including its significance at a national level as one of the first and largest public sector joint property vehicles.



Case studies summary

Key Objectives:



Economic Regeneration



Capital Receipts



Service Delivery

















Reduce Running Costs

Main priorities will appear larger and in red:



COUNCIL	CASE STUDY SUMMARY:	Key Objectives
Bristol City Council	<p>Creating a city-wide property stakeholder group</p> <p>A new stakeholder group of public sector landowners in Bristol have come together to create a forum which previously did not exist to share information and adopt a collaborative approach to assets in the city. As a result a number of opportunities for service integration, co-location and reduced costs have already emerged.</p>	
Cheshire West and Chester Council	<p>A new public services hub for Ellesmere Port</p> <p>Funding received as a pilot OPE area has enabled the Ellesmere Port regeneration project to proceed quickly with full partner support. The vision is that by co-locating public services the hub will free-up land and act as a catalyst for regeneration and private sector investment, triggering the development of 1,880 new homes and safeguarding or creating 2,000 jobs.</p>	
Essex County Council	<p>Locality reviews identify land for affordable housing</p> <p>Essex County Council and its partners are using their involvement in OPE to instigate locality reviews in Epping Forest, Rochford and Tendring, looking at schemes that could address housing and public land issues and in turn generate capital receipts and improve local services.</p>	
Hampshire County Council	<p>A proposed public services hub in Andover</p> <p>The council and its partners are taking a collaborative approach to establish a new customer-facing gateway by improving links between services and facilities and providing more joined-up and accessible services for the local community.</p>	

COUNCIL	CASE STUDY SUMMARY:	Key Objectives
Hull City Council	<p>A new help and advice centre for residents</p> <p>The Wilson Centre is the Council's flagship customer service centre. Co-location with local partners means the centre is a one-stop shop with first-class facilities for everything from applying for a school place or free school meals to getting help with filling in council forms, paying bills, reporting environmental issues or registering a birth or death.</p>	  
Leeds City Council	<p>An integrated health and social care service</p> <p>A joint approach to service delivery is being developed through an integrated health and social care programme in Leeds aiming to make better use of public assets. Central to this health and care service transformation, which will see around 900 staff integrated into new area-based teams, is a joined-up approach to estate management.</p>	  
Nottingham City Council	<p>Increasing the 'employability' of young people through co-location of services</p> <p>In Nottingham, the Department for Work and Pensions (DWP) is co-locating its youth employment services in Nottingham City Council's main headquarters building. The project will enable closer working between the partners, leading to better-designed services in a welcoming and accessible city centre location.</p>	  
Portsmouth City Council	<p>Co-location of police and council services</p> <p>Partnership working between Portsmouth City Council and Hampshire Constabulary will see the co-location of police services in Council accommodation along with a new state-of-the-art police investigation centre for the city.</p>	  

COUNCIL	CASE STUDY SUMMARY:	Key Objectives
Sheffield City Council	<p>A new community hub for Burngreave</p> <p>A broad range of public sector organisations are involved in a Community Investment Programme as a key component of their OPE commitment. Customer insight data is being reviewed on a locality basis to identify needs. The first project to be delivered from this is the Burngreave Hub which includes a single reception point and will house a multitude of services.</p>	  
Surrey County Council	<p>A new town centre strategy for Staines-upon-Thames</p> <p>In Knowle Green, Staines-upon-Thames, the Council has been working in partnership with Spelthorne Borough Council, the Ministry of Justice and the NHS to review the provision of services. Project delivery will see co-location of services and land freed up for housing, leisure facilities and more.</p>	   
Warrington Borough Council	<p>Creating a new central business district</p> <p>Warrington Borough Council is leading a phased £190 million regeneration scheme through the renewal of older areas of the town, strengthening existing neighbourhoods and making the most efficient use of infrastructure. Phase one, now underway, involves developing a business incubator facility; phase two is a university technical college (UTC) with a focus on nuclear and energy engineering and phases three to five will be the central business district.</p>	  
Worcestershire County Council	<p>A public sector joint property vehicle</p> <p>Public sector partners across Worcestershire including four councils, police and fire and rescue services across the wider region are exploring the formation of a single vehicle to jointly manage their combined property portfolio. Key objectives include delivering revenue savings and capital receipts.</p>	  

For more information please contact a member of the One Public Estate Programme team:

Stephen Jacobs OBE

Senior Programme Manager

Email stephen.jacobs@local.gov.uk

Telephone 07956 173019

Craig Egglestone

Project Manager

Email craig.egglestone@local.gov.uk

Telephone 07824 371 718



Local Government Association

Local Government House

Smith Square

London SW1P 3HZ

Telephone 020 7664 3000

Fax 020 7664 3030

Email info@local.gov.uk

www.local.gov.uk



Cabinet Office

Government Property Unit

Email GPUsecretariat@cabinet-office.gsi.gov.uk

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