

# Sheffield City Region

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**Estate Transformation Strategy**

**March 2019**

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## Foreword - Sharon Kemp

I am pleased to introduce the new Sheffield City Region Estate Transformation Strategy which I expect to make a very significant contribution to the delivery of the city regions economic plan.

Sheffield City Region is a place of ambition, innovation and creativity.

This ambition includes ensuring that we use the land and physical assets in public ownership to support economic growth as well as supporting public sector partners in a complex governance environment with many of those organisations operating under significant resource constraints.

This requires a willingness and ability to take a collective and collaborative approach that sets each organisation's own drivers alongside the wider benefits to the region.

Our participation in the One Public Estate programme has made a valuable contribution the City Region's ability to facilitate such joint working across the public sector. Funding from this programme enabled the establishment of the cross-sector Joint Assets Board to build the necessary connections and drive a radical programme of reform.

To date the programme has provided over £1.3m funding support for collaborative projects that we believe will enable the development of an estimated 1,350 new houses, c£51m reduction in running costs, avoided the need to invest c. £1.4m in capital (by avoidance of backlog maintenance), and generated capital receipts in the region of £50m, alongside considerable benefits associated with co-location of staff and benefits to communities associated with better joined up services.

This Estate Transformation Strategy the next stage on this journey. It reflects the views and input of a wide range of public sector organisations including local authorities, Government Departments, Homes England, NHS Trust, Community Health Partnerships, Clinical Commissioning Groups, Police, Fire and Rescue Services and Network Rail.

We are very grateful for all the time and thought that they have put into this project.

This presents an opportunity to ensure that strategic land and property has a central role in the future of the City Region's economic growth and public sector transformation. We are committed to capitalising on this momentum to maximise the potential of the City Region's asset base to unlock growth and support public service reform.

Sharon Kemp

CEO Rotherham Metropolitan Borough Council

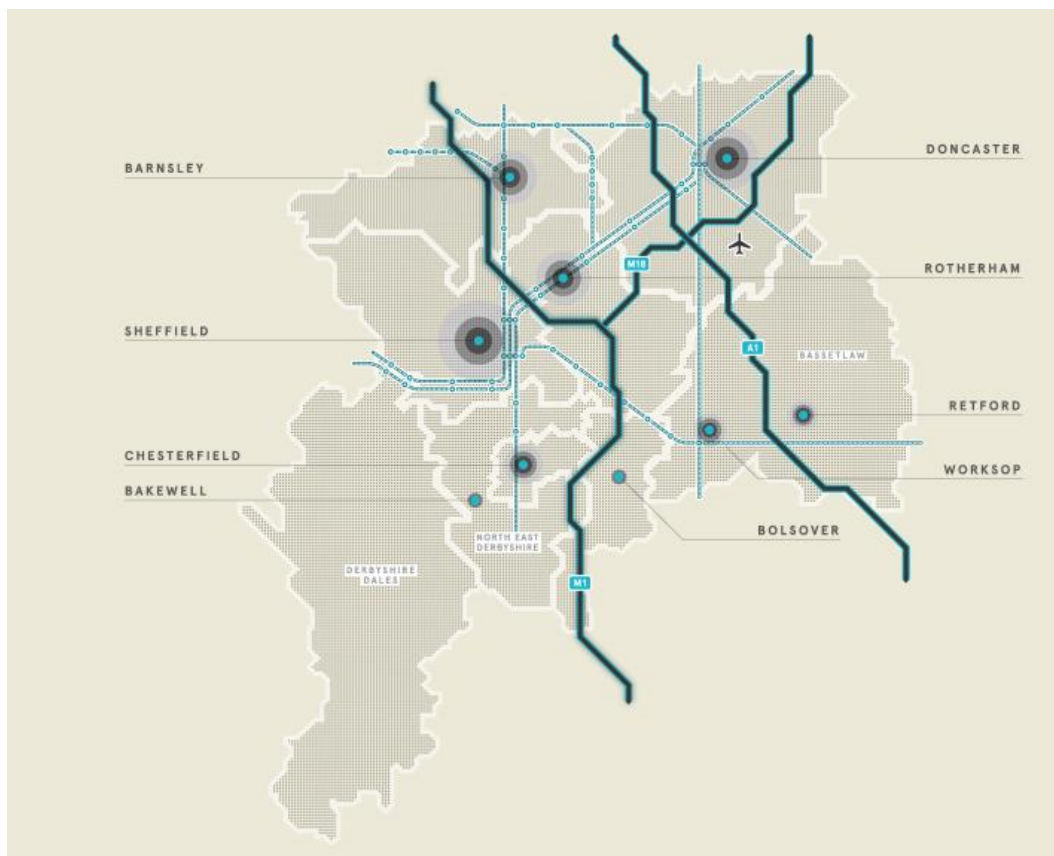
Chair of the Sheffield City Region Joint Asset Board

### 1 Sheffield City Region: A Place of Opportunity

The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, fabulous countryside and a significant rural economy, with the Peak District National Park on the doorstep and the international Doncaster-Sheffield Airport within its boundary. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.

The City Region is located at the strategic heart of the country. It is comprised of the nine local authority areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield. Its strategic location means that it has 360° connectivity. The SCR is able to capitalise on its proximity and economic linkages with other key markets, including Greater Manchester, Leeds City Region, Hull and Humber, Birmingham and Nottingham.

The City Region does not have a single dominant sector; instead it has a diverse economic base. While the area continues to benefit from its historical legacy of manufacturing, it is now transforming to a high value manufacturing and service economy, drawing on the world class Universities and active public and private sectors within the City Region.



The Sheffield City Region (SCR) Strategic Economic Plan (2014) sets out ***‘A Vision to create a City Region with a stronger and bigger private sector that can compete in national and global markets’*** with key ambitions to deliver 70,000 new jobs and 70,000 new homes over ten years.

This SCR Estates Transformation Strategy (ETS) will make a significant contribution to helping deliver this vision through the creative and collective use of public sector land and property assets to

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leverage additional private and public sector investment in economic regeneration, housing and jobs creation; whilst also providing more efficient public service provision and reducing costs to the public sector.

The SCR ETS puts in place a new '*shared culture*' and conditions for partnership working in relation to the public estate, enabling:

- A strong, agreed and adopted framework to support collaboration between partners
- The development of strategic, transformational, high impact public estate projects
- A more effective strategic way of collaborative working between public sector bodies which will deliver greater benefits across the SCR.

The SCR ETS will achieve this through the commitment of all public sector partners to adopting a set of '**Key Partnership Principles**' in the use and future consideration of the public sector estate. This is particularly in terms of the widespread adoption of greater collaboration in exploiting spare capacity through service re-design and integration and being collectively more proactive in the redevelopment of surplus and redundant assets. As a result, land and assets will be released to enable the development of a significant number of new homes and commercial development.

SCR has more than 6,100 significant, publicly owned land and property assets, owned by a variety of public sector bodies as follows<sup>1</sup>:

Property Asset Group	Sum of Property Assets	Types of Property Assets
Colleges	25	College Buildings including Administration Offices, Libraries and Teaching Buildings
Local Authorities and Mayoral Combined Authority Group	5,239	Administration Offices, Libraries, Schools, Depots, Social Services, etc.
Central Government (including Homes England)	240	Administration Offices and land, eg. Owned by Network Rail or Forestry Commission
Health Service	383	Acute and Community Hospitals, GP surgeries and primary care centres
Universities	106	University Buildings including Administration Offices, Libraries and Teaching Buildings
Police, Fire and Rescue Services	112	Police and Fire Stations, Administration Offices, vehicle depots
<b>Total</b>	<b>6,105</b>	

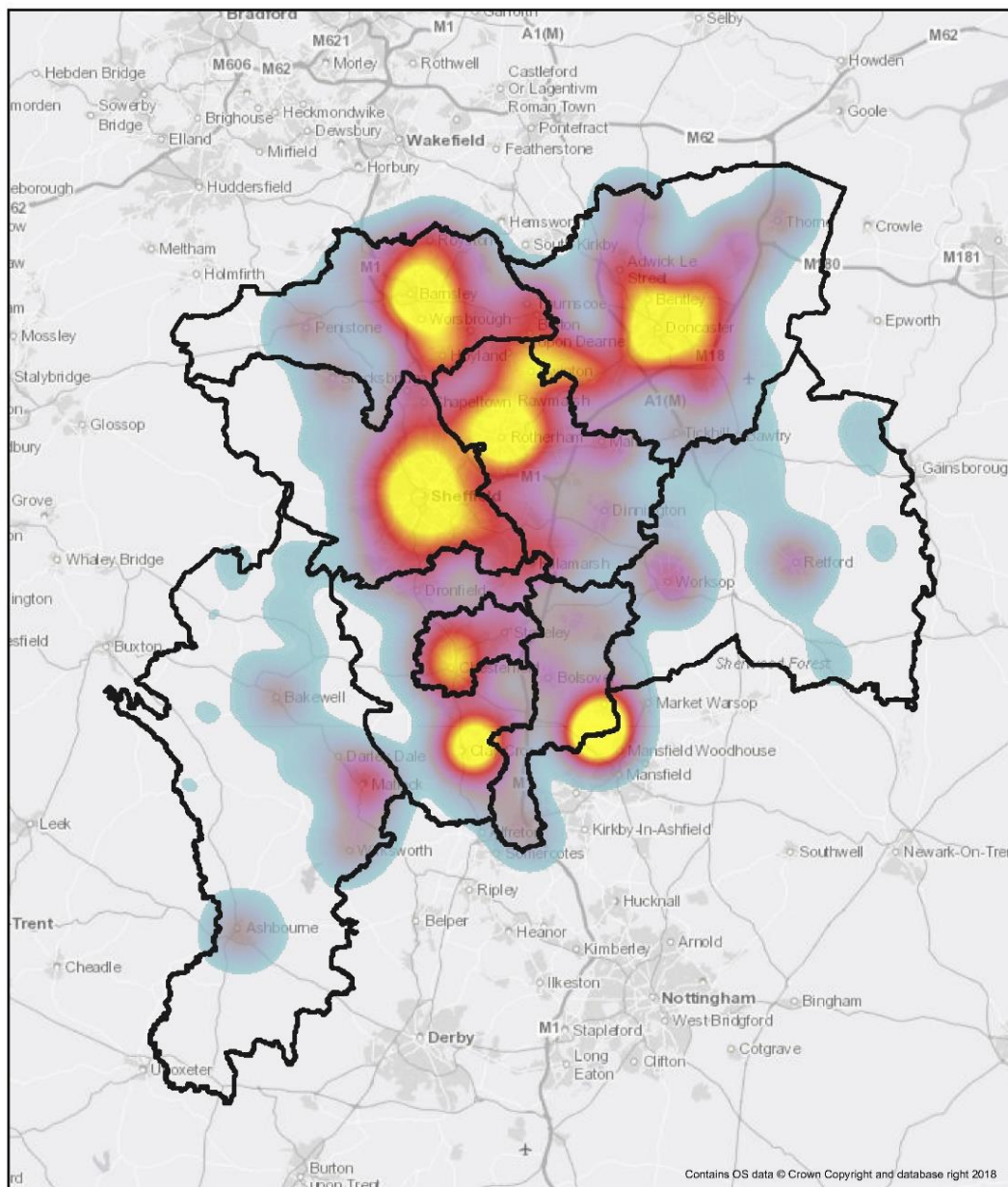
<sup>1</sup> Please note that the data shown was gathered at a single point in time (Summer 2018) from SCR partners and therefore will change over time.

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The Electronic Property Information Mapping Service (e-PIMS™) database, which holds a record of all public sector land and property assets across England, currently lists over 9,000 assets for the SCR. These other assets comprise of smaller, less significant assets including a combination of individual small buildings, highways and footpaths, and small plots and strips of land.

These assets are spread geographically throughout the SCR, but with concentrations being particularly within the SCR's Urban Centres and other Major Growth Areas, as shown in the map below.

SCR Public Sector Estate



The condition and level of usage of these varies greatly with many properties being under-utilised and/or needing significant investment to make them fit for purpose, whilst other properties are under huge pressure. The SCR ETS provides an opportunity to enable this imbalance to be redressed through coordinated action between public sector partners.

The approach taken to develop the SCR ETS has been to build on existing growth, housing and property strategies to identify and develop opportunities for joined up conversations that will generate greater benefits.

It has been funded through support from the Government's One Public Estate (OPE) programme, which has provided over £1.3m funding support for collaborative projects within the SCR. In totality, these projects are expected to deliver an estimated:

- 1,350 new houses,
- £51m reduction in running costs,
- Savings of £1.4m in capital by avoidance of backlog maintenance), and
- £50m of capital receipts,

All this should be accompanied by considerable benefits associated with co-location of staff and benefits to communities associated with better joined up services.

The ETS approach is intended to create the conditions for identifying and enabling further collaborative transformational projects to be funded through future OPE funding rounds and/or other funding sources and models.

The SCR ETS has been developed in liaison with a wide range of public sector organisations including local authorities, Government Departments, Homes England, NHS Trust, Community Health Partnerships, Clinical Commissioning Groups, Police and Fire and Rescue Services and Network Rail to build a city regional picture of partner ambitions, policy drivers, opportunities and potential property and land reviews/releases over the next 5-10 years.

## 2 ETS Vision and Key Partnership Principles

The vision for the Sheffield City Region Estates Transformation Strategy is:

***“Within Sheffield City Region, the community of public sector bodies will seek to accelerate the development of our collective property and land assets in ways that will deliver more jobs, housing and economic growth while also improving public service delivery through thinking creatively and acting collaboratively.”***

This vision is aimed at all public sector organisations, local, regional and national. The aim is to create a transformation in the ‘culture’ of organisations based around strategic partnership working and maximising the value and benefits of the public estate as a result.

To deliver this vision, all public sector bodies within the SCR are committed to adopting the following ‘**Key Partnership Principles**’ in relation to the public estate.

### Key Partnership Principles

1. Engaging positively and openly through the **SCR Joint Assets Board** regarding their strategies and land and property asset plans.
2. Adopting **proactive partnership working** as standard, and sharing knowledge, experience, and resources where additional benefits can be realised.
3. Maximising the efficient use and value of the whole public estate through **service re-design and integration**, including effective **challenge and innovative adaptation** of properties.
4. Participating in **Locality Reviews** through the **Local Estates Forums** to identify and deliver collective solutions to both public service provision and options for the use of surplus and redundant land and properties.
5. Sharing up-to-date **accurate data and information** on land and property assets to enable real-time digital mapping and analysis of the whole public sector estate.
6. Supporting the identification and delivery of **transformational projects**, including the packaging of multiple properties and land into larger portfolios where appropriate, to create more viable housing and commercial development propositions that are also more attractive to inward investors.
7. Public bodies maintaining **sovereignty** over decisions regarding their assets.



It has been clear through the engagement undertaken with public sector partners across the SCR in developing the SCR ETS, that there is a recognition of the value of taking a collaborative approach with the expectation that, by working together, we will find better solutions to the challenges we face.

It is also recognised that collaborating will bring its own challenges such as dealing with multiple organisational governance arrangements and competing objectives, as well as different levels of capacity and capability to take forward joint complex projects.

The SCR ETS Vision and Key Partnership Principles provide the ‘**framework**’ for addressing these challenges and harnessing the willingness to collaborate and overcome barriers. The resultant ‘**cultural shift**’ will require public sector bodies finding the right balance between retaining sovereignty over decision making on their assets and sharing information and considering opportunities in the wider regional context. Service delivery organisations are increasingly expected to engage in the need to support housing and economic development as part of this. All this will take time to fully embed and will require senior buy-in within all public sector partners.

The ultimate aim of the SCR ETS is to move collectively towards a more joined up and consistent approach to dealing with the public estate irrespective of the public sector asset owner.

### 3 A Changing Public Sector

Across the public sector in England there are continuing shifts in service delivery models seeking new ways of working to meet citizens’ needs and bring public services together. The aim is to create more coherent service delivery vehicles and optimise the location of delivery such as in specialist facilities like hospitals or in local community facilities.

Nationally, regionally and locally, the public sector is under increasing pressure to reduce costs, streamline service delivery, release land for housing and commercial developments and find capital to contribute to the costs of development and enhancement projects. These pressures are resulting in closer scrutiny of how property assets are used, with many public bodies looking to reorganise service delivery and reduce non-customer facing operations; as well as reducing their property portfolio to secure capital receipts and reduce running costs.

Public sector bodies can seek to respond to these pressures by simply focusing on their own immediate domain and look for routes to take land and properties to the market in as rapid way as possible. However, there is a growing body of experience, much of which has been supported by the Government’s One Public Estate programme, that shows that taking a more collaborative approach can deliver greater outputs and outcomes, including:

- **Clustering of properties** within a common geography that has enabled more ambitious and innovative mixed use developments to be realised, creating real opportunities for placemaking and bringing services together within hubs that offer a more joined up proposition for the local community.
- Carrying out reviews of **public service delivery** with partners and communities which provide opportunities to find **combined delivery solutions** that bring wider regeneration and social benefits.

- Bringing services together that not only provide efficiency savings but also have surprising additional benefits to those directly involved such as reducing sickness absences.
- Undertaking **locality reviews** to take a collaborative and joined up approach to place based property planning to identify opportunities for **collaboration and shared property asset** usage between the key public sector partners.
- Utilising **Local Estate Forums** to forge strong relationships between partners so that individuals know each other and feel a strong sense of mutual support and ability to trust others to act in a way that takes account of wider aims as well as the drivers of their own organisations.

Securing these wider benefits requires organisations to take a collaborative approach and operate with a greater degree of openness regarding their property strategies and plans. This can raise sensitive issues, particularly where there are careful negotiations to be managed with staff or communities affected by potential changes and/or where the release of information about options being explored needs careful and precise management.

## 4 Enabling Successful Collaboration

A range of key strategic actions have been identified to enable successful collaboration and bring about the holistic ‘**cultural shift**’ in public sector organisations across the City Region needed to embed the ‘**Key Partnership Principles**’ and deliver the SCR ETS ambitions.

These have been informed by comparisons between existing SCR practice and the characteristics and good practice in other high performing partnerships, as set out in the SCR ETS **Opportunities Analysis Report**. These are outlined below under the following four themes.

- Leadership and Governance
- Cultural Shift
- Finance and Support
- Transformational Projects.

The accompanying SCR ETS Delivery Plan provides further details of the specific actions relating to each of these thematic areas including specific timescales, responsibilities, and resource requirements.

### Leadership and Governance

The **SCR Joint Assets Board** will provide the Strategic Forum for public sector organisations within the SCR to share relevant information well in advance of public announcements and consider the high-level connections between strategic asset plans and strategies.

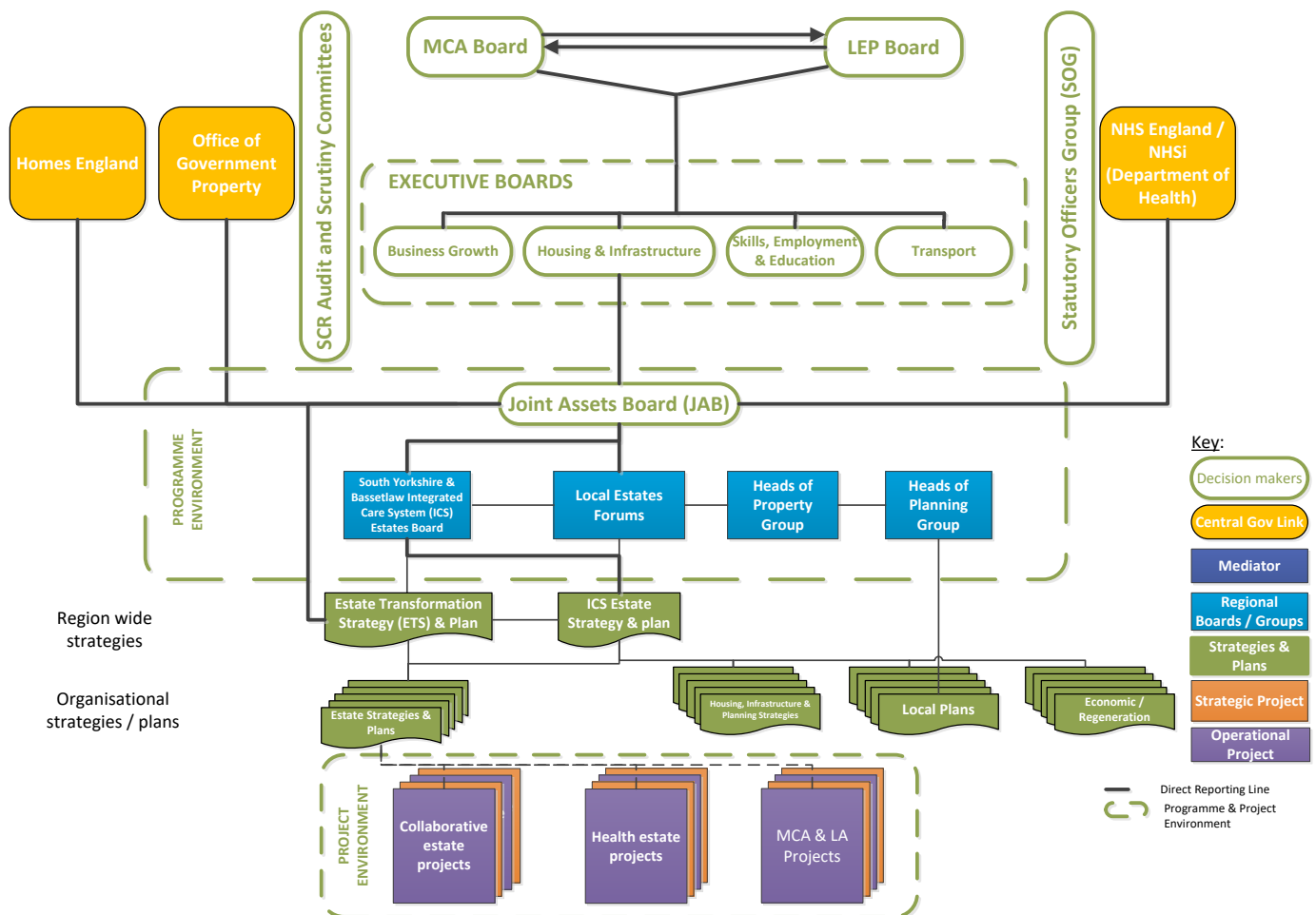
In this way, the Board will enable the identification much earlier of potential cross organisational and cross boundary project opportunities including; for example, enabling the transfer or acquisition of land and property assets between public sector partners, if agreeable, where this could accelerate the delivery of housing and commercial development opportunities.

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The Board will be the driving force in moving towards a more joined up and consistent approach to dealing with the public estate irrespective of the public sector asset owner. It will also provide constructive strategic challenge to Local Estates Forums (LEF), Health bodies, Government Departments, and Homes England on this agenda, and will facilitate collaboration on cross boundary projects between different LEFs and with other strategic partners.

The Board will be Chaired by a local authority Chief Executive, but with a potential longer term option as the Board evolves, for a senior SCR politician to take the Chair's role. The Board is part of the wider governance and executive arrangements within the SCR Mayoral Combined Authority (MCA) and Local Enterprise Partnership (LEP), and reports to the SCR MCA through both the SCR Housing and Infrastructure Boards.

The following diagram shows the relationship of the SCR Joint Assets Board to the wider SCR governance and executive arrangements:



The role and reporting arrangements of the Board will be reviewed in due course as part of the wider review of the SCR governance arrangements. However, in the immediate period, there would be benefits in enhancing the composition of the Board to be more inclusive and better reflect the range of public sector organisations covered by this SCR ETS. As a minimum, the composition should include senior representation from the MCA, local authorities, Government Departments, Homes England, NHS/CCGs, Police/Fire and Rescue Services, and Network Rail.

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Operating across whole and/or multiple local authority areas and bringing together at the local level multiple public sector partners with the same ambition and commitment to working collaboratively, the five **Strategic Estate Groups** (SEGs) covering the SCR area are pivotal in both generating new collaborative projects and delivering those projects, including in partnership with the private and voluntary sectors and local communities where appropriate.

A key aspect of this work will be to explore the role of public sector assets within key localities such as urban centres, and how they can contribute to “place making”, regenerating communities, improving services and economic growth. The SEGs will have a key role in these **Locality Reviews**.

A priority is to provide stronger direct links between the SEGs and the JAB as the SEGs are well placed to play a key role in delivering the SCR ETS ambitions.

The JAB will for the first time provide a strategic Forum for joining up the public land and property asset activities of the Health Service, working with NHS Improvement, the Community Health Partnerships and the NHS Integrated Care System (ICS). There will be significant opportunities for collaboration as the ‘Sustainable Transformation Plans’ are implemented, which will provide not only opportunities for joining up with the wider public estate such as through more shared community hubs and through the delivery of hospital reviews such as in South Yorkshire and Bassetlaw, but also additional housing and commercial development opportunities as a result of land and buildings being surplus to health service delivery requirements.

It is the intention to review this SCR Estates Transformation Strategy periodically, the ambition is to seek at the next review to develop a **Single Strategic ETS**, if practical, that also embeds the ambitions and strategy of the South Yorkshire and Bassetlaw ICS Estate Strategy and potentially other Clinical Commissioning Group (CCG) Asset Strategies in the SCR. In this way, there will be one single overarching Asset Strategy for joining up all public estates which will enable even greater collaboration and the joining up and alignment of asset strategy and plans, resources and opportunities.

There is already some alignment between the strategies, and the direction of travel is to develop further alignment over time. However, this will require much further cross organisational work to join-up approaches and activities, but there is a strong willingness within partners to achieve this outcome.

### **Cultural Shift**

The new SCR culture will be formed over time by the values and beliefs that permeate through the Partnership and come directly from our partners and is evidenced by the systems, policies and procedures that are followed on a day-to-day basis. The **SCR ETS Vision** and ‘**Key Partnership Principles**’ are the starting point for embedding this new culture of collaboration and trust throughout the public sector to develop projects which help us to deliver the ETS ambitions. Unless the culture that the organisation is aspiring to achieve is ‘backed up’ by the values and beliefs that are at play in the organisation, it’s unlikely to be realised.

Therefore, this ‘cultural shift’ is fundamental to how partners connect and is dependent upon a number of building blocks that include and are reflected in the ETS Delivery Plan. The SCR Joint

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Assets Board will play a key role to play in embedding this ‘cultural shift’ and will personally and consistently demonstrate the new culture and also challenge existing policies and procedures, where necessary. This will include:

- Developing a **Memorandum of Understanding** for adoption by all Partners, demonstrating the commitment of all Partners to the expectations and respective roles and responsibilities of all the Partnership;
- Sharing resources, co-investment opportunities, and project risks; and
- Adopting a minimum 40 days’ notice arrangement to bring potential surplus land and assets’ for disposal to the Joint Assets Board for consideration of potential strategic alignment opportunities and / or transfer or acquisition opportunities (with any necessary confidentiality arrangements).

The Partnership will **digitally map all 9,000 significant public assets** across the SCR in a Geographical Information System (GIS) format, parts of which will be publicly available in time through a web-based information tool. A key benefit of this would be to enable a direct link to be made with wider SCR Trade and Investment activity and the SCR Investable Opportunities pipelined which is focussed on promoting and attracting private sector investment, as prioritised in the SCR SEP.

The medium-long term intention is to put in place systems and processes to enable ‘real-time / up-to-date’ asset information to be available that tracks progress with the status of assets at any one time. It would also enable analysis to be undertaken of how surplus public sector land and assets is linked to and could play a part in economic and housing strategies and area masterplans; this is particularly where such surplus assets are located with the SCRs identified Urban Centres and other Major Growth Areas, which could provide additional private sector Investable Propositions and/or help strengthen business cases for both private and public investment in Growth Areas.

### Finance and Support

Resources across all public sector bodies are becoming increasingly stretched, which is also impacting on the ability to bring forward capital schemes to development readiness and to deliver those schemes as quickly as could be achieved; even when funding has been identified To fulfil the SCR ETS ambitions at both a partnership and project level, will require sufficient and suitably skilled resources to support to identify, develop and deliver the collaborative transformational project opportunities referred to in the following section. Additional project capacity supported by OPE funding has already demonstrated how schemes can be accelerated by targeting resources better.

The new ‘culture’ set out in the Key Partnership Principles of greater collaboration enables the partnership to be much more **‘resource smart**; becoming more effective and efficient in utilising the joint skills and capabilities across public sector bodies in a smarter way, particularly on joint projects. This may involve sharing staff with specific skills; sharing project and development risk; and/or co-investment.

Engagement with partners has indicated that capacity needs can be categorised into the following skill groups:

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- **Opportunity Development Management** - to work with partners to build networks, facilitate mapping and locality reviews, to share information and good practice and to work with partners to identify project opportunities and drive forward funding bids.
- **Programme Management** - to coordinate, manage and maintain the partnership's various workstreams and projects to optimise their output and outcomes and to report progress to the partnership Groups, partners and stakeholders.
- **Project Management** - capacity to lead a project from inception to execution and report progress to the partnership. This capacity is needed to plan, execute and manage the people, resources and scope of the project.

The SCR MCA has recently appointed a Project Manager, funded through OPE, whom is supporting a local authority to accelerate the delivery of OPE Programme housing schemes. This resource will be available in time to be 'called upon' by other local authorities to support further schemes. There would be benefits in expanding this central resource, subject to further funding availability, to provide a flexible skilled resource team that can be targeted at transformation projects wherever they are in the SCR.

The Partnership will though explore other collective routes and resourcing models to secure additional capacity or expertise when and where required; for example, when projects have been identified and require specific expertise to test their viability or to take them forward. Specific skill sets that will be particularly required are:

- Business case development
- Planning advice
- Feasibility studies
- Legal services.

The Partnership will also explore opportunities for joining up procurements activities such as frameworks, joint procurement, and sharing and standardising briefs for property activities. This would involve raising the Partnership's level of ambition to source options that all partners could use and exploit including:

- Services that can be procured collectively
- Methods of joined up, strategic procurement
- Different asset pooling approaches
- Standardised project delivery approaches.

Learning from OPE Partnerships elsewhere and also local experience, research will be undertaken into various resourcing and procurement options, with an intention to then collectively prioritise areas for further development and action planning that can include requirement specifications, procurement options, funding options and methods for securing additional capacity.

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### Transformational Projects

Projects are key to the ongoing success of the Partnership and it is the ambition to continue to identify and deliver transformational, high impact public estate development or relocation projects and approaches where acting at a SCR level adds real value by aligning investment and supporting economic development, housing growth and public sector transformation.

Some successful and ongoing SCR collaboration projects to date include:

- The Business Case for the relocation of staff and services from Sheffield Health and Social Care Foundation Trust HQ at Fulwood House
- Barnsley Archiving Hub
- Locality Asset Reviews in Darnall, Worksop and Bentley
- Rotherham Town Centre.

In preparing this SCR ETS potential future collaborative projects have been identified. However, this pipeline presents a point in time, and the Partnership will seek to keep this up-to-date which may entail new schemes being included and whilst other schemes may 'fall-out' of the pipeline depending on individual circumstances.

A key action in the accompanying ETS Delivery Plan is for JAB to oversee a process to generate a pipeline of projects that reflects the changing public sector environment. The 'Key Partnership Principles' provides partners with a clear route to generate and take project ideas forward which should:

- Utilise existing Groups or initiatives such as the Local Estate Forums and Locality Reviews
- Take advantage of the opportunity to bring together the resources of public sector bodies
- Set out the tools, roles and responsibilities for identifying and managing projects
- Utilise project collaboration agreements to establish clear roles, responsibilities and ways of working for each project
- Funding streams and funding criteria, submission dates and documentation required.
- Identify resources required to take forward each project
- Be managed at a programme level by a Programme Manager
- Be managed at a project level by a Project Manager.
- Be supported by the relevant Local Estates Forum

The project identification process and resulting pipeline will be owned by the Partnership as a whole and will be adopted by all partners and forums including the Local Estate Forums and Heads of Property Group and will be a standing agenda item at the SCR Joint Assets Board where partners will be able to share news on new projects, funding options and milestones achieved.

## 5 Next Steps

The ETS Delivery Plan sets out the key actions and activities to deliver the SCR ETS Vision and ambitions that the Partnership needs to implement over the next 3 to 12 months to put in place the new 'shared culture' and conditions for partnership working in relation to the public estate, enabling:

- A strong, agreed and adopted framework to support collaboration between partners
- The development of strategic, transformational, high impact public estate projects
- A more effective strategic way of collaborative working between public sector bodies which will deliver greater benefits across the SCR.

The ETS Delivery Plan will be owned by the Partnership and as a matter of urgency the partnership needs to review and identify action owners across both the partnership and the SCR.

Delivery of the priorities will be monitored and overseen by the SCR Joint Assets Board with progress being reported at each meeting, and if necessary, mitigation measures will be suggested by the Board to address any slippage.

Success will be achieved when the priority actions have been delivered and it is evident that the proposed 'cultural shift' is firmly embedded within all public sector organisations and the identification and delivery of collaborative transformational projects is seamless and second nature.