

HOUSING AND INFRASTRUCTURE BOARD

22ND October 2020

ONE PUBLIC ESTATE UPDATE

Purpose of Report

To provide an update on the emerging proposals for One Public Estate (OPE) and Land Release Fund scheme submissions as part of the OPE 8 funding round invitation.

Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

Secure investment in infrastructure where it will do most to support growth

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme.

Recommendations

The Board is asked to:

1. note the contents of the report.
2. suggest a way forward on the leadership of the One Public Estate Programme in future years.
3. endorse the emerging project long list set out in Para 2.2 and agree for the MCA Executive to agree the final proposed bid submission in liaison with the Board Co-Chairs by the 12th November 2020 submission deadline.

1. Introduction

- 1.1** The One Public Estate (OPE) programme is a partnership between the Office of Government Property in the Cabinet Office, the Local Government Association (LGA) and the Ministry of Housing, Communities and Local Government (MHCLG). The fund is revenue based and aims to bring public sector bodies together, to create better places by using public assets more efficiently.
- 1.2** The Land Release Fund (LRF) provides capital funding to bring forward surplus Council assets for new housing delivery.
- 1.3** This is the 8th OPE funding round that has been launched, with £10 million revenue funding available. The LRF has £20 million capital funding available to support housing schemes. The Public Assets Development (PAD) Group agreed to develop a potential OPE/LRF programme of schemes to be submitted by the 12th November 2020 submission deadline.

An outline of the emerging package of schemes is set out below, which could form an OPE8 & LRF bid submission.

- 1.4 The report also raises the issues related to the continued resourcing of the OPE programme, and which body(s) are best placed to provide leadership for the programme.

2. Proposal and justification

OPE 8 Funding Submission

- 2.1 Through previous funding rounds the SCR OPE Partnership has successfully obtained a total of £902,000 in OPE revenue funding and £450,000 in Land Release Fund capital monies. To date the programme has facilitated the delivery of 71 new homes, £416,500 revenue savings to public bodies and £295,000 capital receipts, with a further £500,000 revenue and £650,000 capital receipts expected before the end of this financial year.
- 2.2 Discussions are ongoing with OPE partners such as Local Authorities, health service partners and the Police and Fire and Rescue Services, to consider appropriate schemes for both OPE8 and LRF funding. An indicative emerging long list of proposed schemes is set out below with a potential total funding request of £936,500; consisting of £645,000 grant and £291,500 sustainable grant. An additional £175,000 is asked of the LRF programme.

The potential emerging projects have been organised into 5 themes as follows:

1. **Masterplanning for urban district centres:** Wath, Dinnington & Maltby, Rotherham and Thorne, Rossington & Waterfront, Doncaster.
2. **Continued support for existing schemes:** Support for the completion of the Outline Business Case (OBC) for Midland Road & Ryegate Hospital.
3. **Integrated Care System Primary Care Hub Programme:** Support for the completion of OBC & Full Business Case for Rossington & Bentley, Doncaster
4. **Community Hubs:** Initial feasibility into the potential for community hubs at Wickersley & Munsborough, Rotherham
5. **Site preparation:** Specific sites on land in Kiveton & Herringthorpe, Rotherham

One LRF scheme has been proposed for the demolition of a former day care centre in Wath, Rotherham.

Programme Resources and Leadership

- 2.3 In previous rounds the MCA Executive has provided programme and project management support funded by the OPE programme. For this round the prospectus is clear that project management must be sustainable and funded by partnerships themselves. The guidance refers to financial support from OPE only being provided where local support is not possible. Discussions are taking place with partners through the PAD Group to explore options for continuing OPE programme management resources.
- 2.4 Related to this is the continuing leadership of the OPE Programme. The majority of OPE schemes involve one or more local authorities, identified as part of Local Reviews through the Local Estate Forums, to deliver collective solutions to both public service provision and options for the use of surplus and redundant local authority and other public sector land and properties. The Board's views are invited on whether a local authority on the PAD

Group would be best placed to oversee the OPE programme in future years on behalf of the Partnership.

3. Consideration of alternative approaches

- 3.1** Non-submission of a bid in this round has been considered by the PAD Group. The offer to bid for funding in Round 7 was not taken up by the SCR partnership as it was felt there were no suitable projects at the time. As set out above, a programme is developing for this funding round.

4. Implications

4.1 Financial

Previous funding rounds have not required any financial input from the public sector partners. However, funding for programme and project management support will no longer likely be provided by the OPE programme and, therefore, consideration is being given with PAD Group partners to exploring options to continue to fund OPE programme management.

Should programme management funding not be forthcoming, the MCA will consider whether it is appropriate for it to bid for this activity.

The proposals in this paper further include bids for 'sustainable grant'. In substance, sustainable grant is a loan instrument, with grant received being paid back to government in the future. The MCA will consider this issue in more detail to understand the financial risk associated with this instrument, and whether it is appropriate for the MCA to bid for funding of that nature.

4.2 Legal

Subject to the grant conditions being acceptable, arrangements to comply with the grant conditions will subsequently be put in place. The legal implications of acceptance of grant will be fully considered by the S73 Officer in conjunction with a representative of the Monitoring Officer. Any OPE and/or LRF funding offer will be reported to the MCA for consideration and approval.

Legal implications of individual projects brought forward through the OPE programme will be considered on a case by case basis by the S73 Officer in conjunction with a representative of the Monitoring Officer.

4.3 Risk Management

Risk management is built into the MCA's due diligence processes and project and programme risks are regularly reviewed, and mitigating actions taken if necessary.

Key risks in delivering the programme are:

- Schemes not being delivered within programme timescales, resulting in potentially losing scheme funding;
- Insufficient partner capacity to progress schemes;
- Insufficient capital funding to progress schemes to delivery;
- Lack of programme and project management support to continue to deliver the current and any future programme

4.4 Equality, Diversity and Social Inclusion

None arising from this report. The delivery of infrastructure and housing capital schemes will stimulate economic growth in SCR and therefore contribute to both the economic recovery and improve social inclusion.

5. Communications

- 5.1 The OPE funding announcement has already been publicised by the OPE central team. Further announcements may be required to publicise the programme more widely and there will be opportunities for positive communications as schemes are delivered.

6. Appendices/Annexes

- 6.1 None

REPORT AUTHOR	Lorna Vertigan
POST	Senior Programme Manager (OPE & Capital Projects)
Officer responsible	Mark Lynam
Organisation	MCA
Email	Mark.lynam@sheffieldcityregion.org.uk
Telephone	0114 2203442

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: