

Gateway Approval Ref: 18839



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21<sup>st</sup> March 2013

All NHS Chief Executives  
All NHS Directors of Finance  
All NHS Estates & Facilities Directors

Dear Colleague,

### **ACCELERATING THE RELEASE OF PUBLIC SECTOR LAND FUNDING SUPPORT FOR NHS TRUSTS**

The initiative to accelerate the release of Public Sector land to provide 100,000 new homes is a top priority for this Government to help the housing market and the wider economy. The NHS continues to be seen as a major contributor and it is encouraging that initial analysis of the latest annual data return of NHS surplus land indicates an increase in surplus or potentially surplus land suitable for housing. The Homes & Communities Agency (HCA) are currently making contact with NHS trusts to discuss their data and I would ask the NHS to respond to them.

Rationalisation of the NHS estate and the identification of surplus land which is not used to provide clinical services will produce Quality Innovation Productivity and Performance (QIPP) savings to put into frontline care. In addition, identifying and disposing of surplus land will make NHS trusts more efficient, improving their financial stability and safeguarding their future.

Income generated from the sale of surplus land will be used by the NHS deliver new and improved hospitals as well as refurbishment and improvement of existing facilities. Much of the surplus estate will be suitable for redevelopment into housing, including that for affordable

housing for local people. This is seen very much as a 'win-win' opportunity for the NHS and the public.

The Government though would like to see a further acceleration of the release of surplus public sector land. Therefore, in the 2012 Autumn Statement the Government confirmed funding of up to £290 million being available to support NHS Trusts and other public landowners to accelerate bringing their sites suitable for housing to the market.

### **The Autumn Statement Funds**

These Funds will be managed and delivered by the Homes and Communities Agency (HCA), however, the Department of Health will continue to work closely with the HCA and Department of Communities & Local Government (DCLG) with regard to this policy. The objective will be to increase planning certainty, reduce market risks and accelerate the disposal of surplus land by March 2015 where it leads to residential development or residential-led development. Two principle funds will be available for NHS Trusts to consider:

- **an acquisition** by the HCA of the Trust's *surplus* land and buildings. Further details are contained at Annex A, and/or;
- **investment** in a site enabling it to come to the market quicker or more easily. Further details are contained at Annex B.

NHS Trusts who may be interested in either or both funds should initially complete the attached Register of Interest (Annex C) and e-mail this to surplushealthsites@hca.gsi.gov.uk by 30<sup>th</sup> April 2013. The HCA will make contact with the relevant NHS Trust. If it is agreed that the registered interest is in relation to the Investment Fund, NHS Trusts will be required to provide the information referred to in Annex B attached.

DCLG, HCA and DH will run workshops to discuss these incentives with the NHS and receive feedback from the NHS. The workshops will provide a forum to discuss other available support as outlined below. If it is agreed that the application can move forward for more detailed consideration, NHS trusts will be required to provide the information referred to in Annex B attached.

## Other available support

In addition to these funds, other support is available to NHS organisations:

- The HCA's new Delivery Partner Panel provides a national resource to help speed up the delivery of housing on public sector land. The main aim of the panel is to make the procurement of a developer as quick and efficient as possible for both private sector Panel Members and public sector panel users:

The Panel can be used to procure housing led development on land owned by NHS Trusts and other public bodies. Help and guidance is available from the HCA for Trusts wishing to use the panel together with a practical handbook and tool box of information. Further information can be found at <http://www.homesandcommunities.co.uk/dpp>

Trusts wishing to use the Panel should contact: [DPP2info@hca.gsx.gov.uk](mailto:DPP2info@hca.gsx.gov.uk). It is planned to host an event to communicate the use of the Panel more widely.

- Appraisal tools and guidance to assist landowners in assessing the viability of their sites are available to download from HCA's web site. For example, the Build Now Pay Later model is a tool that allows public landowners to assess the viability of a scheme where a longer term approach can be adopted. It looks at the benefits of an early disposal with an accelerated start on site and the impact that has on a deferred receipt. Further detail on this can be found here:

<http://www.homesandcommunities.co.uk/ourwork/development-appraisal-tool>  
and <http://www.homesandcommunities.co.uk/ourwork/build-now-pay-later-guidance>

- A new portal has been launched on gov.uk to bring together data from all parts of the public sector to help developers, community groups and the general public: <https://www.gov.uk/find-government-property>
- NHS organisations should ensure that their e-PIMS records are up-to-date to ensure that potential purchasers of surplus land are aware of

what is currently available. The following documents provide organisations with the information required about how to record details of surplus land:

Quick Start Guide –

<https://www.epims.ogc.gov.uk/CollaborationGPU/public/The%20Register%20-%20NHS%20Trusts%20Quick%20Start%20Guide.doc?id=adc46776-4da1-4307-be92-20b07ecd4df9>

Proforma -


<https://www.epims.ogc.gov.uk/CollaborationGPU/public/SurplusLandForm-NHS.xls?id=d48b83e2-0bfd-43ea-84e9-fb9d61339853>

- The Advisory Team for Large Applications (ATLAS) which is part of the HCA offers an independent service to local planning authorities and their partners' which includes advice to unlock and speed up the planning process on large, complex sites. As part of the Public Land Programme, ATLAS is also available to provide support to public sector partners including NHS Trusts to identify issues associated with bringing larger sites forward, to seek planning certainty and hopefully leading to successful site marketing. Further information on ATLAS can be found here <http://www.homesandcommunities.co.uk/atlas-guide-planning-large-scale-developments>
- The HCA has developed a range of enabling tools which can help with land disposals ranging from development advice, brokering discussions with local partners to more light touch in the form of publications and market intelligence. HCA can also draw on local knowledge through its Operating Area teams and encourage greater alignment with investment decisions and/or adjoining land interests where appropriate.

I would also like to ask for your support to provide sites for Free Schools and Business Incubators. Sites that are unsuitable for homes or only available for specific periods of time may provide suitable to host a Free School or Business Incubator. Further information on this is available at Annex D.

If you have any queries, please either contact Mike Bellas  
([mike.bellas@dh.gsi.gov.uk](mailto:mike.bellas@dh.gsi.gov.uk), 0113 254 5757) or David Gubb  
([david.gubb@dh.gsi.gov.uk](mailto:david.gubb@dh.gsi.gov.uk), 020 7972 5604).

I look forward to your continued support for this initiative.

*with Best wishes,*  


**DR DAN POULTER**  
**Parliamentary Under Secretary of State for Health**