



Ministry of Housing,
Communities &
Local Government

Public Land for Housing Programme 2015–20

Progress Report



May 2019



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Ministerial foreword

The sale of public land for housing forms an important part of the government's ambitions to deliver 300,000 homes a year by the mid-2020s and to help make the housing market work for everyone.

Departments are working hard to release land. However, it is important that we see homes built on that land. I'm pleased to see that over 40,000 homes have been brought to market on public land sold through both the current and previous Public Land for Housing programmes – with many more thousands to be constructed this year.

We need more new housebuilders, and existing builders to do more if we are to meet our housing supply ambitions. We also need to see greater innovation in the way homes are constructed. We can use government land to help to deliver these goals. We are trialling approaches which aim to provide more land to Small and Medium Enterprise builders and see greater use of Modern Methods of Construction in homes built. We will monitor progress closely.

While sufficient land has been identified for 160,000 homes, it is clear that the ambition to release this land by 2020 will be achieved to a longer timeframe. Departments have agreed immediate actions to identify more land to bring into the programme and to accelerate disposals where possible to improve performance. Individual departments and government as a whole must rise to the challenge, given the urgent need for more housing.

Kit Malthouse MP
Minister of State for Housing

Executive summary

The Public Land for Housing programme supports the government's Estate Strategy aim to identify and release surplus central government land. It also contributes to government's ambition to boost the supply of homes and be on track to deliver 300,000 homes a year by the mid-2020s.

This report provides an update on progress of the 2015–20 programme. It covers programme performance to the end of December 2018, including actions taken to tackle delivery challenges against the aim to release land for 160,000 homes by the end of March 2020.

Three key conclusions can be drawn from this Progress Report:

1. **New homes are being delivered on former public sector land.** Ordnance Survey (OS) has been commissioned to monitor the progress of the construction of homes on sites sold by central government. OS has gathered and quality assured data on 90% of sites (1,178 sites with capacity for 130,000 homes) sold through both the current (2015–20) and previous (2011–15) programme up to the end of March 2018.

The data shows that by the end of March 2018 over 40,000 homes had been brought to the market¹ on these sites.

2. **Government continues to sell surplus land for homes.** Since the start of the current programme to the end of December 2018, contributing departments had sold land with capacity for over 38,000 new homes (24% of target).
3. **Although departments have identified sufficient land for over 160,000 homes, it will be released to a longer timeframe than the end of March 2020, putting the government's 2015 ambition beyond reach.** An IPA review in August 2017, found that "there was an impressive commitment in every department" to the

programme. However, it concluded that that "even with support and oversight from [MHCLG], this alone is insufficient to meet the programme's targets".

Following the review, departments reassessed their delivery plans in October 2017 which confirmed land for at least 65,000 homes had a high probability of being released by 2020, including land already sold. Other land forecast to be delivered by the end of March 2020 will not now come forward because it is either:

- a. no longer available for development for housing by 2020, for example because it has been repurposed to meet other important local priorities such as schools or employment; or
- b. because it will not be ready for disposal for housing by 2020, due to issues such as changing operational requirements, planning, re-provision constraints or environmental concerns which prevent exchange of contracts within the programme timeframe. This land has been reforecast for disposal beyond 2020.

Oversight and scrutiny

The Public Accounts Committee (PAC) provides external scrutiny for the programme and published its latest report, "Progress with the disposal of public land for new homes",² in November 2016. The Ministry of Housing, Communities and Local Government (MHCLG) agreed with all of the Committee's recommendations, setting out plans to implement them in a Treasury Minute response, published in February 2017 and updated in October 2017.³

In response to key PAC recommendations:

- MHCLG has:
 - Published guidance and monitoring arrangements for the programme in December 2016 which were updated in August 2018.

¹ This includes previously held public sector accommodation being sold off directly as private housing e.g. A home previously leased to the Ministry of Defence by Anningtons and sold back to the market.

² (2016) House of Commons Committee of Public Accounts, *Progress with the disposal of public land for new homes, Twenty-second Report of Session 2016–17* <https://publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/634/634.pdf>

³ (2017:168) www.gov.uk/government/publications/treasury-minutes-progress-on-implementing-government-accepted-recommendations-of-the-committee-of-public-accounts-october-2017

- Published an interim report which covered the first 18 months of the programme in February 2017.
- Cabinet Office has ensured that the executive summaries of annual departmental Strategic Asset Management Plans are published, with the first summaries published in February 2018.
- Cabinet Office has published details of all commercial sales of central government surplus land in its Transparency Reports.⁴

To address PAC concerns about what happens to a site after disposal, in April 2017, MHCLG commissioned Ordnance Survey to monitor and report on the number of homes built on land sold through both the first and current Public Land for Housing programmes.

Next Steps

MHCLG, other government departments, the Office of Government Property (OGP) and Homes England are working collaboratively to enhance programme delivery. This includes:

1. **Challenging other departments not currently contributing to the programme to consider what they can do.** For example, the Department for Education (DfE) and its arm's length body, LocatED, are launching a pilot to explore how parts of the school estate could be creatively redeveloped to maximise investment in school buildings and, in turn, provide market and affordable housing, especially in areas of high housing need.
2. **Bringing existing planned disposals forward for delivery within the programme.** A deep-dive by departments in spring 2018 identified a number of sites that could potentially be delivered by 2020 with additional support. Work is being done to accelerate delivery of as much of this land as possible. Departments are providing disposal plans with milestones to ensure plans are realistic, and opportunities to work collaboratively to remove barriers are seized.

3. **Identifying more land for the programme.** At the same time, departments are working hard to identify additional disposal opportunities for housing. This includes reviewing parts of their estates to identify more land and exploring ways of making better use of public assets – for example by assessing the viability of re-provision of car parking thereby releasing land for homes on existing car park sites. Further, OGP, supported by MHCLG and Homes England, is exploring a revised approach to land identification to develop a robust, consistent system aligned to the annual Strategic Asset Management Plan (SAMP) process.

4. **Making available through Homes England and the Greater London Authority (GLA) access to additional financial support** including through the Small Sites Fund to help departments unblock surplus land for housing.

The progress departments make towards the target is scrutinised regularly at the Housing Implementation Task Force (HITF), which is chaired by the Prime Minister.

Looking to the future, we are developing a longer-term approach to ensure there is a sustainable land pipeline to support the government's housing ambitions. In doing so, the programme is considering:

- How to ensure that barriers to development are identified and overcome – from identifying and disposing land, to bringing greater certainty over the timing and delivery of homes.
- How to augment the current approach with a focus on place that will unlock specific sites in strategically important locations.

⁴ <https://www.gov.uk/government/publications/sales-of-government-assets>

Case study: Erskine Road, Winchester – building affordable homes with buy-in from the local community

Erskine Road, a former MoD site, is located less than a mile from Winchester city centre and consists of 18 affordable homes along with improved parking, landscaping and an equipped play area. The open space has been gifted back to the local authority to ensure its retention as a green space and availability to be used by all local residents.

Residential property group A2Dominion redeveloped the brownfield site undertaking strong community engagement with local residents, which helped to secure buy-in for the development. Seven of the homes were allocated for shared ownership and the remaining 11 homes were allocated for affordable rent to be managed directly by A2Dominion.

A condition was placed by Winchester City Council on the development for all affordable housing to be let to people with a local connection who were identified as having the highest level of housing need.



Completed homes at Erskine Road, Winchester

Completed homes at Erskine Road, Winchester overlooking the play area



Introduction

The government's aim to release land for 160,000 homes by the end of March 2020 builds on the 2011–15 Public Land for Housing programme, which released surplus government land for 109,000 homes.

The programme forms an important part of the government's plans to boost the supply of homes and to be on track to deliver 300,000 homes a year by the mid-2020s, as well as to ensure that the government estate is used efficiently. The programme also contributes to the government's aim to achieve £5bn in land and property receipts by 2020.

In 2015, the five largest land-owning departments agreed a contribution towards the Public Land for Housing target, which they are responsible for delivering. The agreed contributions are:

Department	Agreed contribution (in housing units)
Ministry of Defence (MoD)	55,000
Department for Transport (DfT)	38,000
Ministry of Housing, Communities and Local Government/ Homes England ⁵ (MHCLG/Homes England)	36,000
Department of Health and Social Care (DHSC) ⁶	26,000
Ministry of Justice (MoJ)	5,000
Total	160,000

Figure 1: Contribution in housing units of the top five land-owning departments to the programme target.

Other departments contributing to the programme include the Department for the Environment, Food and Rural Affairs (Defra); Department for Education (DfE); Department for Business, Energy and Industrial Strategy (BEIS); and the Cabinet Office (CO). Their combined contribution is to dispose of land with capacity for 1,400 homes.

Scope of report

This report outlines progress made by departments up to the end of December 2018. It includes data on disposals of land identified for delivery by 2020 and additional potential future disposal opportunities. Taken together with the interim report, this covers the first three and a half years of the programme.

Further, the report contains information on progress on building homes on 1,178 sites across England sold through both the 2011–15 and 2015–20 Public Land for Housing programmes by the end of March 2018. The case studies in the report feature sites sold through both programmes and illustrate the programmes' impact.⁷

⁵ Homes England, formerly known as the Homes and Communities Agency.

⁶ Department of Health and Social Care, previously the Department of Health.

⁷ The majority of the case studies were compiled by RSM UK Consulting LLP. Photographs reproduced with permission from the relevant developers.

1. Programme performance to the end of December 2018

Performance summary

By the end of December 2018:

- 402 sites with capacity for over 38,000 homes had been sold by all departments.
- There is a high probability of releasing sites with capacity for c.69,000 homes by March 2020 (including land already sold); 43% of the programme aim. Most of this (land for at least 68,000 homes) comes from the top five land-owning departments.⁸
- Departments had identified further potential disposal opportunities for over 95,000 homes, for delivery over the longer term.
- Over 40,000 homes have been brought to market on land sold through both the current (2015–20) and previous (2011–15) programmes.

A sustainable delivery pipeline of land for housing

Departments have continued to work hard to bring forward land for disposal for homes as quickly as possible to ensure their estate is used efficiently, to maximise sales and to identify sufficient land to meet their targets.

The previous Public Land for Housing interim report, published in February 2017, recognised the considerable delivery challenge in achieving the ambition. It reported that c.99,000 of the 130,000 identified units in departments' pipelines that were still to be disposed at that time were assessed as medium-high or high risk and therefore highly unlikely to be delivered by 2020.

Departments faced a number of practical issues preventing release of land, making progress slower than hoped for. These include:

- Departmental targets were based on an assessment of all landholdings that could possibly be deemed surplus. Some of the land originally identified in departments' pipelines has now been assessed as having ongoing operational need.
- Some of the land identified for the programme is still being used for operational purposes and existing operations need to be decanted to other sites before the land can be released. Re-provision complexities mean that these will not come to fruition for some years.
- Former operational land can be contaminated which requires costly and complex remediation.
- Planning delays, for example because there are Listed Buildings on the estate, or because of environmental constraints, introduce a further level of complexity and time to achieve the planning decisions on future use.
- Land originally identified for housing is sold for alternative use. To achieve best value from the sale of land, sites may be disposed of for commercial purposes; or local planning authorities make planning decisions based on need and sometimes consider land should be used for other local priorities such as new schools or employment.

Infrastructure and Projects Authority (IPA) review of the programme

At the end of July 2017, MHCLG invited the Infrastructure and Projects Authority (IPA) to conduct a critical friend review of the programme to understand what more could be done to dispose of land for housing. Annex A sets out recommendations from the review, and progress against implementation. The IPA recommended that the programme should review programme objectives and look to develop a "sustainable delivery programme well into the next decade with short, medium and long term goals".

⁸ Forecast figures are subject to change as risks to delivery are mitigated and new ones identified. For example, since December 2018, partnering arrangements on 2 MoD sites have been agreed which will delay scoring for the programme. As a result, MoD's forecast for 2020 is set to decrease by 4,200 units.

On this basis, the top five land-owning departments reassessed their delivery plans in October 2017 against risk and disposal dates to identify:

- Which of the sites in their pipeline were highly probable for delivery by 2020.
- The sites where delivery confidence was less certain but had the potential to be delivered by 2020.
- Land that could be sold over a longer timeframe.

We have adjusted the way we report information accordingly.

Land sold for homes

At the end of December 2018, all departments had sold land with capacity for over 38,000 new homes (24% of target).

Figure 1.1 (below) shows the housing capacity of land sold by all departments at the end of September 2016 and the progress made by the end of December 2018.⁹

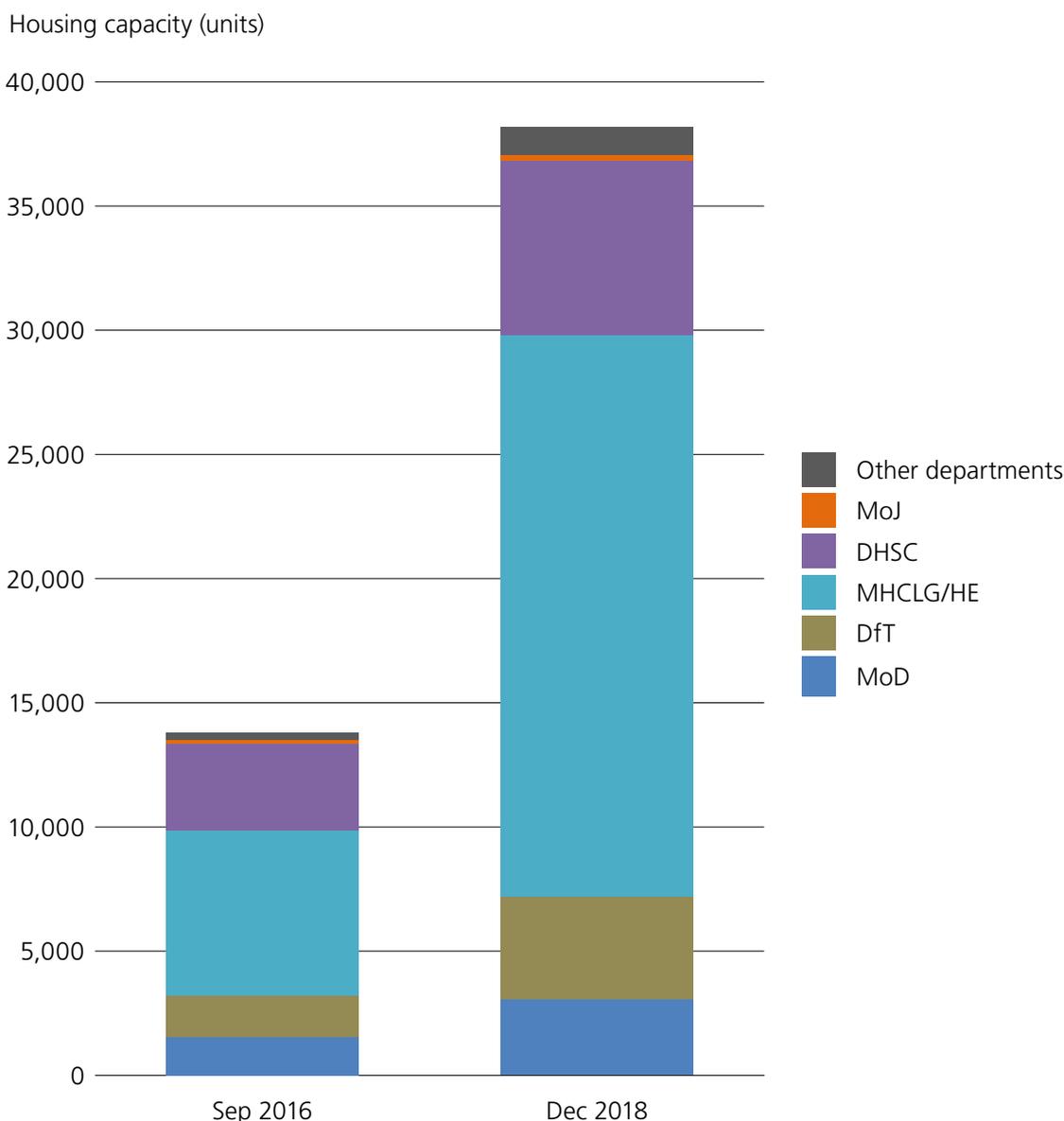


Figure 1.1: Housing capacity of land sold by all departments at the end of September 2016 and the end of December 2018.

⁹ The following need to be in place before a department records land as sold for housing under the programme:

- A signed conditional contract, development agreement or building licence with a private sector partner, or a freehold transfer having taken place (whichever is sooner).
- Planning certainty that the site will be developed for housing. This could be positive commitment or support from the local planning authority, inclusion in a local plan, outline planning permission or full planning permission.

The location of each site sold by the end of December 2018 is shown in Annex B.

Land identified for housing and not yet released

Figure 1.2 (below) shows land sold, transferred to Homes England and identified for disposal by risk, and the gap to the 2020 target at the end of September 2016. Figure 1.3 (overleaf) presents the programme pipeline at December 2018 which shows land disposed, cumulative disposals forecast for probable delivery by 2020 and cumulative disposal opportunities beyond 2020. The difference in pipelines reflects the changes in approach to delivery plans in October 2017 following IPA advice.

To support our goal of creating a sustainable pipeline for the programme and disposing of land over the longer term, departments have identified disposal opportunities over the short, medium and longer term for over 164,000 homes, including land already sold. Work is underway to bring as much forward for disposal as quickly as possible

At the end of December 2018, the total 2015–20 programme pipeline included land sold and probable for delivery by 2020 with capacity for over 69,000 homes (68,000 from the top five land-owning departments).¹⁰

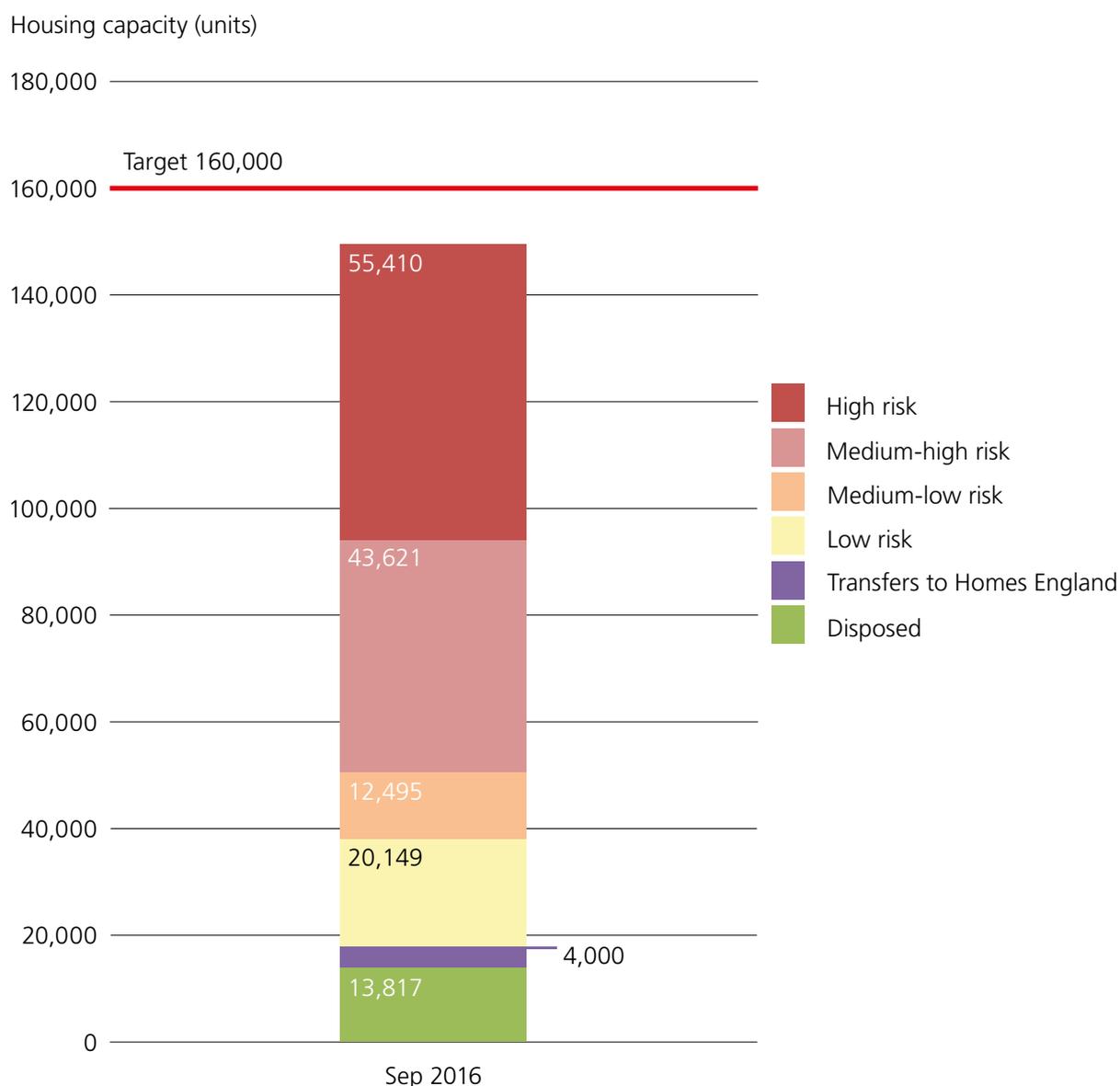


Figure 1.2: Programme pipeline showing land sold, transferred and identified between May 2015 and September 2016.

¹⁰ Forecast figures are subject to change as risks to delivery are mitigated and new ones identified. For example, since December 2018, partnering arrangements on 2 MoD sites have been agreed which will delay scoring for the programme. As a result, MoD’s forecast for 2020 is set to decrease by 4,200 units.

This is an improvement from September 2016, when only c.54,000 units were either already sold or low/medium-low risk and therefore probable for delivery by 2020. It reflects the work done by departments, supported by MHCLG and Homes England, to successfully de-risk sites with capacity for 11,000 units which are now expected to be disposed within the programme timeframe.

Housing capacity (units)

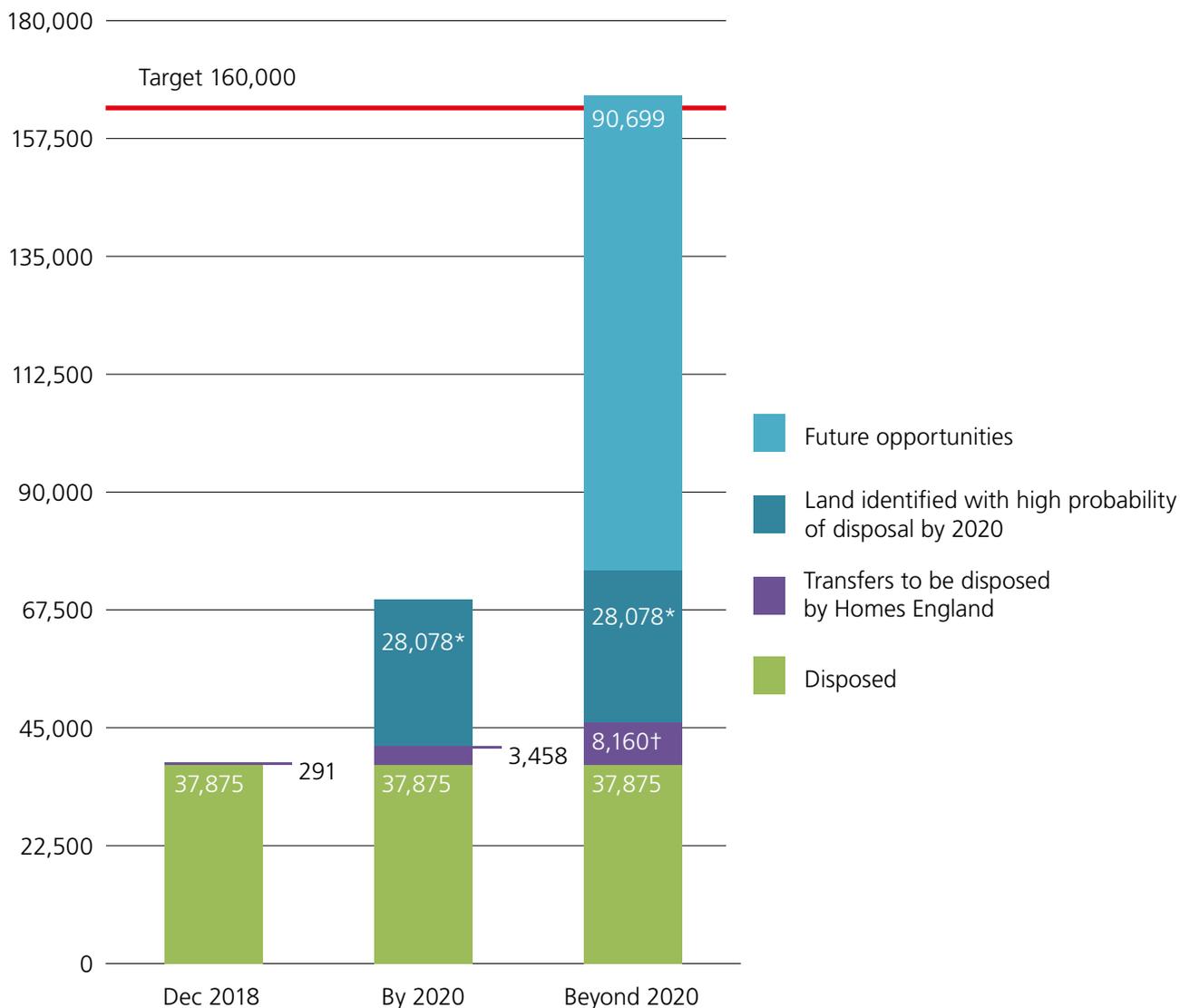


Figure 1.3: Land disposed since the start of the programme up to the end of December 2018, cumulative disposals forecast for probable delivery by 2020, and cumulative disposal opportunities beyond 2020.

*See footnote 10.

†The total number of transferred units to be disposed by Homes England is higher than the units transferred originally by departments due to Homes England reforecast of housing capacity.

Action to maximise delivery

MHCLG continues to focus on supporting and challenging departments to review their estates and bring forward land for disposal for housing as quickly as possible.

- To support delivery, MHCLG account managers hold regular bi-laterals with departments to discuss progress, and address risks as they arise. To challenge departments to find more land and make progress towards their targets, MHCLG led a deep-dive of departments' estates reviews in February 2018, which was assured by land experts Jones Lang LaSalle (JLL).
- The deep-dive found opportunities for departments to review parts of their estates with a view to identifying suitable land for housing. These additional reviews are now underway although lead-in times for land disposal mean that, despite departments' best efforts, it is unlikely any land identified will be disposed within this programme timeframe, but will form part of future delivery.
- Further, OGP, supported by MHCLG, is exploring a robust, consistent system for identifying underused and surplus land for disposal that is aligned to both the wider Government Estate Strategy and OGP's annual Strategic Asset Management Plan (SAMP) process. Departments would be responsible for setting out their disposal plans, which OGP would ensure are robustly challenged, with a particular focus on disposal plans around areas of highest demand.
- Action is also underway to urgently de-risk as many of the sites identified for potential delivery by 2020 as possible. MHCLG, supported by OGP, is working with departments to accelerate the disposal of this land.
- Departments are providing disposal plans with milestones for key sites. These will ensure plans are realistic, departments can be held to account on delivery and opportunities to work collaboratively to remove barriers are seized.
- MHCLG is also making available, through Homes England and GLA, access to additional financial support including through the Small Sites Fund to help departments unblock surplus land for housing.
- A new partnering approach (see case study below) is being piloted between Homes England and departments to speed up disposals on key, strategic sites through joint working that makes better use of Homes England's skills and expertise.

Case study: DIO and Homes England - working together to develop sites for housing in an arrangement that will maximise value for the public purse.

An innovative partnership announced in February 2019 by Homes England and the Defence Infrastructure Organisation (DIO) will develop land for housing being released by the Ministry of Defence (MoD). The partnership, which has the longer term potential to deliver over 10,000 homes across seven sites, brings together the DIO's own in-house expertise with the skills, and finance of Homes England to help unblock constraints and speed up the construction of homes. The land will remain in the ownership of MoD whilst Homes England will work with local authorities and communities to progress schemes.

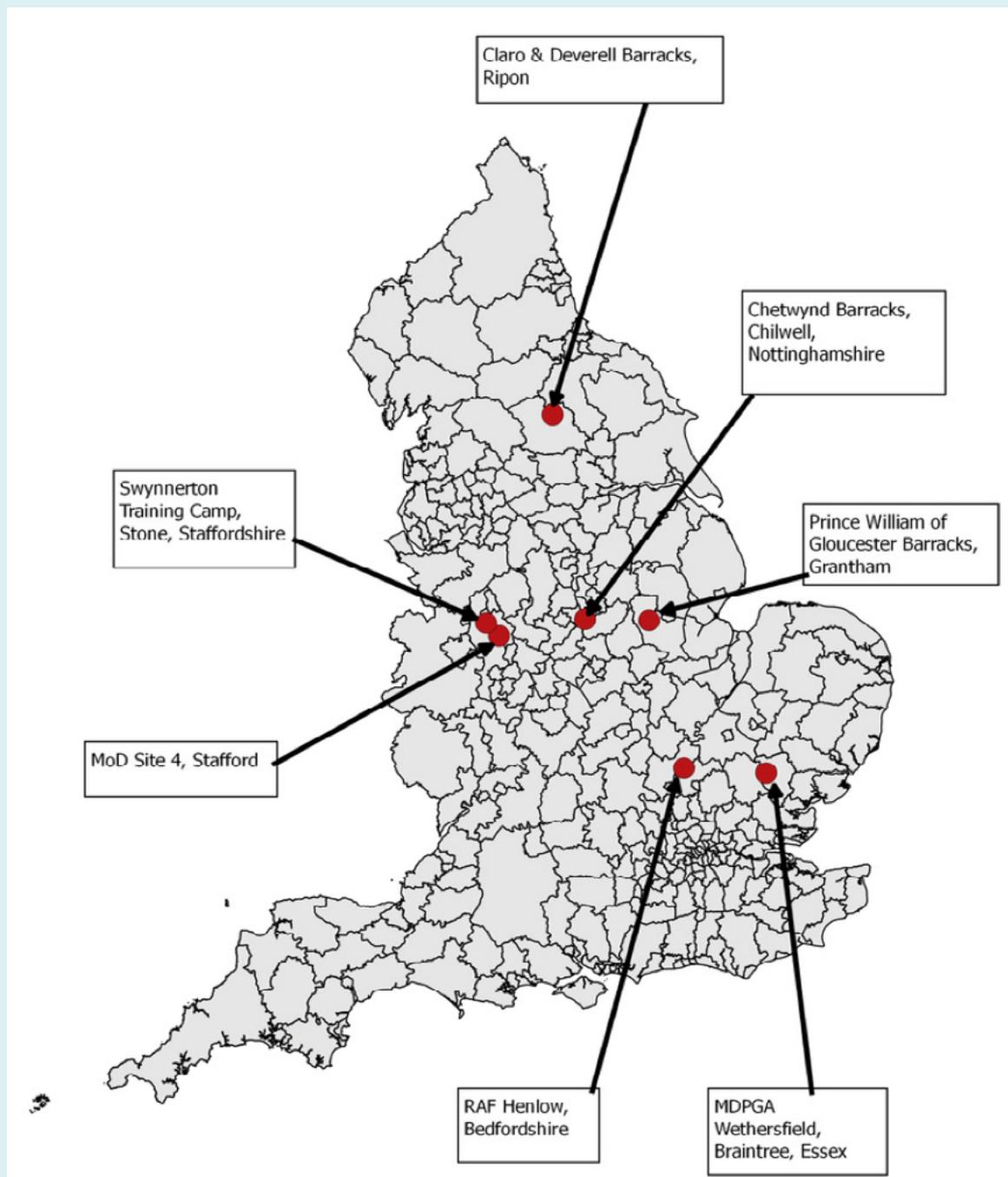


Figure 1.4: MoD/Homes England partnering arrangement: initial sites in the project.

2. Monitoring homes built on land released

In April 2017, MHCLG began to monitor the progress of sites sold through both the 2011–15 and 2015–20 Public Land for Housing programmes, in order to estimate the number of homes under construction and completed.

An experimental methodology has been developed by Ordnance Survey to monitor sites through the planning system to completion. This is explained in more detail in Annex C.

The figures reported are based on activity on 90% of sites sold for housing from both programmes (1,178 sites¹¹ with capacity for 130,000 homes) up to the end of March 2018. Further investigation is being undertaken on the remaining 10% of sites to ensure figures are robust. Therefore, the figures do not reflect performance across the programmes as a whole and report the likely minimum that has been delivered.

Key findings show that at the end of March 2018:

- Over 40,000 homes had been brought to market on former public sector sites.
- The majority of completed homes were in areas of highest demand: 30% (12,014) of homes were in London and a further 21% (8,341) were in the South East.
- Homes were completed or underway on 700 housing developments across England.
- 33% of sites (389) were fully completed.



Figure 2.1: Trajectory of completions on Public Land for Housing programme sites between March 2015 and March 2018.

¹¹ A total of 1,315 sites are listed in the final data because the method deployed by Ordnance Survey required some sites to be separated out for monitoring purposes.

Gally Hill Sidings, Bexhill, before construction started



Completed homes at Galley Hill Sidings, Bexhill



Completed homes at Galley Hill Sidings, Bexhill

Case study: Galley Hill Sidings, Bexhill, East Sussex – Increasing density to deliver more homes

Until 1993, Galley Hill was used as an oil storage depot including railway sidings and was disposed of in 2011 to Barratt Southern Counties. The site had been used for railway operations, so disposal required approval from a variety of agencies due to potential contamination and disposal of the oil storage. The original plan was for 48 homes to be built on the site, but the local authority agreed to increase density on the site to 65 homes. All properties were completed within 2 years of getting planning permission, including 26 social rented homes (40%).

Homes brought to market

Figure 2.2 (below) illustrates homes brought to market built on former public sector land sites to the end of March 2018, broken down by department.

Figure 2.3 (overleaf) shows the number of homes brought to market by the end of March 2018, by type and tenure.

Departments sell their sites as freehold. Once land has been disposed and sale completed, developers may subsequently decide to release homes to market under leasehold.

Figure 2.4 (overleaf) shows the regional distribution of completions on both the previous and current Public Land for Housing programmes. Homes have been delivered in every English region, with 51% of homes delivered in London and the South East. Over 18,000 homes have been delivered in other regions and a further 2,173 units are on sites without a region disclosed.

Annex D shows the location of former public sector sites where sites have been completed.

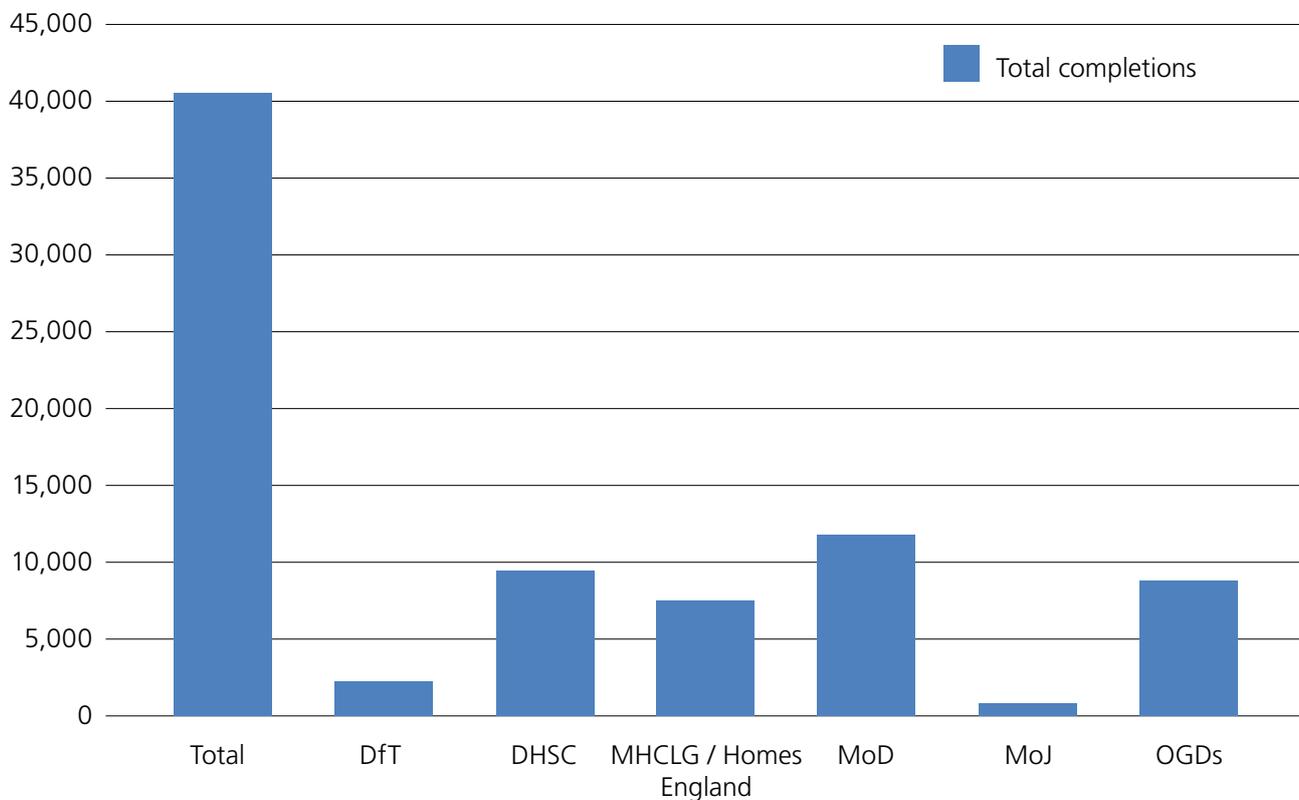


Figure 2.2: Homes brought to market on 90% of former public sector land sites sold from both programmes to the end of March 2018, broken down by department.*

*OS produces the above data using an automated process using OS products and secondary data sources – see Annex C for further information. It should be noted that Homes England uses a different methodology and definitions for its starts and completions. Homes England obtains evidence from the local authority or from the relevant partner under the Single Land Programme every quarter, so their figures will be different.

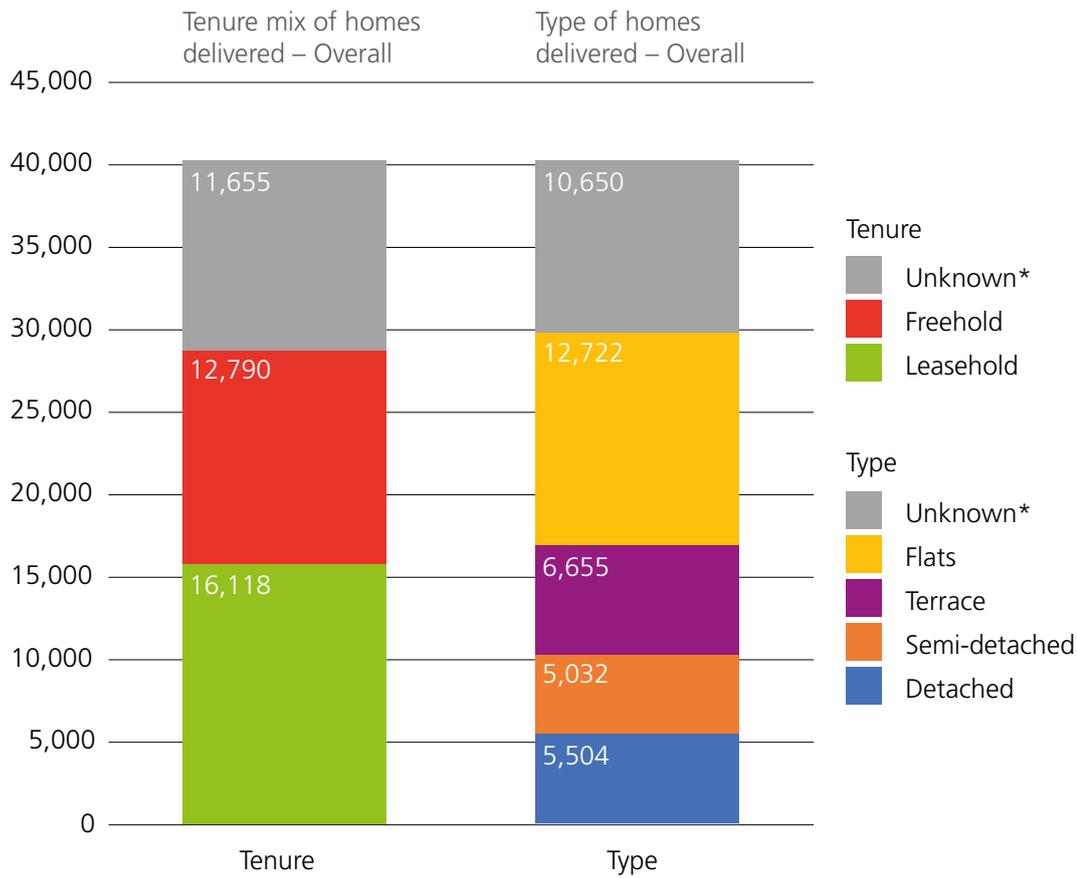


Figure 2.3: The construction of new homes completed by the end of March 2018, by type and tenure.[†]
 *Property type and tenure are unknown in some cases due to the completions being made up of residential sales built residential development. See Annex C for further details.
[†]Tenure information has been obtained from the Land Registry.



Additional 2,173 units on sites without region disclosed (e.g. service accommodation)

Figure 2.4: Regional distribution of number of homes completed on Public Land for Housing programme sites.



Latchmere House Prison

Case study: Latchmere House, Richmond, Surrey – providing housing in high demand areas

Latchmere House was built in the Victorian era and was a Category D (or open) prison before it was closed in 2012. The site lies across two London boroughs - Richmond upon Thames and Kingston upon Thames – both areas of high housing demand. The house and surrounding grounds, including prison buildings, were sold to Berkeley in 2013. Full planning permission was granted for both parts of the scheme in 2015. A total of 77 homes have been built in and around the converted Latchmere House. In addition, there will be a bright new village green with children's play area and Berkeley have contributed to a library extension in Kingston.



Aerial photo of Latchmere House site during construction



Completed homes at Latchmere House, Richmond, Surrey

Progress of sites from disposal through the planning process to completion

Figure 2.5 (below) shows distribution of 90% of former government-owned sites from the point at which departments have handed over sites to developers or made them available for development through planning to completion.

The chart shows that of the 1,178 sites sold for which full data is available, construction is underway on 311 sites (26%) with a further third of sites (389) fully completed. There are 412 sites (35%) that are at planning stage¹² and 66 sites (6%) in the previous programme that currently have no planning activity. Of the 66 sites with housing capacity of 7,407 units, two are former MoD sites which account for 72% (5,100 units) of the total forecast housing capacity. One of these sites has significant barriers to development and the other forms part of a wider regeneration project.

Tables in Annexes E and F provide more details on progress on all sites across both Public Land for Housing programmes.

Next steps

Due to the innovative and experimental nature of the monitoring work, full, accurate data on the number of planned affordable homes is not yet available. This work is ongoing and we aim to have a clearer picture for the next Progress Report. We also aim to provide an update on departments' work to make homes available to essential local workers on their surplus sites.

The method outlined at Annex C will also be further refined as more about the complexity of individual sites is learned. Any comments and suggestions on data quality should be raised using the following email account: publicsectorland@communities.gov.uk.

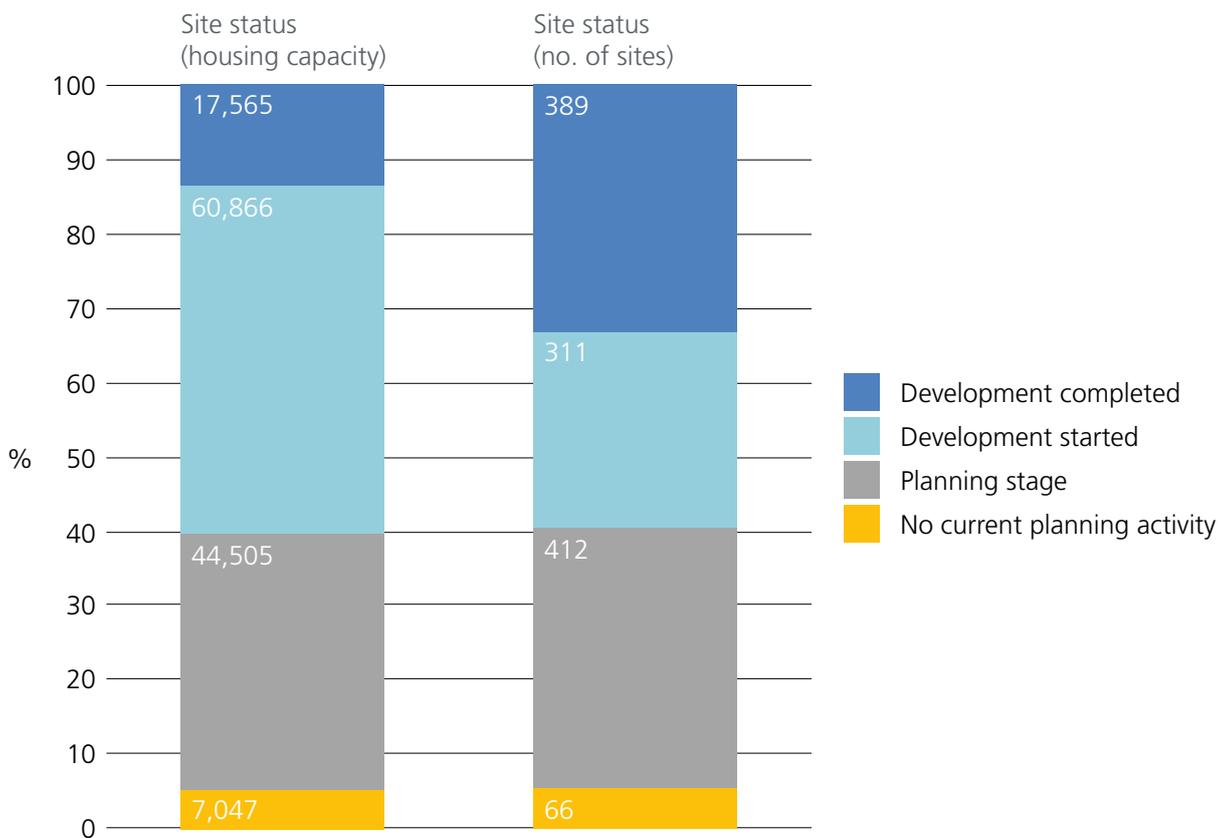


Figure 2.5: Distribution of 90% of former Public Land for Housing programme sites through planning to completion.

¹² Planning stage includes 1) sites with a planning permission but not yet started 2) sites with a planning application submitted but no decision 3) sites that have a recent positive support/commitment for residential development by a local planning authority in advance of a planning application 4) sites that are allocated in a local plan or other development plan document.



Case study: Selly Oak Hospital, Birmingham – planning certainty delivering value

The Selly Oak site had a number of main development challenges including being located on the boundary of the Bournville Village Conservation Area and having 13 locally listed buildings within the site, which influenced the amount and layout of development. Outline approval was secured in 2012 for up to 650 homes alongside other uses such as retail. Working closely with the council to secure planning approval was key to crystallising value on the site. The site was eventually sold in 2013 to Persimmon Homes. Build-out commenced in May 2015 with the first phase now complete. The site is expected to build-out fully by 2022.



Completed homes on the former Selly Oak Hospital site



3. Departmental delivery to March 2018

All contributing departments are responsible for releasing land towards the programme’s overall objectives, according to the individual plans and delivery commitments each has agreed.

A summary of the top five land-owning departments’ performance to the end of December 2018, including progress since September 2016 is set out in the following pages.

Ministry of Housing, Communities and Local Government/Homes England

Performance summary

By the end of December 2018, Homes England had:

- Sold land with capacity for 22,294 homes.
- Identified land for over 9,900 homes with high probability for disposal by 2020.
- Identified 94 additional disposal opportunities for land with capacity for over 23,000 homes for delivery over the longer term.

At the end of December 2018, Homes England had sold or identified sufficient land with a high probability for disposal to meet 90% of its target by 2020. Additional disposal opportunities have been identified for disposal beyond 2020. Work is being done to bring the delivery of some sites forward to within the programme timeframe wherever possible.

Homes England has also acquired land with an estimated capacity for approximately 14,500 homes since the start of the programme up to December 2018. Of this, land for 300 homes has already been disposed, however this is not eligible to count towards the current programme because the sites were not in Homes England’s ownership at May 2015. This contribution is nevertheless boosting the supply of land for much needed homes.

Housing capacity (units)

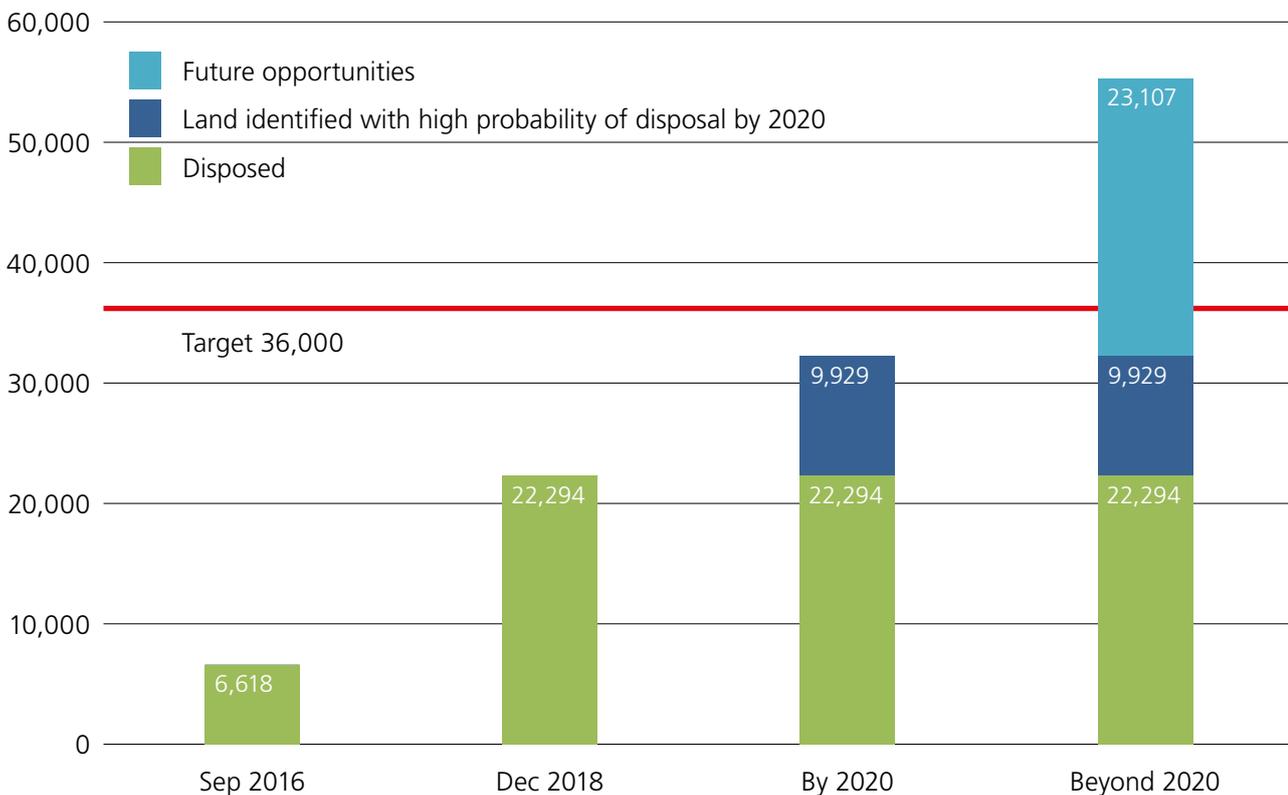


Figure 3.1: Homes England land disposed since the start of the programme up to the end of December 2018, cumulative disposals forecast for probable delivery by 2020, and cumulative disposal opportunities beyond 2020.

Overview

Significant progress has been made selling sites in the Homes England pipeline. Between the end of September 2016 and the end of December 2018, land with the capacity for over 15,000 new homes was released. This included Northfleet, Gravesham, which has capacity for 630 homes, Gedling Colliery near Nottingham, which has capacity for 1,050 homes, South Omega (Phase 1 Zone 6), Warrington, which has capacity for 915 homes, and Brodsworth Colliery, Doncaster, which has capacity for 350 homes.

Progress has also been made on bringing forward other land in the pipeline, including a key site at Northstowe (Phase 2) in Cambridgeshire. In January 2018, contractors were secured for a partner agreement on the delivery of infrastructure for the site that will eventually deliver 3,500 new homes.

Land transferred to Homes England for disposal

In addition to selling its own land for homes, Homes England continues to provide expertise to other government departments and receive transfers of developable and viable land to prepare for release to the market. In accepting the site, Homes England also becomes responsible for delivery of the site and its housing capacity.

Between the end of September 2016 and the end of December 2018, 38 sites with a combined capacity of almost 3,500 homes transferred to Homes England from other departments.

Taken together with transfers since the start of the current programme to the end of September 2016, departments have transferred 56 sites with a total capacity for over 7,800 homes to Homes England. This is shown in the chart below.

Housing capacity (units)

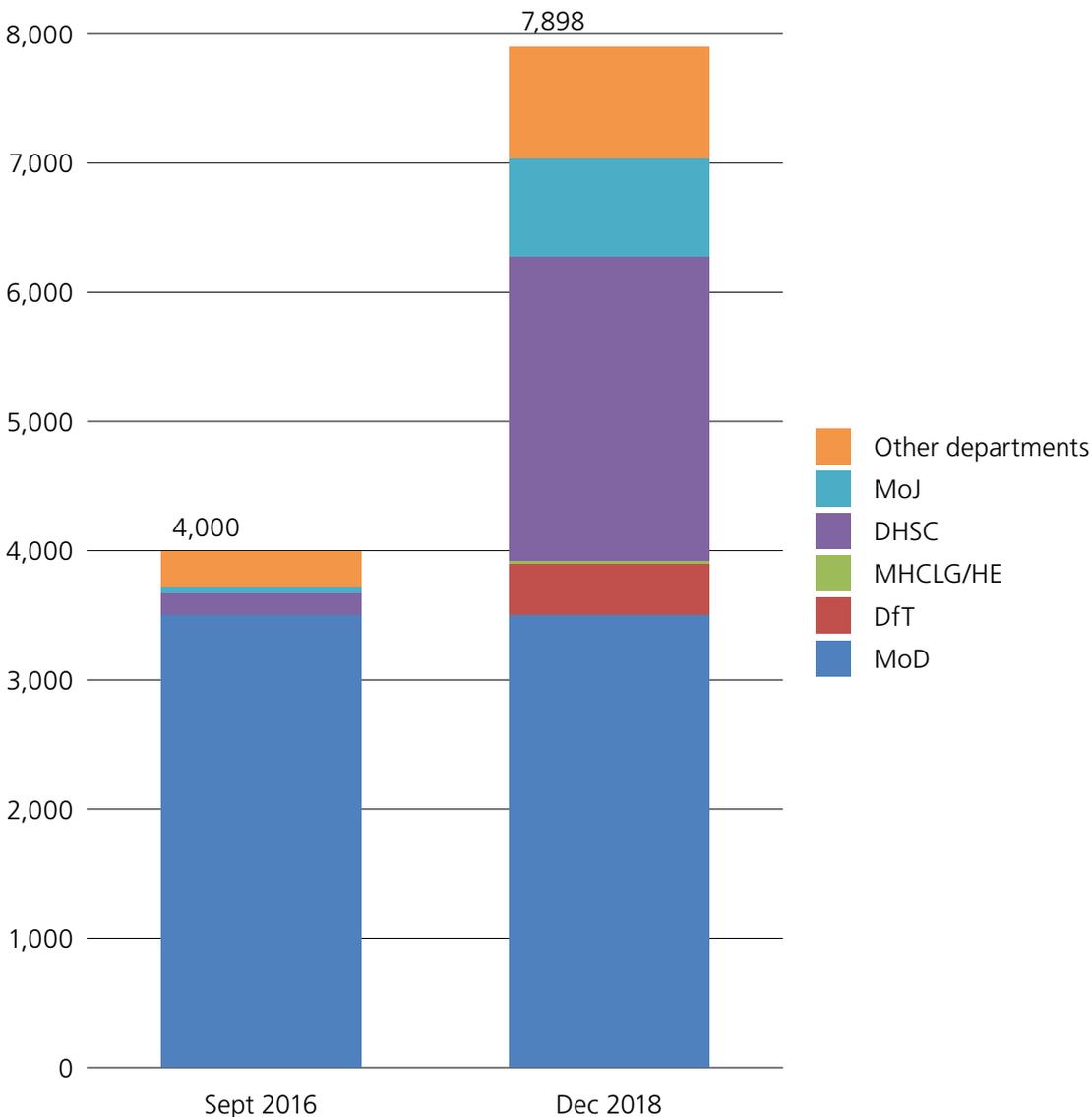


Figure 3.2: Estimated housing capacity of sites transferred to Homes England.

At the end of December 2018, Homes England had disposed 9 sites with capacity for 291 homes from its transfer pipeline. Homes England continues to work to dispose the remaining sites in addition to the sites within their own disposal pipeline. As shown in Figure 1.3 (p.12), Homes England forecasts to dispose an additional 3,167 of the transferred units by 2020. Homes England's reforecasting of the sites they receive as transfers from departments has resulted in an overall increase of 262 housing units, meaning that they are forecasting to dispose land with capacity for a further 4,702 homes beyond 2020.

Homes England offer of support to departments

Complementing its existing work disposing of sites transferred from other departments, Homes England responds flexibly to departments' changing requirements to support delivery. For example:

- A new partnering approach has been developed between Homes England and departments to speed up disposals on key, strategic sites through joint working that makes better use of Homes England's skills and expertise, without the land formally transferring from the department. This new way of working is being piloted, with Homes England working with MoD to deliver the Claro and Deverell Barracks sites and a business plan with delivery milestones has recently been agreed.
- Homes England is now providing upstream support to departments, and is developing an enhanced offer with DHSC that includes brokering, enabling and facilitation support for NHS Trusts earlier in the disposal process and on smaller sites.
- Homes England has also made its Framework Panels and Delivery Partner Panel available to departments if they wish to access them.

Using public land to help the housing market work for everyone

There is the opportunity for government to use its land as a lever, ensuring that the Public Land for Housing programme makes a full contribution to wider housing goals. This includes increasing the supply of homes in the right places; driving delivery of homes more quickly and ensuring that the land market is opened up to smaller builders, housing associations and those who embrace innovative and efficient methods of construction. Homes England is beginning to do this on its land:

- **Pace** – Homes England is working to driving up pace of delivery on sites. They are aiming to achieve a land portfolio average build-out rate of 130% of the local market average delivery rate, including through alternative tenure mixes.
- **Modern Methods of Construction (MMC)** – MMC have the potential to improve the speed and quality of construction, address labour and materials shortages, and deliver a number of additional benefits such as improved energy efficiency. Homes England will deliver some level of MMC on all of their sites where possible and will seek to achieve higher-end MMC technology on higher value sites, where this is viable.
- **Design** – Homes England is promoting good design across the sector. By utilising Building for Life 12 assessment in the design process and place making, Homes England will ensure that homes built on their sites meet the highest possible design and sustainability standards. Homes England will also consider opportunities to promote designs that are future proofed with low carbon heating and exemplary energy efficiency standards.
- **Small & Medium Enterprises (SMEs)** – A key barrier to growth faced by smaller builders is access to development land. Homes England is working to ensure a greater proportion of sites are developed out by SME builders and custom builders including through simplifying procurement arrangements, the provision of short term development finance, providing investment support for infrastructure spending on sites and by looking for opportunities to break larger sites into smaller parcels that better suit the capacity of smaller builders.

Case study: The Malings, Newcastle upon Tyne – Using quality design and phasing to improve viability and reduce cost

The Malings, a former Regional Development Agency site that transferred to Homes England and was sold to Igloo Regeneration, is a sustainable development of 76 homes overlooking the river in Newcastle upon Tyne's Lower Ouseburn Valley. Igloo created an environmentally respectful development that achieves the right balance between community, privacy and beauty. Bordered by a scrap yard, timber yard and vibrant live-music venues, the development combines high-specification acoustic insulation with pro-active management to tackle the emotive issue of noise-nuisance that can affect residential development in established urban areas. The development has won a number of national and regional design awards, demonstrating the value of design tailored to location.



The Malings – an award-winning residential development in an established urban area



Ministry of Defence

Performance summary

By the end of December 2018, the Ministry of Defence (MoD) had:

- Sold land with capacity for 3,033 homes.
- Transferred two sites, with capacity for 3,500 homes, to Homes England. These are complex, challenging sites which Homes England will deliver over the longer term.
- Identified land for over 6,800 homes with high probability for disposal by 2020.¹³
- Identified 50 additional disposal opportunities for land with capacity for over 28,988 homes for delivery over the longer term.

Despite an intensive estate rationalisation programme, at the end of December 2018 MoD had sold or identified sufficient land for 24% of its target contribution by 2020, rising to under three quarters of its target over the longer term. In October 2017, MoD reassessed its delivery plans against risk and disposal dates. As a result of this reassessment, MoD identified land with capacity for 13,420 homes as having a high probability of disposal by 2020.¹⁴

The MoD Estate Optimisation Programme currently underway aims to reduce the MoD built estate by 30% by 2040. This forms one of the largest programmes of estate change activity across government. The Defence Infrastructure Organisation (DIO) manages and maintains the estate for the MoD.

Housing capacity (units)

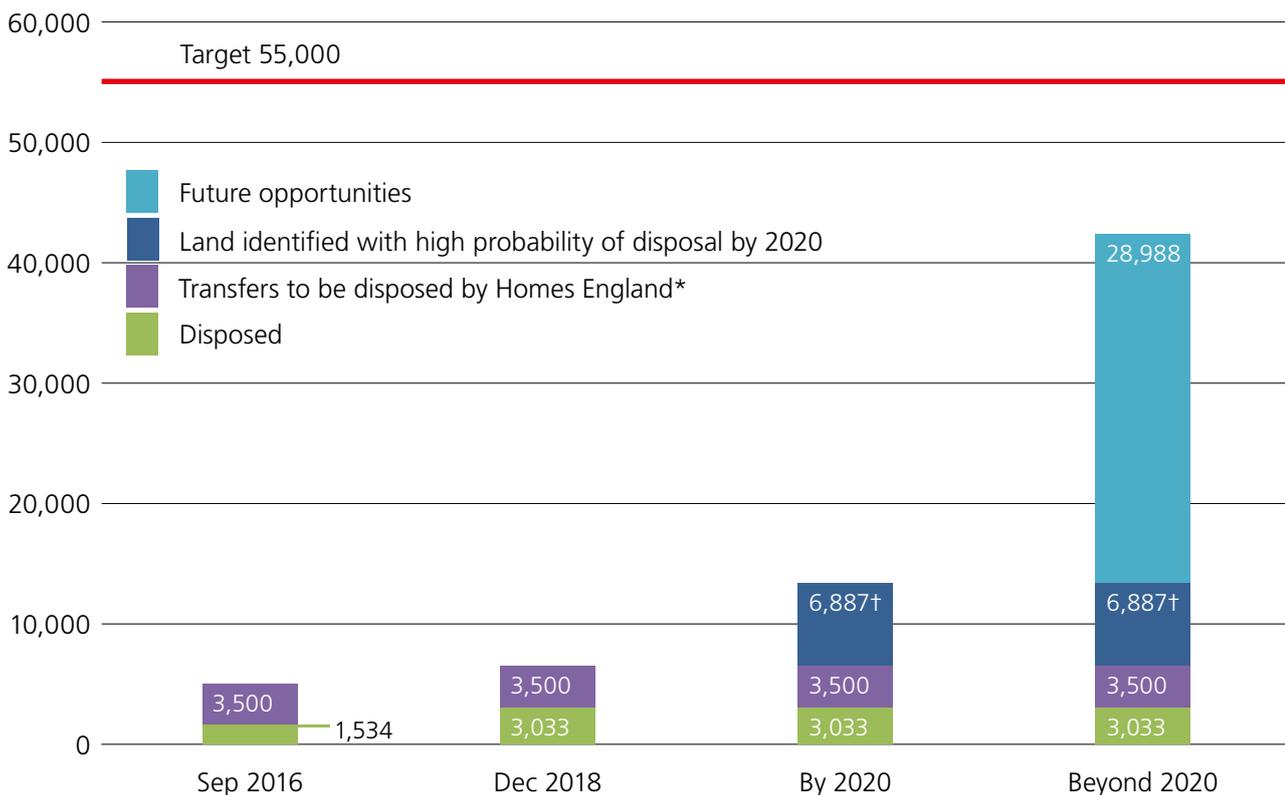


Figure 3.3: MoD Land disposed since the start of the programme up to the end of December 2018, cumulative disposals forecast for probable delivery by 2020, and cumulative disposal opportunities beyond 2020.

*The housing capacity of sites may differ from what was originally transferred by the department due to Homes England’s reforecasting.

†See footnote 13.

¹³ Since December 2018, partnering arrangements on 2 MoD sites have been agreed which will delay scoring for the programme. As a result, MoD’s forecast for 2020 is set to decrease by 4,200 units.

¹⁴ See footnote 13.

The operational needs of the military and the complex logistics involved in consolidating operations onto new sites means that a significant proportion of the MoD land identified as surplus will not be released before the end of the programme.

Overview

- Since the start of the programme to the end of December 2018, MoD has sold 3 sites with capacity for 755 homes, transferred 2 sites with capacity for 3,500 homes to Homes England and released 711 Service Family Accommodation units to the market. In addition, 686 new build Service Family Accommodation units and 881 new build Single Living Accommodation units (scored for the programme at a 4:1 ratio) were delivered.
- Master-planning has progressed on a number of sites. For example, Cavalry Barracks, Hounslow which is due for disposal over the medium term, has potential for 1,000 homes and is already allocated within the adopted Hounslow Local Plan for residential development. Initial master-planning, commercial and technical studies are progressing to ensure that the proposals for this site are refined in a way that supports London Borough of Hounslow's housing delivery plans.
- A new partnership has been agreed between DIO and Homes England which has the longer term potential to deliver over 10,000 homes across seven sites. These sites will no longer score for the current programme, as securing conditional contracts will take more time. However, the sites will score for the next programme and will be development-ready when they do so, meaning that homes will be built more quickly
- In addition to sites considered probable for delivery by 2020, the MoD pipeline also contains capacity for over 28,000 homes for potential delivery over the longer term. Further, MoD has confirmed plans to undertake a range of reviews of its estate to ensure that land use is optimised, completing in November 2019. These include reviews of the non-built estate, the portion of the built estate that has not yet been reviewed, the training estate and land inside and outside the 'boundary wire' of operational estates. Lead-in times mean that any land identified will not be available for the current programme.

Activities that bring forward homes

MoD is facilitating other housing which is outside the scope of the programme. This includes plans to build 6,500 new homes for returning service personnel under the Defence Estates Optimisation programme.

Case study: The Princess Royal Barracks (Deepcut Barracks), Deepcut, Surrey – balancing operational needs and freeing up land for housing



Construction underway at Deepcut Barracks, Surrey

MoD is working in partnership with Skanska to manage the phased relocation of services alongside phased construction of new homes on the land as it becomes vacant. The site will be used to create Mindenhurst, a new neighbourhood in Deepcut village, that has

planning consent for 1,200 homes broken down into 6 phases, along with new public open space, roads, community facilities (school, public house, health facilities, care home), retail and commercial buildings. MoD expects the site to be vacated by 2021.

Completed play area at Deepcut Barracks



Department for Transport

Performance summary

By the end of December 2018, the Department for Transport (DfT) had:

- Sold land with capacity for 4,178 homes.
- Transferred land with capacity for 400 homes to Homes England for disposal by 2020.
- Identified land for a further 7,420 homes with high probability of disposal by 2020.
- Identified 91 additional disposal opportunities for land with capacity for over 13,000 homes for delivery over the longer term.

At the end of December 2018, DfT had sold, transferred or identified sufficient land with high probability of disposal to meet 32% of its target by 2020.

DfT’s portfolio is largely made up of land from five arm’s length bodies (ALBs) – Network Rail (NR), London Continental Railway, Highways England, Driver and Vehicle Standards Agency (DVSA), and Maritime and Coastguard Agency.

Network Rail is the biggest contributor to the programme. However Network Rail land has been subject to an intensive programme of development and disposal for many years now, meaning that, in the main, the most challenging sites remain within the disposal portfolio. Most of Network Rail’s estate is designated for operational use, as is the case with other DfT ALBs. Where land is potentially surplus, Network Rail is required to carry out an extensive consultation before it can be released for disposal. Other challenges include financial viability issues in low demand areas and planning constraints.

Housing capacity (units)

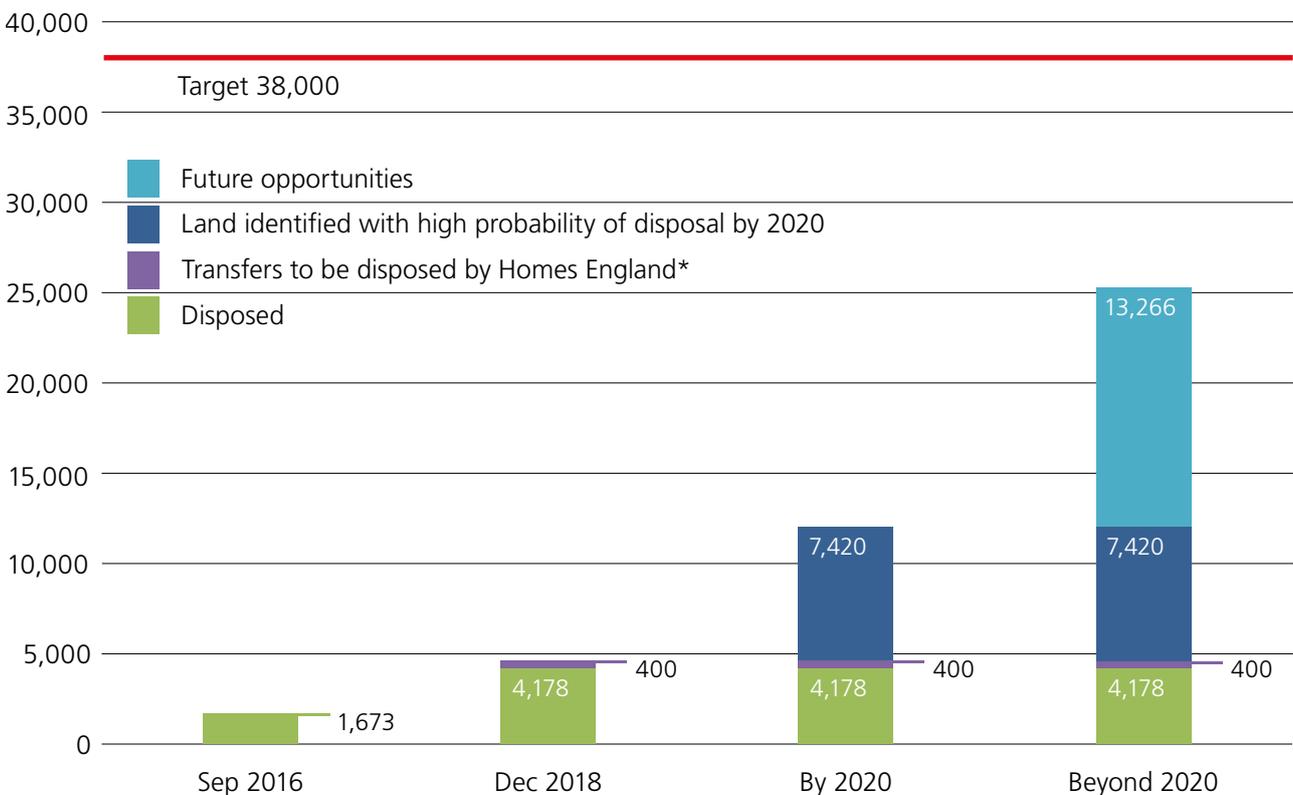


Figure 3.4: DfT land disposed since the start of the programme up to the end of December 2018, cumulative disposals forecast for probable delivery by 2020, and cumulative disposal opportunities beyond.

*The housing capacity of sites may differ from what was originally transferred by the department due to Homes England’s reforecasting.

Overview

DfT and its arm's length bodies have been working hard to break down barriers preventing the release of complex parcels of land within their portfolio.

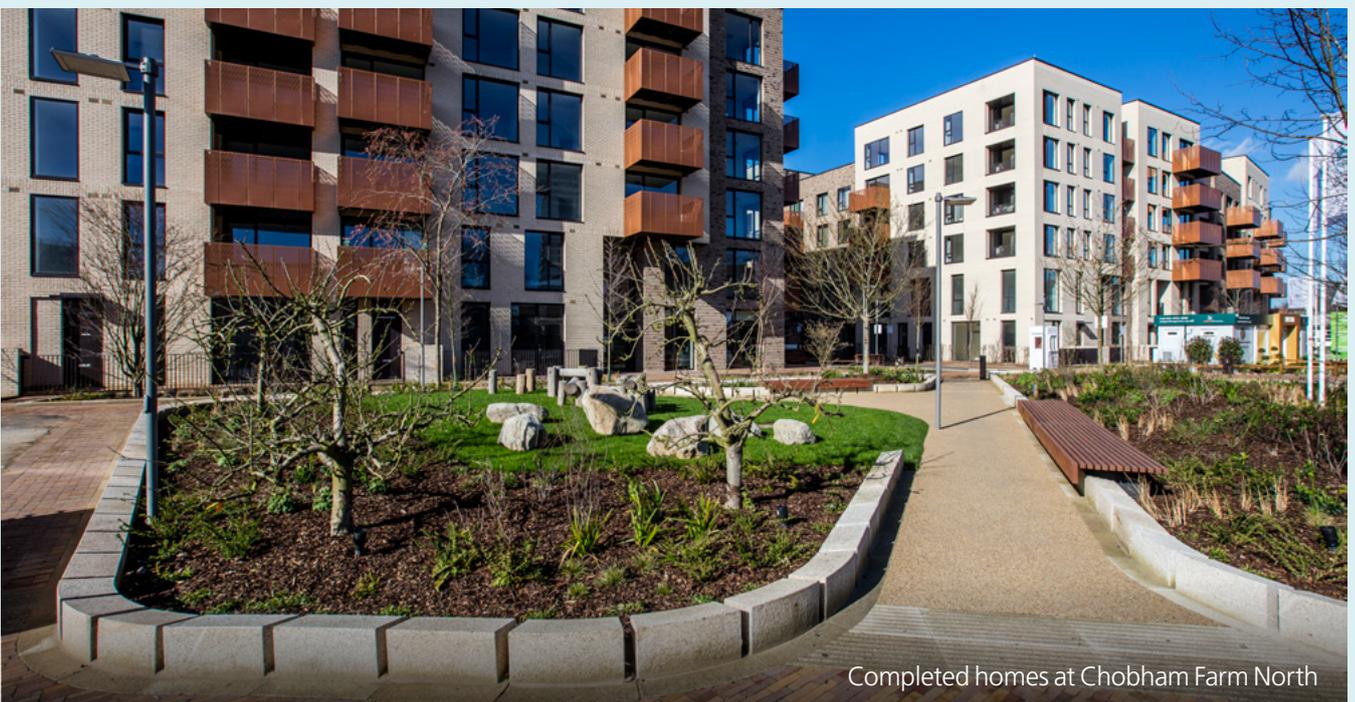
- Network Rail has disposed of 22 sites amounting to 4,151 units, including 1 site for 400 units transferred to Homes England, since the start of the programme to the end of December 2018. Some of these are in areas of low affordability including Wembley High Road in London which was released in 2017/18 for 178 units.
- Network Rail and Homes England have been collaborating closely to determine the fastest route for delivering key sites. A memorandum of understanding between the two organisations has been agreed, sealing a partnership that will create greater certainty over the delivery of sites.
- Network Rail has also been driving forward residential developments in joint ventures with developers. The benefit of this arrangement is that Network Rail's knowledge and expertise of the railway land combines with the commercial skills of an established developer in bringing forward projects suitable for their locations. For example, plans for at least 378 new homes have been agreed in Bishops Stortford Goods Yard in a partnership with Kier and work on this site has already started.
- DfT's remaining arm's length bodies, including London & Continental Railways (LCR) Ltd, Driver and Vehicle Standards Agency (DVSA), Maritime and Coastguard Agency and Highways England have contributed land with capacity for 427 homes to DfT's land release plans. This includes 154 units at Chobham Farm North Zone 2, which was released by LCR in 17/18.
- A further review of DVSA's land started in March 2019 and Highways England have been carrying out reviews into their depot estate. The combined final report is expected in spring 2019. Although the depots are unlikely to be suitable for housing, Highways England are contributing to the One Public Estate programme through their depot estate review by working with local authorities.
- In addition to sites considered probable for delivery by 2020, the DfT pipeline also contains sites with capacity for 13,266 homes for potential delivery over the longer term. The department is working with partners to see whether challenges and risks on some of these sites can be mitigated in order to accelerate delivery and bring the department closer to the target.

Case study: Chobham Farm North 4, Stratford, London – Modern Methods of Construction and tenure mix to speed up delivery

This site was originally owned by London and Continental Railway (LCR) and previously used as a coach park for national teams and staff during the 2012 Summer Olympics. LCR obtained outline consent across the wider Chobham Farm North site in 2014, and then sought developers for individual zones, therefore accelerating overall delivery. The site is planned to deliver a mixed community including retail and office space, 471 homes, of which 174 (37%) will be affordable, as

well as open and play spaces. Work started on site in November 2015. The developer Chobham Farm North LLP, a joint venture between Telford Homes and Notting Hill Genesis, is using some off-site construction methods including pre-cast reinforced concrete frames and steel fabricated staircases to speed up construction. The build-to-rent model used on site has also helped to achieve a faster pace of build-out by reducing reliance on open market sales.

Site outline of Chobham Farm North Zone 4



Completed homes at Chobham Farm North

Other activities and innovations that bring forward homes

Transport land is also facilitating housing beyond the scope of the Public Land for Housing programme. Since 2015, Network Rail has contributed rail land to sites owned by third parties, thereby unlocking private sites which are forecast to deliver thousands of homes by 2020. Further, DfT works closely with MHCLG and other departments to develop strategic transport links which connect new areas of housing growth to vital jobs and services.

Network Rail is also exploring how land, with reconfiguration, could create space for homes whilst in active use. Current ideas being explored include how surface car park space could be released by investing in alternative multi-storey parking, and creating capacity for residential space by “decking” over the station providing a platform for new housing development.

Building homes over Clapham Junction

Network Rail, through Innova – its joint venture vehicle with Capco - is examining the potential of redeveloping Clapham Junction to create a modern station, able to cope with future demand and ready to accommodate Crossrail 2. As part of this work, Network Rail is exploring the idea of decking over the station to provide a platform for new development. Clapham Junction station regeneration could give rise to an over-site development opportunity of 57 acres.

Department of Health and Social Care

Performance summary

By the end of December 2018, the Department of Health and Social Care (DHSC) had:

- Sold land with capacity for 7,013 homes.
- Transferred land with capacity for over 2,000 homes to Homes England, of which land for 1,303 homes is forecast for disposal by 2020.
- Identified land for over 2,000 homes with high probability of disposal by 2020.
- Identified 70 additional disposal opportunities for land with capacity for over 19,000 homes for delivery over the longer term.

At the end of December 2018, DHSC had sold, transferred or identified sufficient land to achieve 45% of its target by 2020.

As a department, DHSC owns little land – the majority is owned by NHS Trusts and Foundation Trusts who are legally independent of the DHSC. Planning constraints have also impacted on disposals alongside financial and resource pressures.

Overview

DHSC works with the NHS trusts who own most of the land in the pipeline, to drive the release of land for housing and to generate capital proceeds for reinvestment in the NHS.

- DHSC has worked hard to de-risk sites where delivery confidence was low and has successfully delivered four sites with capacity for 541 homes that were originally forecast for disposal beyond 2020. The department continues to work with partners to mitigate risks and accelerate delivery with the aim of making more land available for the building of much needed homes.

Housing capacity (units)

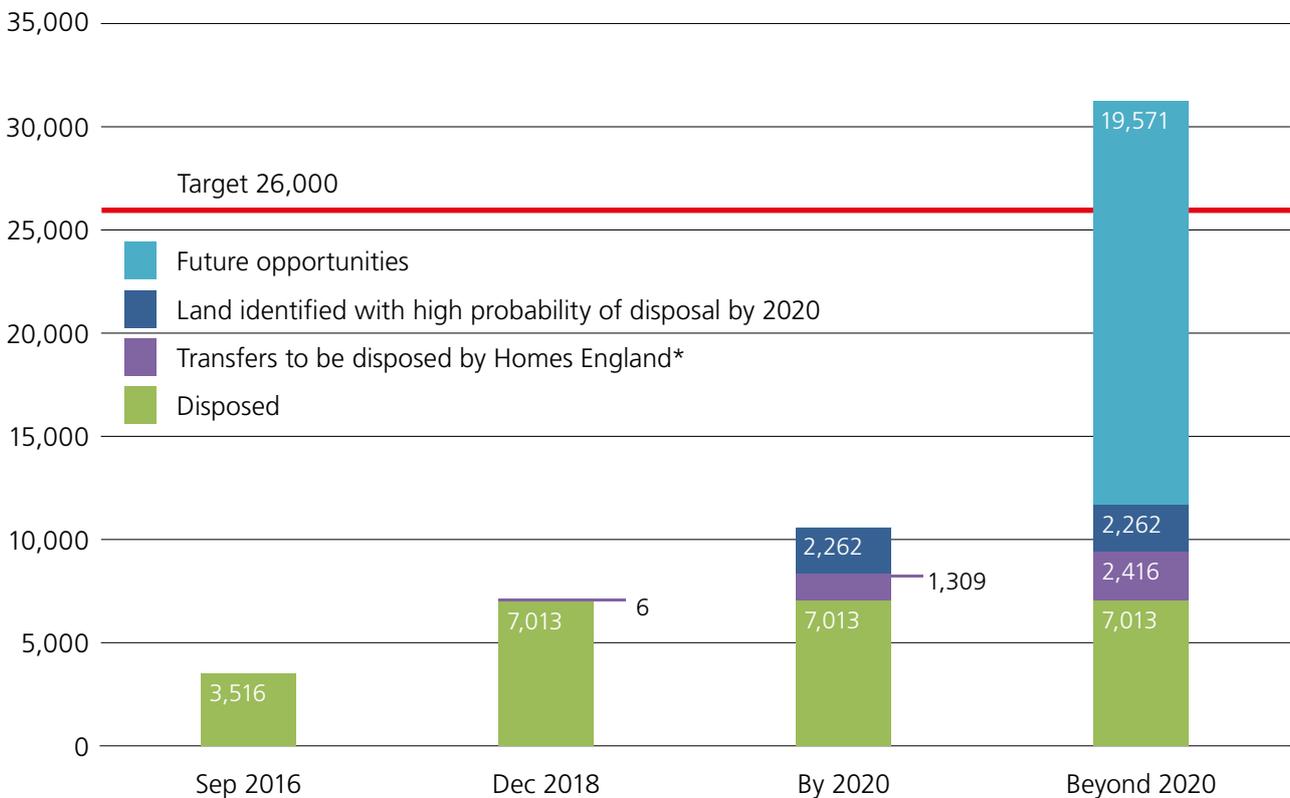


Figure 3.5: DHSC land disposed since the start of the programme up to the end of December 2018, cumulative disposals forecast for probable delivery by 2020, and cumulative disposal opportunities beyond. *The housing capacity of sites may differ from what was originally transferred by the department due to Homes England’s reforecasting.

- DHSC is developing with Homes England an enhanced offer that includes brokering, enabling and facilitation support for NHS trusts earlier in the disposal process, and on smaller sites. Further, regulations have been laid to enable 42 NHS trusts to transfer surplus sites to Homes England for disposal for new homes.
- In addition to sites considered probable for delivery by 2020, the DHSC pipeline also contains sites with capacity for 19,571 homes for potential delivery over the longer term. There are challenges and risks across most of these sites, which DHSC is working with partners to mitigate in order to accelerate delivery, making more land available for the building of much needed homes.

Other activities and innovations that bring forward land for housing

The Naylor Review

In his review published in March 2017, *NHS Property and Estates: why the estate matters for patients*, Sir Robert Naylor identified longer term opportunities for release of surplus NHS acute estate sufficient for up to 30,000 homes, realising this level of opportunity over the longer term would require significant investment and service change.

The government's response published in January 2018 recognised that in order to deliver world-class healthcare, the NHS needs world-class facilities. Considerable progress has been made in responding to the report's recommendations including:

- The government has committed £3.9 billion of new capital investment to support transformation of the NHS estate and drive further efficiency savings, as set out in the Autumn 2017 Budget.
- The Strategic Estates Planning (SEP) team was established as a joint NHS England/NHS Improvement function in October 2018. This team is playing a key role in providing independent strategic planning advice to the NHS, including supporting surplus land disposals.
- DHSC has established an NHS Property Board that draws together senior representatives from across the health family and wider government to provide a single leadership focus for the NHS on estates matters.
- All 42 Sustainability and Transformation Partnerships (STPs) have produced local estates strategies for the first time. These set out how they will transform their estate for the benefit of patients, and include ambitious opportunities for surplus land disposals. Work is ongoing support delivery of these strategies.

Using public land to create homes for essential local workers

DHSC has developed an innovative approach where NHS staff will be given first refusal to buy or rent some affordable homes built on land sold by the NHS. The initiative aims to help to attract and retain NHS staff through better access to local affordable housing. DHSC is working with partners in the NHS and wider to support delivery.

A funded pilot of the approach is currently underway in five locations where housing affordability might present a challenge to staff retention.

Case study:

Former Royal Manchester Children's Hospital – parcelling development and selling affordable homes off-plan to speed up construction

The site was acquired from DHSC through a joint venture between Barratt Homes and Taylor Wimpey who secured planning consent for 244 homes. The development includes 49 (20%) affordable homes which are a mix of houses and apartments that have been pepper-potted around the site to develop a mixed, cohesive community. The completion of demolition works to the main hospital building before the sale helped the developers get started on construction sooner after acquisition. The land was parcelled so that both Barratt Homes and Taylor Wimpey would each build 50% of the homes simultaneously, speeding up construction. Selling the affordable apartments off plan to Great Places Housing Group (a large housing association operating across the North West and Yorkshire) helped them to deliver a

faster pace of build-out than would have been achieved if the apartments were for private sale. Construction on site started in 2011 and was completed in 2015.



Completed homes at former Royal Manchester Children's Hospital site



Completed homes at former hospital site

Ministry of Justice

Performance summary

By the end of December 2018, the Ministry of Justice (MoJ) had:

- Sold land with capacity for 246 homes.
- Transferred land with capacity for over 900 homes to Homes England, of which land for 879 homes is forecast for disposal by 2020.
- Identified land for a further 1,300 homes with high probability of disposal by 2020.
- Identified 28 additional disposal opportunities for land with capacity for over 5,000 homes for delivery over the longer term.

At the end of December 2018, MoJ had sold or identified sufficient land with high probability of disposal to meet 49% of its target by 2020.

Overview

- The Ministry of Justice’s housing delivery plan is dependent on two major reform programmes: prison reform and court reform. As part of the reforms, prisons and courts and tribunal buildings that do not have a long-term future will be closed and disposed of, contributing to the Public Land for Housing programme.
- The ability to close prisons is dependent on prison population and the construction of new prisons. Following the 2018 Budget announcement that Private Finance (PF) 2 is being retired, the MoJ will explore funding routes, including through private investment, for the delivery of the prison places. A programme of valuation work has been carried out to help inform further decisions about the prison estate.

Housing capacity (units)

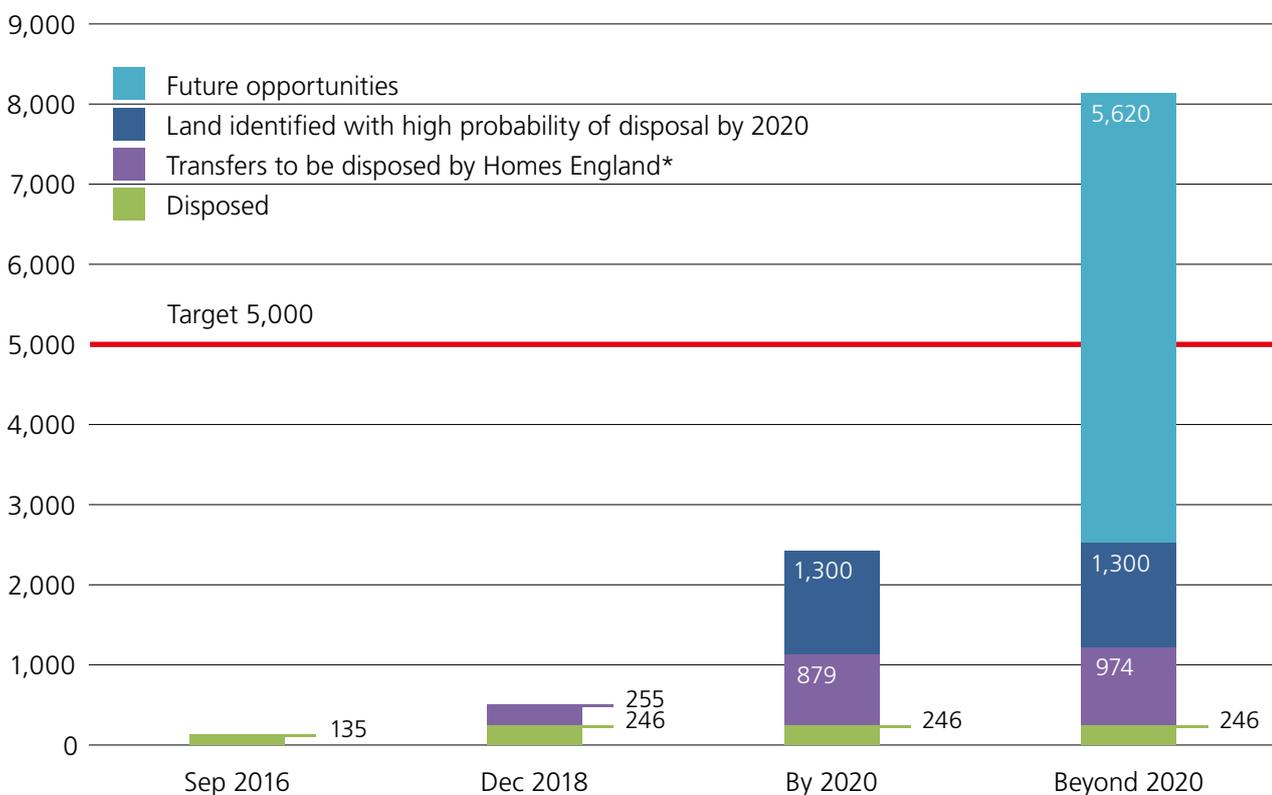


Figure 3.6: MoJ land disposed since the start of the programme up to the end of December 2018, cumulative disposals forecast for probable delivery by 2020, and cumulative disposal opportunities beyond.

*The housing capacity of sites may differ from what was originally transferred by the department due to Homes England’s reforecasting.

- MoJ has recently announced the sale of the former prison at Holloway (London), and continues to prepare for sale sites such as Reading (Berkshire) and decommissioned sites at Haslar (Hampshire). This has included appointing professional property agents to undertake work on its behalf and working actively with the local planning authorities – such as Islington Borough Council, which adopted a Supplementary Planning Document for the Holloway Prison site, supporting housing development.
- The current court closure programme of 86 courts and tribunals is progressing on time. At the end of December 2018, Her Majesty's Courts & Tribunals Service had transferred 32 surplus courts to Homes England, 14 of which will deliver housing and have the potential capacity for 485 new homes to Homes England.
- In addition to sites considered probable for delivery by 2020, the MoJ pipeline also contains sites with capacity for over 5,600 homes for potential delivery over the longer term. There are challenges and risks across most of these sites, many of which are dependent on the successful implementation of the prison reform programme.
- MoJ has undertaken a further comprehensive review of its custodial estate, which completed in December 2018. If approved for disposal, the total surplus land and property identified from the review may generate an additional 281 units.

Case study: Mid Sussex Magistrates Court, Haywards Heath – building community support through local engagement

Mid Sussex Magistrates' court was identified as part of the 2010 court estate reform programme (CERP), and came to market in 2012. The site is within a conservation area just outside the centre of Haywards Heath. The site was acquired by Renaissance Retirement who secured planning permission for 36 apartments in October 2014, which was later reduced to 34 units. There was strong local opposition to the development

including concerns about parking, the size of the building and how it would fit into the local area. Through regular engagement with the local community, including attending town council meetings and discussions with immediate neighbours, the developer was able to address these concerns and the retirement housing scheme could be built.



Renaissance Retirement housing scheme on the site of the former Mid Sussex Magistrate's court