

Report to: Cabinet



Date of Meeting 30 March 2022

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## **East Devon Thriving Towns Programme – One Public Estate (OPE) Feasibility Study final report and next steps**

### **Report summary:**

This report provides an overview of the background and the work undertaken on the One Public Estate (OPE) project to date. This includes details of the consultants' report findings and their recommendations (OPE programme proposals). These recommendations included a list of immediate and short/ medium term projects as well as a longer term pipeline of opportunities.

It outlines the response from the **Devon and Torbay OPE partnership** and their view that rather than the projects suggested by the consultant, that the partnership feels that the Cranbrook Health and Wellbeing offer is the most likely route to delivering outputs and would be agreeable to East Devon District Council to move forward on this basis – but it is East Devon District Council's decision that just one project (the Cranbrook Health and Wellbeing Centre) is taken forward to the next stage of the One Public Estate programme.

The OPE partnership comprises officers from DCC who are the programme administrators for Devon and Torbay, and the government programme managers from the cabinet office and LGA.

Some of these projects identified by our consultants provide great opportunities for East Devon and may well be pursued anyway but are not considered by Devon and Torbay OPE partnership to be eligible for OPE spend, hence the proposals set out in this report.

Further details are provided below.

### **Is the proposed decision in accordance with:**

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### **Recommendation:**

- 1. That Cabinet notes the East Devon Thriving Towns Programme – One Public Estate Feasibility Study final report and next steps report and recommendations prepared by Avison Young.**
- 2. That, Cabinet approves that the project proposal for the Cranbrook Health and Wellbeing Centre be taken forward into the next stage of the OPE programme as it is the most likely route to delivering outputs through the OPE programme.**

### **Reason for recommendation:**

- The East Devon Thriving Towns Programme – One Public Estate Feasibility Study final report records the extent of the East Devon public estate and identifies needs and

opportunities; it has practical use for future projects/ programmes and the information and recommendations should not be lost because of the changing OPE process and priorities.

- That the Cranbrook Health and Wellbeing Centre proposal is taken forward in order to progress this opportunity and avoid further delay.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Democracy, Transparency and Communications
- ☒ Economy and Assets
- ☐ Finance
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

**Climate change** Low Impact

**Risk:** Low Risk; There is a low risk to the council of the Cranbrook allocation being clawed back by government if there is non-performance by the NHS in delivering their outputs. It is the view from DCC that this is very low risk as there is no instance that they are aware of where OPE funding has been recovered from a partner if outputs are not delivered.

**Links to background information** [Cabinet 28 October 2020](#) item 235

[Optimising the East Devon public estate](#)

**Link to [Council Plan](#)**

Priorities (check which apply)

- ☒ Better homes and communities for all
  - ☐ A greener East Devon
  - ☒ A resilient economy
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## Report in full

### 1. Background - OPE Thriving Towns Opportunity

- 1.1 In 2017 The Council had the opportunity to access external government funding in order to progress the One Public Estate (Round 6) initiative for East Devon; submitted as part of a Devon wide suite of proposals.
- 1.2 The initial allocation of funding for East Devon of £125,000 was intended to focus on two towns within the District, Axminster and Exmouth. However, in 2020, as part of a Programme refresh, the OPE Programme partnership requested that a District-wide project be submitted, subsequently (spring 2021) they asked that the OPE proposals for the Cranbrook Health and Wellbeing Centre also be included.

- 1.3 The Thriving Towns East Devon Study represented a 'pilot' project under a Devon & Torbay OPE Partnership theme of "promoting economic growth in a post –Covid-19 environment" and "regeneration of market and coastal towns across the County" which is an emerging theme in the OPE Partnership's Programme Refresh.
- 1.4 The Council appointed Avison Young as external professional advisors, to work with the Council, and the wider public estate partnership, to define a programme of projects and proposals for East Devon that, collectively, help the District's towns recover. The Study focussed on the role of the public estate and public services (excluding council housing) in facilitating change, delivering the target OPE benefits/objectives and other benefits which will contribute to the District's economic recovery and low carbon impact etc. The appointment of Avison Young was funded by and has been claimed through OPE from the original allocation of £125,000. The council now has a Housing Task Force in place and through this may now identify new opportunities.
- 1.5 Adopting a 'place-making' approach, the external consultants assessed the public sector assets within the District; the future plans and operational needs of those public sector bodies present and/or unrepresented; to identify opportunities for collaborative working around landholdings; and identify specific projects that could be pursued.

## **2. East Devon Thriving Towns Programme – One Public Estate (OPE) Feasibility Study final report recommendations – OPE Programme Opportunities**

- 2.1 One of the problems that we have encountered within East Devon is that the public estate is fragmented and consists of smaller, dispersed settlements of public buildings. In particular there is a lack of central government provision of buildings (other than the blue light services). Bearing in mind that there has to be both the need from a service to relocate, and the building/site opportunity itself, this has meant that the opportunities for collaboration that would include a central government department have been very limited.
- 2.2 To be eligible for OPE funding projects must meet the OPE criteria:
  - creating economic growth (housing and jobs)
  - delivering more integrated customer-focused services
  - generating efficiencies, through capital receipts and reduced running costs
  - have an emphasis on projects with strategic impact (not small one-off projects)
  - Projects must have a central government partner(s) as asset owner and/ or service operator in addition to the local authority
  - They must be able to show OPE benefits can be delivered in a 5-10 year period
  - They should show how capital funding will be raised once OPE revenue has been spent on project development, and demonstrate a sustainable revenue position
  - They must have a strong commitment from local authority and central government partners to deliver the project
  - They should contribute to key policy targets including economic recovery, high street recovery, and transformation to a low carbon economy
- 2.3 Given the above, the study identified the following immediate projects:
  1. Thriving Towns Feasibility study (the work undertaken by Avison Young and their report) £25,000
  2. Cranbrook Health and Wellbeing Centre £90,000
  3. Hayne Lane, Honiton mixed use development land/ Sidmouh Depot study £50,000
  4. OPE Round 9/ Land Release Fund (LRF) 9 bid development £5,000

## 2.4 And the short and medium term projects:

### 5. Exmouth and Axminster recovery working groups £45,000

- 2.5 This resulted in an increase to the budget required by the council from the original £125,000 to £215,000 as set out on p.44 of the Thriving Towns Study report attached at appendix 1.
- 2.6 Following the conclusion of the Avison Young report in July 2021 and further meetings with the Devon and Torbay OPE Partnership, it was initially requested that the immediate projects be amalgamated, and this work was undertaken following a further commission of the consultants. Subsequently, the Devon and Torbay OPE Partnership have now communicated that they feel that Cranbrook Health and Wellbeing Hub offers the most likely route to delivering outputs. It has invited the council to include outputs generated from changes to NHS services within the District as outlined in paragraph 2.8 below. The partnership would be happy for us to move forward on this basis, but they emphasise that this is East Devon District Council's decision.
- 2.7 Whilst this is disappointing for Exmouth and Axminster in the short term, both towns have received other funding or investment and new opportunities for investment and external funding sources are being considered.
- 2.8 It is only the outputs (such as no. of jobs created, new homes provided and revenue savings made) of any changes to NHS Services that will be included within the OPE programme reports, and its reporting is essentially showing a good level of positive return to its financial investment within the District. There will be no requirement for any of the £90,000 to be allocated to the NHS projects. All of this money will remain with the council for the Cranbrook project. As part of an on-going process, the NHS is exploring ways of improving its service to patients through reviewing its asset base and rationalising or improving this where appropriate. For example, in Axminster it is proposing to dispose of the vacant Scott Rowe building on the hospital site. The outputs will not involve any bed closures.

## 3. Next Steps

- 3.1 The council does have the option of revisiting the outcome of this and responding to the Devon and Torbay OPE Partnership with a request that we wish to pursue the other projects identified through the Thriving Towns Study as listed in paragraph 2.3 above. However, this is unlikely to make any progress and will only delay matters further. In a meeting between Tim Child and Andy Wood with Belinda Purcell, Regional Programme Manager for the LGA and Chris Watts, Regional Programme Manager for the Cabinet Office, we were advised that they did not think they could convince the OPE Regional Board that the additional funds should be approved. They advised that East Devon should accept the suggestion of using the funds for Cranbrook and not seek approval for the other projects at this time. In the eyes of OPE, the previously identified projects were clearly projects that were not eligible due to changing criteria.
- 3.2 A further consideration is that the Council is exploring the potential to purchase land at Cranbrook town centre to better facilitate the delivery of a 21<sup>st</sup> century town centre (see minutes of Cabinet January 5<sup>th</sup> 2022). This will give flexibility about where the Health & Wellbeing hub is located, allowing for it to be co-located or sited alongside a Leisure

Centre, which would deliver health benefits and potential cost savings. It is therefore important that the council be able to commence work on the feasibility study for the Hub as soon as possible in order to progress this important facility for the local population.

- 3.3 If there is a keen interest in pursuing the Cranbrook Health and Wellbeing project then it is recommended that we accept the suggestion from the OPE Partnership and move forward with this project now.
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**Financial implications:**

The financial details are contained in the report.

**Legal implications:**

Given the status of the programme, which is identified in the report, the report does not raise any specific legal implications requiring comment at this time.