



# RELATIONAL PARTNERING FUND PROSPECTUS

INVITATION FOR EXPRESSIONS OF INTEREST

# CONTENTS

PSP RELATIONAL PARTNERING FUND \_\_\_\_\_ 3

RELATIONAL PARTNERING \_\_\_\_\_ 4

BENEFITS \_\_\_\_\_ 5

HOW TO EXPRESS AN INTEREST \_\_\_\_\_ 6

# PUBLIC SECTOR PLC (PSP) RELATIONAL PARTNERING FUND

A £500m Relational Partnering Fund is available for public sector property projects and initiatives. The aim of this initiative is to invite a further tranche of local authorities and other public bodies to achieve revenue savings and to generate revenue and capital growth from their property portfolios.

Public Sector organisations who return an expression of interest will have the opportunity to establish a joint venture partnership through which this investment fund can be accessed. They will also be able to benefit from the advice and expertise of their private sector partner and share in the experiences of other public bodies using this model.

This initiative is sponsored by the PSP Local Government Council Consortium Group (CCG) and has been developed by its Advisory Group of officers. The ten pathfinder councils who have formed the CCG have successfully adopted this new and unique form of hybrid public private partnership which draws down private sector investment to release added value from public sector property assets. They represent different types and sizes of local authority from across the UK, with different political complexions and different property needs. The CCG have refined and extended this model and are now inviting expressions of interest for the next tranche of local authorities and other public sector bodies to benefit from this initiative.

# RELATIONAL PARTNERING

PSP partnerships apply the principles of relational partnering where:

- public and private sectors develop open and honest relationships
- information and innovative ideas are shared
- partners work together to develop property solutions
- the private sector partner brings commercial expertise and inward investment funds
- the public sector partner applies their local knowledge and community awareness

This open and trusting culture generates innovative property solutions which would never come to fruition if public or private sector were to work in isolation. Initiatives that pass the commercial test, and are able to demonstrate that they are better, or as good as a traditional approach, can draw down private sector investment funds. These cover all up front project costs and the partnerships running costs, taking on the financial risks that an authority may find difficult to justify in its use of public funds. There is no loss in property value, and all added value that can be generated over and above the authority's conventional approaches are shared between the partners. There is, therefore, nothing for the authority to lose and revenue savings and an increase in revenue income and capital value to be gained.

# BENEFITS

The public sector has suffered years of austerity following the banking crisis and this is set to continue for some time to come. Most public bodies will have been pursuing efficiencies in procurement, shared services and various service delivery alternatives. PSP partnerships can help to protect front line services by providing another option.

Public sector partners will become members of the Council Consortium Group (CCG) with access to private sector funding and the sharing of best practice from other authorities. They will also have access to a Toolkit on the application of the model prepared by the University of Bolton as part of an academic study of existing partnerships.

PSP partnerships are quite different to traditional public private partnering approaches such as asset backed vehicles where the assets have to be identified and committed from the outset. There is no prior commitment to projects, the model simply provides an additional option to the authority alongside more conventional approaches to property management. This is a hybrid form of partnering where the public sector insource the funding, skills and expertise of private sector partners. They share their property information and a diverse range of property initiatives are developed which:

- generate additional revenue and capital value from property investment portfolios
- create pools of property to generate, then recycle capital receipts into revenue streams
- create a property investment portfolio where one does not exist
- invest in town centre and economic regeneration initiatives
- develop affordable housing solutions
- boost in-house capacity to speed up property reviews to reduce maintenance liabilities and increase capital value
- facilitate the sharing of accommodation with other public sector partners in a fair and equitable way
- add value to surplus property and land before disposal through site assembly, initial infrastructure works or demolitions and obtaining planning permission for change of use.

All of this is possible by forming a relationship on a without commitment basis through the establishment of a Limited Liability Partnership (LLP) with PSP. Public sector organisations are free to deliver projects themselves or through another mechanism if they wish, but once an LLP is established it becomes another tool in the toolbox that is always available.

More information on PSP and relational partnering is available from the Frequently Asked Questions at [publicsectorplc.com](http://publicsectorplc.com)

# HOW TO EXPRESS AN INTEREST

Local authorities and other public sector organisations wishing to join this initiative can go to [publicsectorplc.com/eoi](http://publicsectorplc.com/eoi) and complete the online expression of interest form. This will take approximately 15 minutes and will let us know the type of property initiative you are interested in pursuing using the Relational Partnering model, and the size and diversity of your portfolio. The expression of interest process will run from the 26th March 2015 through to the end of 2015.

Organisations expressing an interest will be contacted with a view to jointly exploring the opportunities available.

## GLOSSARY OF TERMS

CCG – Local Government Council Consortium Group

LLP – Limited Liability Partnership

PSP – Public Sector plc

PSPF – the private sector joint venture partner

**RELATIONAL PARTNERING FUND  
EXPRESSION OF INTEREST FORM**

**Contact Details**

<b>Local Authority or Public Sector Organisation</b>	
<b>Lead Officer</b>	
<b>Title</b>	
<b>Address</b>	
<b>Email</b>	
<b>Telephone Office Telephone Mobile</b>	

The aim of this initiative is to help the public sector to protect front line services by achieving revenue savings and generating revenue and capital growth from property portfolios. The completion of this form will let us know the type of property initiative you are interested in pursuing using the Relational Partnering model and the size and diversity of your portfolio.

1	<b>Your Interest</b> - Having read the Relational Partnering Fund Prospectus, which type of property initiative are you interested in pursuing using this partnership model? You can tick as many boxes as you wish	
1.1	A fundamental review of the whole property portfolio	
1.2	Generate additional revenue income and / or capital value from your property investment portfolio	
1.3	Create a property investment portfolio where one does not exist	
1.4	Create pools of property to generate, then recycle capital receipts into revenue streams	
1.5	Boost in-house capacity to speed up property reviews to reduce maintenance liabilities and increase capital value	
1.6	Share accommodation fairly and equitably with other public sector partners through shared service initiatives or the 'One Public Estate' programme	
1.7	Add value to surplus property and land before disposal through site assembly, initial infrastructure works or demolitions and obtaining planning permission for change of use	
1.8	Invest in town centre and economic regeneration initiatives	
1.9	Develop a residential rental portfolio and affordable housing solutions	
1.10	Please outline ....	



2	<b>Your Property Management Arrangements</b> - Please tick the boxes which best describe your current management arrangements	
2.1	All property is managed through a central team with the authority acting as a 'corporate landlord' for its respective services	<input type="checkbox"/>
2.2	Property management is delegated to services who have autonomy as to what happens to their buildings	<input type="checkbox"/>
2.3	Partnership working takes place with the private sector	<input type="checkbox"/>
	If yes does it take the form of:	
2.3.1	Private Finance Initiative	<input type="checkbox"/>
2.3.2	Local Asset Backed Vehicle	<input type="checkbox"/>
2.3.3	Other partnering arrangement	<input type="checkbox"/>
	Please outline....	
2.4	Partnership working takes place with other public sector organisations	<input type="checkbox"/>
2.4.1	There is a joint approach to asset management with other public bodies	<input type="checkbox"/>
2.4.2	There are plans to share buildings with other public sector bodies	<input type="checkbox"/>
2.4.3	Buildings are already shared with other public sector bodies	<input type="checkbox"/>

3	<b>Size and Diversity of Existing Property Portfolio</b> - Please tick all of the boxes which best describe your property portfolio.	Please Tick
3.1	Operational portfolio - freehold	<input type="checkbox"/>
	If yes, how many operational buildings do you own?	
3.1.1	Under 20	<input type="checkbox"/>
3.1.2	20 - 100	<input type="checkbox"/>
3.1.3	100 - 500	<input type="checkbox"/>
3.1.4	Over 500	<input type="checkbox"/>
3.2	Operational portfolio - leasehold	<input type="checkbox"/>
	If yes, is this approximately:	
3.2.1	Under 10% of your operational property	<input type="checkbox"/>
3.2.2	10% - 50% of your operational property	<input type="checkbox"/>
3.2.3	50% - to 100% of your operational property	<input type="checkbox"/>
3.3	Non-operational property which generates income	<input type="checkbox"/>
	If yes, what type of income generating assets do you hold:	
3.3.1	Residential (outside of the Housing Revenue Account)	<input type="checkbox"/>
3.3.2	Commercial	<input type="checkbox"/>
3.3.3	Retail	<input type="checkbox"/>
3.3.4	Industrial	<input type="checkbox"/>
3.3.5	Ground rents	<input type="checkbox"/>
3.3.6	Farms	<input type="checkbox"/>
3.3.7	Other	<input type="checkbox"/>

	Please outline.....	
	How much income does it generate per annum:	
3.3.8	Under £100k	
3.3.9	£100k - £500k	
3.3.10	£500k - £1m	
3.3.11	Over £1m	
3.3.12	Do you have up-to-date and accurate information on the cost of running your income generating non-operational property portfolio.	
3.4	Non-operational property which does not generate income	
	If yes, is the property:	
3.4.1	Surplus and awaiting disposal	
3.4.2	Held for future development eg a new school, library, office HQ	
3.4.3	Held to regenerate your local economy	
3.4.3	Held for other purposes	
	Please outline....	

**SUBMIT**