

forces for good

Julian Dobson and Samer Bagaeen consider the implications of the financial crisis and new government legislation for the re-use of former Defence Estate land for public benefit



Photos: Samer Bagaeen

Above

Housing at the former Caterham Barracks site, closed by the Ministry of Defence in 1995

The mantra of the Coalition Government has been to devolve power to the people. New laws have established community rights to buy assets of public value and have created the opportunity for local residents to become involved in neighbourhood planning. A key test of these reforms will be the fate of much of the UK's military land. The Ministry of Defence (MOD) owns nearly 1% of the UK's landmass, and much of it is already or will soon become surplus to defence requirements.¹

In the past the MOD has been able to raise significant sums by making surplus land available for

development – a total of £3.4 billion between 1998/99 and 2008/09.² With a rising tide of land values and property prices until 2007/08, there has even been money left over to fund community infrastructure, from affordable housing at Caterham Barracks to the preservation of heritage buildings at Royal William Yard, Plymouth, and Gunwharf Quays, Portsmouth. However, since the onset of the financial crisis in 2007/2008, it has become much harder to realise such gains, both for the MOD and for local communities.

In 2010, the Bill Sargent Trust, a Portsmouth-based research charity, published *In the Public Interest?*³



Left

The former MOD site at Priddy's Hard in Gosport has been redeveloped for housing, with part of the site retained as a museum

The report examined how community benefits could be achieved from the sale of military land in a post-recession environment, examining the models used in previous years and recommending changes to the valuation and disposal of public land. The underlying premise of the report was that land owned by the state should be disposed of so as to maximise its social, economic and environmental value, rather than simply on the basis of the capital receipt obtainable.

One key finding from this report is that aspirations for community benefits were unlikely to be achieved without changes in the MOD's approach to land disposals. The report recommended a new approach to valuing publicly owned land, with an emphasis on

In the period since *In the Public Interest?* was published, there have been some significant developments that could help to provide new opportunities to achieve social and economic benefits from the disposal of defence land. The Localism Act 2011 provides a new legal approach to asset transfer. Other developments include the advent of neighbourhood and community-led planning, and the re-organisation of the Armed Forces will make new land and facilities available. In addition, the formal recognition of the 'military covenant' provides the basis for new partnerships between local communities and the Armed Forces. Put together, these developments set the scene for community-led development and regeneration of former military land.

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the likely long-term value to be gained from the future use of assets rather than on the immediate cash receipt achievable. It called for better methods of ensuring co-operation between different government departments and local stakeholders; and for more effective ways of sharing good practice so that communities affected or likely to be affected by defence land sales could learn from each other.

A new opportunity for community-led planning – the changing needs of the Armed Forces

The MOD remains one of the UK's largest landowners. Its estate is spread over 4,000 sites and covers some 230,000 hectares, plus another 205,000 hectares where there are military rights of access and use.⁴ This does not include land and buildings used by the Reserve Forces. The landholdings include more than 49,000 properties used as family accommodation, of which 6,000 are currently empty. The estate was valued at nearly £20 billion in 2010, and costs £2.9 billion a year to maintain.²

Britain's Armed Forces are going through their most fundamental period of change since the end of the Cold War. At the same time, defence

spending has come under extraordinary pressure as the Government seeks to match its military commitments with radical cuts in public expenditure. The result is that the MOD is being forced to examine all its landholdings in order to maximise the use of its assets and realise whatever gains it can from the sale of surplus land. However, this exercise is being undertaken at a time when property values outside Central London remain depressed. This is compounded by the fact that much MOD land is in areas that have been highly dependent economically on military activity (such as Aldershot and Whitehill Bordon in Hampshire).

A deficit of £38 billion. In the next five years, the review revealed, the Armed Forces would lose 17,000 Army, Navy and RAF jobs, and 25,000 civilian posts. A further wave of cuts was announced in July 2011, along with plans to rationalise the Armed Forces' bases. These contractions will have a drastic impact on the MOD's landholdings. A much smaller military sector will require far less property for accommodation, training and upkeep of equipment.

Following the Strategic Defence and Security Review, in April 2011 Defence Estates was merged into a new Defence Infrastructure Organisation (DIO). This process of re-organisation appears to



Above

Heritage buildings have been preserved at Gunwharf Quays, Portsmouth

The 2006 report *In Trust and On Trust* set out a strategic goal of rationalising the defence estate to give fewer, larger sites, while smaller sites were to be sold.⁵ This was followed by the Defence Estates Development Plan 2009, which stressed the need to relocate away from southern England, stating that the MOD has a 'disproportionately large presence there'.⁶ The Strategic Defence and Security Review⁷ published in October 2010 outlined two priorities: to protect the Armed Forces' mission in Afghanistan, and to 'make sure we emerge with a coherent defence capability in 2020'.⁸

But there was also a third priority, which was to balance the books: in the 12 years since the previous defence review the MOD had accumulated

have slowed down the disposal of sites. In particular, the DIO must work out which UK sites are still needed following the reshuffle initiated by the withdrawal from Germany. However, this is likely to be a temporary lull. On 5 October 2011, the DIO published its interim strategy for land disposal.⁹ This document spelled out three key objectives:

- being transparent about landholdings and disposal principles, and selling land in accordance with Treasury guidelines;
- not holding land longer than necessary; and
- carrying out disposals on terms that both achieve value for money in disposal receipts and generally promote development, economic activity and growth.

The document states that disposal of land will be done 'as swiftly as the market will allow' and normally through open competition, unless the land is required by other publicly funded bodies such as the Homes and Communities Agency, local authorities or registered social landlords. This offers the prospect of local councils or social landlords acting on behalf of smaller voluntary and community organisations to identify and acquire land for community benefit. The DIO will 'seek market value according to the planning situation', suggesting local planning considerations may take precedence.

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However, local authorities (or neighbourhood planning forums) will almost certainly need to be proactive in setting out their aspirations for defence sites in advance of the disposal process. The strategy particularly notes that:

'The DIO's approach to future land use will be determined by local planning policies and the draft National Planning Policy Framework... with its strong presumption in favour of sustainable development. DIO will work with local planning authorities to help identify MOD sites capable of supporting future housing growth, making best use of previously developed land.'

The result, if the strategy is followed, should be a closer relationship between the Ministry of Defence and the Department for Communities and Local Government and the Homes and Communities Agency than in the past.

This clear recognition that economic development and regeneration should be balanced against the need to maximise capital receipts should open the door to more constructive negotiations about the future use of land that may be of community value. The onus, however, will be on local communities to identify land that can be re-used and to put forward

ideas for future uses. Given the reduction of staffing within the DIO, it is unlikely that the organisation will have much capacity to incubate new ideas for the use of its assets. This underlines the need for a partnership approach, with more effective co-operation between defence and local interests than has been seen in the past.

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Notes

- 1 For a discussion of the redevelopment and rehabilitation of military sites, see S. Bagaeen: 'Redeveloping former military sites: competitiveness, urban sustainability and public participation'. *Cities*, Vol. 23 (5), 339-52
- 2 *Ministry of Defence: A Defence Estate of the Right Size to Meet Operational Needs*. National Audit Office. The Stationery Office, 2010. www.nao.org.uk/publications/1011/defence_estate.aspx
- 3 *In the Public Interest? Community Benefits from Ministry of Defence Land Disposal*. Bill Sargent Trust, 2010. www.bstrust.org.uk/uploads/mod_final_report.pdf
- 4 *United Kingdom Defence Statistics 2011*. Defence Analytical Services and Advice (DASA). Ministry of Defence, 2011. www.dasa.mod.uk/ukds.pdf
- 5 *The Defence Estate Strategy 2006: In Trust and On Trust*. Ministry of Defence, 2006. www.mod.uk/NR/rdonlyres/59DC9072-CB7F-4D78-9BDB-29B23BB5E373/0/defence_estates_strategy_2006.pdf
- 6 *The Defence Estates Development Plan 2009*. Ministry of Defence, 2009. www.mod.uk/NR/rdonlyres/B128153D-FB42-47E8-87F4-0DD29DD0B9CA/0/DEDP09.pdf
- 7 *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review*. Cm 7948. HM Government. The Stationery Office, 2010. www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/documents/digitalasset/dg_191634.pdf?CID=PDF&PLA=furl&CRE=sdsr
- 8 'Strategic Defence and Security Review published'. News Article. Ministry of Defence, 19 Oct. 2010. www.mod.uk/DefenceInternet/DefenceNews/DefencePolicyAndBusiness/StrategicDefenceAndSecurityReviewPublished.htm
- 9 *Defence Infrastructure Interim Land and Property Disposal Strategy*. Defence Infrastructure Organisation. Ministry of Defence, 2011