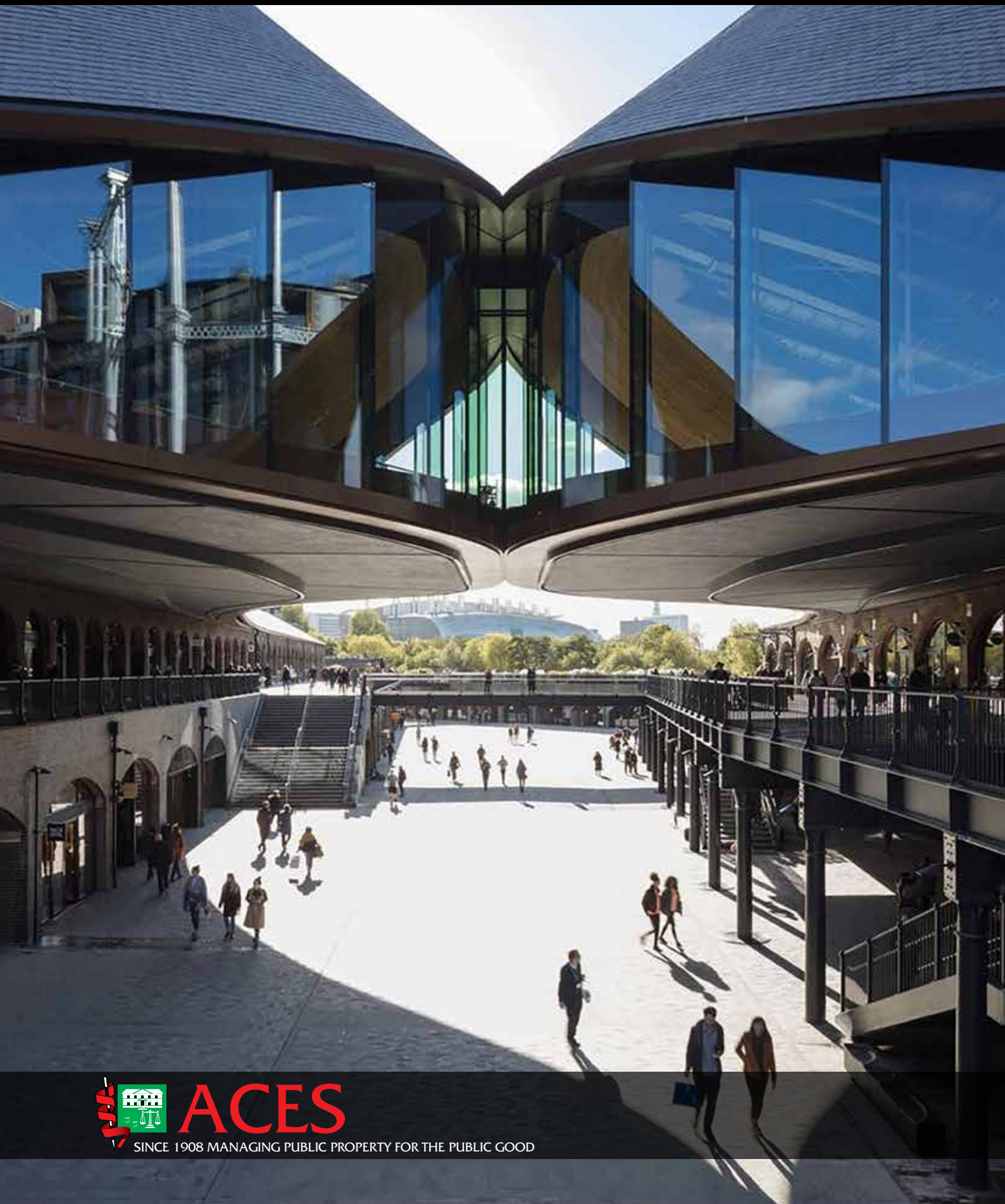
# The Terrier

The Journal of ACES - The Association of Chief Estates Surveyors & Property Managers in the Public Sector

Volume 24 Issue 1 Spring 2019



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THE TERRIER

THE JOURNAL OF ACES - THE ASSOCIATION OF CHIEF ESTATES SURVEYORS & PROPERTY MANAGERS IN THE PUBLIC SECTOR VOLUME 24 - ISSUE 1 - WINTER 2019

# EDITORIAL

Betty Albon

Welcome to the 2019 Spring Terrier.

Well, this is a bumper edition – I think the biggest ever produced. This has been possible because of the high volume of articles submitted to me. Additionally, sincere thanks to all long-standing advertisers who have committed for a further year, and welcome to two new ones. I will use this income wisely (hence this bumper Easter edition). I'm very pleased that almost all our advertisers have also written articles in this issue.

Featured extensively is commercial property investment in numerous guises, housing and regeneration. Another important theme is the health value of open spaces. A couple of pieces on apprenticeships and placements might give you leads into staffing up your departments. Professional material covers FM, compensation and compulsory purchase. I'm sure readers will find many useful articles to absorb and pass on to colleagues.

Finally, well done all branch secretaries. I have a record 7 reports. What valuable networking and CPD sessions you all carry out, and what an excellent organisation for public sector surveyors to be a part of.



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Cover photo: Coal Drops yard, Kings Cross. Photograph by Luke Hayes, reproduced with the kind permission of Heatherwick Studio.

## CONTENTS

# NOTES OF ACES NATIONAL COUNCIL MEETING ON 25 JANUARY 2019

Trevor Bishop MRICS, ACES Secretary

26 members attended the meeting which was held at the Guildhall, London.

### *President's report*

The President (Graeme Haigh) reported on several matters that he had dealt with since his installation at the AGM in November 2018. He reported that he was in the process of arranging branch visits and that he was intending to visit all branches during his year. He also reported back on the attendance of ACES' members at the 2018 NHS Property Conference at Great George Street, London in November. Neil McManus, David Baughan, Chris Rhodes and the President presented a session and finished off the day hosting a panel discussion on how local authorities work with health providers. A stand promoting ACES was maintained in the sponsors hall.

### *Secretary's report*

The Secretary (Trevor Bishop) reported on matters arising since the 20 July 2018 Council meeting.

Conference 2018 – The Secretary referred to Neil McManus's hugely successful 2018 Conference in Cambridge which provided members and others with excellent CPD and networking. He noted that many lessons had been learned which would be taken forward for Graeme Haigh's Conference this year.

2018 AGM, RICS HQ, London - Another successful event, held at the RICS' grand and historic venue. Several key decisions were made on the Business Plan, the appointment of a Business and Marketing Manager (Neil Webster) and a fundamental change to membership criteria. The professional presentations by Homes England and Carter Jonas were well received and, after lunch, the new President gave an excellent address and acknowledged that there was a very busy agenda for 2019 in taking ACES forward. The meeting was rounded off by the ACES Award for Excellence to East Renfrewshire.

Website Jobs Page - The initiative of providing the jobs page for free for a trial period had continued to generate a reasonable amount of interest. There had, however, been no interest from non-member organisations, where the fee remains at £400 for a 4-week advert. It was agreed to extend the free trial period for members for a further year and to reduce the fee for non-members to £100.

Membership - Detailed numbers on membership indicated a small reduction in total membership since the last report, but still an improvement on the position 12 months' previously. In terms of profile, the number of full members has reduced slightly during the year, whereas the number of retired members has increased correspondingly.

Other matters – The Secretary advised that GDPR compliance was ongoing, with further pruning of unnecessary information in the membership database. Other ongoing matters included implementing the priorities emerging from the Business Plan and working closely with Neil; ACES responses to consultations, for which Senior Vice President (Peter Gregory) has now assumed responsibility and which was generating some excellent responses from members; supporting branch secretaries and chairs where there had been a number of personnel changes for 2018/19.

### *Financial matters*

The Treasurer (Willie Martin) reported on the finances of the Association and the latest budget position. The current account was within the budgeted-for parameters for the year. The Conference account reflected a successful 2018 conference. In general terms, the overall financial position was within the parameters for the year. The budget for 2018/2019 had anticipated a small deficit but due to forecast increases in advertising and conference returns, a modest surplus was anticipated.

The Business & Marketing Manager presented a report on proposals for concessions on membership subscriptions for new members. It was recommended and approved that Council gives discretion to the secretary, in consultation with the President and

Senior Vice President, and to branch secretaries, to deal with concessions on national and branch subscriptions on a case by case basis.

### *Terrier advertising for 2018*

The Editor (Betty Albon) reviewed the financial position regarding production costs for the Terrier set against income from advertising. The Terrier remained self-financing, albeit marginal, even though advert rates had not been increased for a couple of years. The Editor did not think raising tariffs was appropriate for 2019, but to be kept under review for 2020. The recommendation to maintain current rates was approved.

The Editor submitted a report on the level of submission of reports by branches for the Terrier. It was noted that it was important for members to learn what was happening across the association and all the benefits provided by branches, particularly with regard to CPD. It was recommended and approved that the Editor monitor the situation for the next 2 editions of Terrier and all branches be urged to submit reports.

### *ACES' website*

Paul Over tabled a report on the invitation to tender sent to potential suppliers and that this had not resulted in the receipt of a tender that was acceptable to the association. After detailed consideration, it was recommended and approved that Paul, with assistance from the secretary and others as required, investigate and identify potential new website suppliers, in consultation where necessary with similar organisations to ACES. Paul was then to enter into informal discussions with a shortlist of suppliers, to determine what they could provide by way of an ACES website rebuild within a budget reflecting the scale of ACES membership and site utilisation, and report back to Council accordingly.

The Secretary reported that the existing website was still operational and functional and the website providers were still responding promptly to requests for service.

### *Business Plan report*

The Business & Marketing Manager presented a report on the recently approved ACES 3-Year Business Plan and the actions allocated to him in his new role and to others. Neil referred to progress made with delivery of the Business Plan and a number of actions taken to date.

It was agreed that the Senior Vice President would monitor the actions in the business plan and report on progress against the actions at future Council meetings.

### *Annual Conference 2019*

The President reported that he had been giving serious attention to the details of the 2019 Presidential Conference and, in particular, the venue and scale of the event this year. The principal options regarding the venue were an event based at a single all-encompassing venue on the mainland, or a more unique offer based at Cowes on the Isle of Wight, accepting that accommodation, for example, may be in a number of venues and that the scale of the event may differ from other recent conferences. Council indicated, by a majority vote, that it was in favour of the Cowes option.

### *AGM 2019 venue*

Tom Fleming had already put in place arrangements for the 2019 AGM, to be held at the City Chambers in Glasgow

on 15 November 2019, including a cost estimate for the catering.

### ACES Award for Excellence

The Senior Vice President reported progress with arrangements, more details of the timetable and mechanisms for the award would be reported on at the next meeting.

### Coordinators and external working groups

A number of informative and useful reports were received from coordinators and these have been posted on the ACES website. Sam Partridge reported on recent meetings with RICS and referred to the RICS Public Sector Group membership, which had recently been raised by Paul Bagust. The Secretary has since liaised with RICS on ACES membership of the Group.

### Future meetings

| | | |
|---|---|---|
| Annual Conference | 19 September 2019 | Cowes, Isle of Wight |
| Annual Meeting | 15 November 2019 | Glasgow, City Chambers |
| Annual Conference | September 2020 | Manchester venue TBA |
| Annual Meeting | November 2020 | London |
| ACES Council | 12 April 2019 | London |
| ACES Council | 12 July 2019 | York |

### Branches

Branch reports were submitted to Council by the Eastern and Welsh Branches. Richard Allen reported verbally on behalf of the Heart of England Branch and advised that a CPD Day on Estates Strategy was being arranged and this would be open to other branches [Ed – see branch report in this edition of Terrier].

### Other matters

It was noted that ACES would be involved in the MJ Awards again this year. ACES was sponsoring, and the President would be judging, the Innovation in Property and Asset management Award.

Chris Rhodes confirmed that Sutton LBC had submitted an entry to the SPACES Civic Building of the Year Awards 2019.

## MEMBERSHIP Trevor Bishop

I list below the changes in membership between 1 January 2019 and 31 March 2019.

### New members approved

There were 6 new applications approved during the period:

| First Name | Surname | Organisation | Branch Ref |
|---|---|---|---|
| Adrian | Smallwood | Three Rivers DC | E |
| Kathryn | James | Birmingham City Council | HoE |
| Kevin | Moore | Worcester City Council | HoE |
| Dawn | Toy | Telford & Wrekin Council | HoE |
| Alex | Gee | NPS Peterborough | E |
| Sally | House | NPS Peterborough | E |

### Members transferred to past membership

No members transferred during the period.

### Resignations

The following 7 members resigned during the period:

| First Name | Surname | Organisation | Branch Ref |
|---|---|---|---|
| Neil | Thompson | Cushman & Wakefield | L |
| Mark | Pearson | Leeds City Council | NE |
| Dave | Willetts | | HoE |
| Gary | Green | London Borough of Havering | L |
| Claire | Livesey | Lancashire Constabulary | NW |
| Kate | Anstey | Validus | SE |
| John | Lee | Nottingham City Council | HoE |

***Membership:***

Summary of current membership at 31 March 2019:

| Total membership | |
|---|---|
| **Status** | **No.** |
| Full | 223 |
| Additional | 56 |
| Honorary | 33 |
| Associate | 27 |
| Retired | 40 |
| **Total** | **379** |

Kyle kindly agreed to write this article, having made a presentation to a meeting of the Welsh Branch. Here he shows its value and advantages of registration, and outlines how the HM Land Registry can help you through the process.

# WHY HM LAND REGISTRY IS URGING PUBLIC SECTOR BODIES TO REGISTER THEIR UNREGISTERED PROPERTY ASSETS

Kyle Robinson

*Kyle is part of the Public Sector Engagement Team for HM Land Registry. His responsibilities include working with public bodies across England and Wales, to achieve comprehensive registration. Kyle joined HM Land Registry in 2015, from a local authority where he was project manager delivering grant funded projects to help create a more sustainable future for parks and open green spaces. Kyle.robinson@landregistry.gov.uk*

### *Are all of your assets registered?*

HM Land Registry can help public sector bodies maximise the security and confidence in their land and property assets, by registering any unregistered property and land holdings they may have.

### *What are the benefits of registering your land?*

- Transparency of your entire land and property portfolio – supporting transparency code obligations for the public sector
- Registered land can be processed digitally, making transactions simpler, faster and cheaper
- Protection from encroachment – HM Land Registry will inform you if anyone makes a claim on a piece of registered land you own
- State-backed compensation if you suffer loss due to property fraud.

### *HM Land Registry's registration aims*

In February 2017, the government's Housing White Paper "Fixing our broken housing market" set out a broad range of aims to reform the housing market and increase the supply of new homes. HM Land Registry plays an integral part in delivering these aims, and is working towards achieving comprehensive registration of all freehold land in England and Wales by 2030. Before we reach that goal, we are prioritising registration of public sector land and property by 2025.

### *How does comprehensive registration help provide housing?*

In order to assess what land in public ownership is available for housing development, it is essential that there is a comprehensive register of all property and land owned by public sector bodies. It is then easier to identify land which can be used for housing development, including affordable housing.

### *How can HM Land Registry help you to register your unregistered land and property?*

- We will help you to analyse your data, to understand the extent of your unregistered assets
- We will assign you with a project manager who will be your single point of contact throughout the process
- We can update your existing land/property registration data to ensure all your ownership details are up to date
- We can help you identify significant cost savings.

### *Working collaboratively with public sector bodies*

HM Land Registry's Public Sector Engagement Team (PSET) was set up in January 2018, to work with all public sector bodies to register their unregistered land and property and to

achieve comprehensive registration. PSET's main responsibilities are to deliver central government objectives in registering all publicly held land by 2025 and then all privately-owned land by 2030.

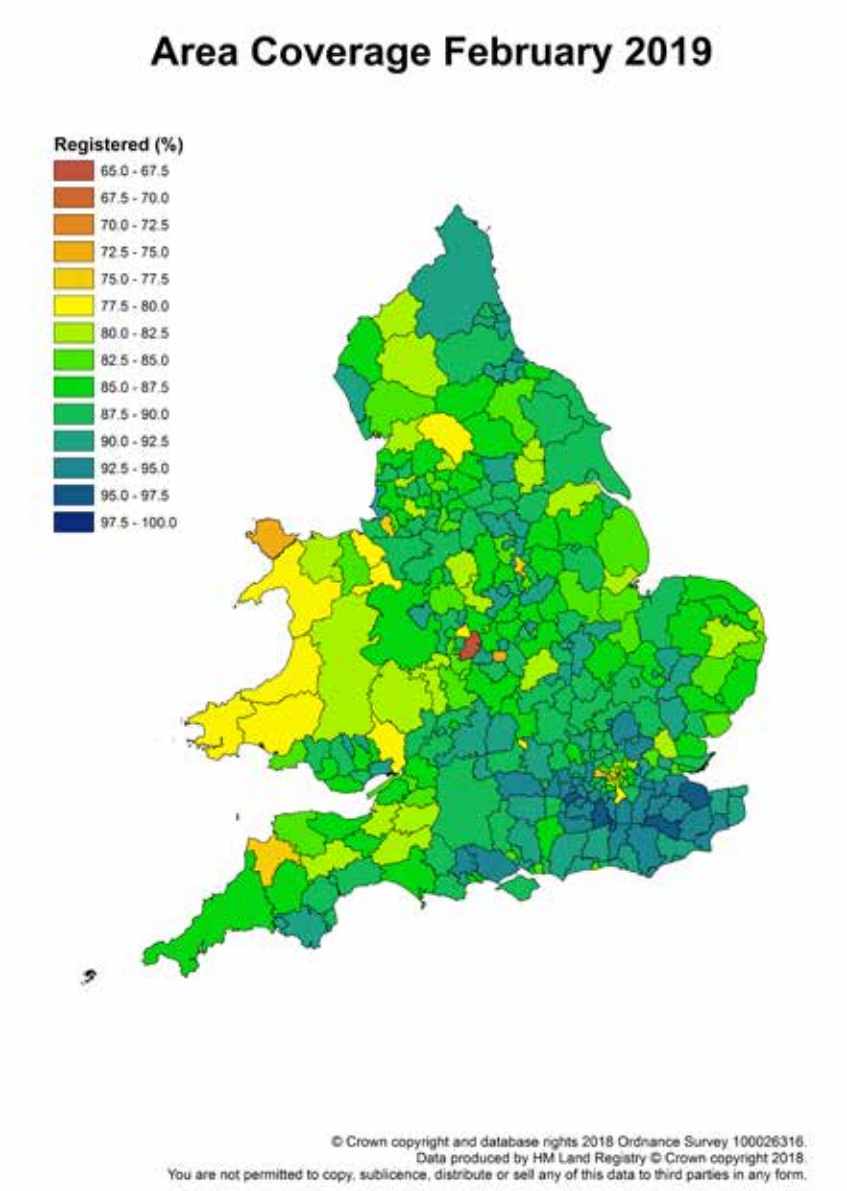
These are ambitious targets and we need your help to reach them. Achieving comprehensive registration is a challenge me and my team enjoy, as seeing a customer go through the whole registration process is incredibly rewarding.

Some numbers to indicate the scale of the task ahead:

- 14% of England and Wales is not registered
- 44 administrative areas have less than 80% of their land registered
- Local government bodies represent 375 administrative areas. These consist of 27 county councils, 201 district councils, 32 London boroughs, 36 metropolitan boroughs, 77 unitary authorities (55 England and 22 Wales) and 2 sui generis authorities (City of London Corporation and the Isles of Scilly)
- There are also around 11,000 local councils: town, parish, community neighbourhood and village.

Members of PSET have different regions to look after. We are regionalised to align with One Public Estate (OPE) so that we maximise engagement, networking prospects and shared services opportunities. Regionalising also allowed the team to become experts in the areas they serve, which results in a better understanding of the area and delivers a far better customer experience.

Following their introduction in 2018, PSET has been engaging with all 375 local authorities in England and Wales. We are prioritising those 51 authorities with the highest housing need, in areas with the greatest amount of unregistered land which appear on the Ministry of Housing Communities and Local Government's (MHCLG) priority list.




We are now working towards comprehensive registration with more than 70 local authorities, NHS Wales, Nottingham Trent University, multiple blue light services and Church In Wales, to name a few.

PSET works closely with estates, legal services, property services and Geographic Information System data teams within the local authorities and public bodies, to help establish what can be registered and help to set up project teams to register all the unregistered assets. Many local authorities outsource their legal work, but this isn't a problem for us, as we can work with third parties if given the necessary authorisation.

PSET has ongoing working relationships with OPE, MHCLG, Welsh Government, and Homes England. We have presented at regional events to raise awareness of the benefits of land registration and how project working differs to the usual voluntary first registration process, in respect of fees and e-lodgement.

## *Some myths around large scale voluntary registration*

There is sometimes a certain amount of reticence among public sector bodies to engage with us. The usual concerns are identified below – hopefully our responses provide reassurance that the process isn't as complicated or costly as you may think.

- Will registering our unregistered assets be costly and time-consuming? Working with us on a registration project will enable you to make savings because you'll only be paying one registration fee, rather than for each piece of land or property. Most public sector bodies which have fewer than 90

parcels of unregistered land do not spend more than £680 in HM Land Registry fees when registering their assets

- There's no way of knowing how much we have left to register Through the process of data sharing, HM Land Registry can analyse your unpublished asset register to identify which assets are unregistered, in preparation for the project

- Will we need to do lots of preparatory work? You will not need to examine all of the deeds. Just provide us with an acquisition deed, a plan, one First Registration1 (FR1) form, and land charge searches. You will not need to survey the sites as HM Land Registry will do this for you when appropriate.

### *Examples of how we've helped local authorities*

- During the registration process, one local authority discovered a row of garages which were unregistered, for which it didn't have acquisition deeds. The local authority's estates department was confident that the garages were in its ownership, but the deeds were most likely lost when the council moved offices years before. On the advice of HM Land Registry, Statutory Declarations were lodged by the customer and the garages were registered in a timely fashion. The garages were subsequently sold at auction for £140,000, which was a tremendous injection of much-needed cash for the local authority

- HM Land Registry was approached by a local authority whose ambition is to become entirely sustainable and use solar energy throughout the area. In order for it to get the solar equipment to become pioneers for the energy world, it had to register all its assets. Officers are currently working with HM Land Registry and are now on the way to achieving comprehensive registration.

### *How registered is your area?*

The map shows the position as of February 2019.

### *Contact HM Land Registry*

Don't be the last to join us on this journey or wait until 2025 draws to a close. Contact us today and get a head start with registering all your assets.

If you have an event which you would like us to speak at, please get in touch.

Email: PublicSectorEngagementTeam@LandRegistry.gov.uk

Further details about comprehensive registration can be found on our website:https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property

# TEIGNBRIDGE SELF-BUILD GUIDANCE

Anne Mountjoy

*Anne is Communications officer at Teignbridge District Council.*

Teignbridge launches 2 practical self-build guides for communities, landowners and small builders, to help encourage this diversity of housing stock and tenure in the district. These guides could be useful for other public sector organisations contemplating going down the self-build route.

In February, Teignbridge District Council unveiled 2 new guides to help communities and builders provide more custom and self-build homes, produced with support from the Right to Build Task Force.

Designed specifically for community groups and neighbourhood planning groups, "A guide to delivering custom and self-build housing developments in your community" will help residents, parish and town councils and community land trusts comprehend how communities can go about custom and self-build housing and the role that the neighbourhood plan can play in bringing this housing forward. This provides greater choice, and supports housing diversity to reflect local needs, beyond what the open market delivers.

The second guide helps landowners and building firms understand opportunities presented by self and custom build. "How the private sector can get involved in delivering more custom build homes in Teignbridge" explains the benefits of custom and self-build homes, by reducing development risk and giving people more choice in the housing market. The guide shows private sector builders, developers, landowners and planning professionals that custom and self-build is a viable and profitable housing option, and can be a key route that works for small and medium enterprise companies. Several members of the Teignbridge team and development partners are featured overleaf.

Councillor Jeremy Christophers, Leader of Teignbridge District Council and Right to Build Task Force Deputy Ambassador:

Photo left to right: Lulu Greenhaigh-Jones and Luke Copley-Wilkins of Carpenter Oak; Neil Townsend, Landowner; Cllr Jeremy Christophers, Teignbridge District Council Leader; Alex Boulger, Carpenter Oak; Charles Acland, Teignbridge Self-Build Officer

"These Teignbridge handbooks were written by custom and self-build experts from the Right to Build Task Force. They show how our communities can take control and provide the homes they need for local people with custom and self-build.

"Both guides highlight a new way of delivering local and affordable homes. Local community groups, parish and town councils, landowners and building firms can now really get to grips with these new ways of helping people unlock their own front door, in much-needed local homes.

"If you want to find out more about building your own home in Teignbridge, the first step is to download the new guide and add your name to www.teignbridge.gov.uk/selfbuildregister. Or find your local self-build register at the National Custom and Self-build Association's Right to Build Portal: www.righttobuildportal.org."

Mario Wolf, Director of the Right to Build Task Force:

"These Teignbridge handbooks were written by the Right to Build Task Force's experts, drawing on their experiences across the UK. They're an invaluable source of information for anyone looking to diversify housing that can be used by councils and other stakeholders working to create housing choice locally.

"The private sector guide supports developers and enablers working to meet local need and speed-up the delivery of a diverse range of homes. This provides an additional route to housing where more plots can be consented for custom and self-build. For example, the guide could help farmers diversify and manage development on their land.

"The communities guide is a core text for neighbourhood planning and community groups, that provides a greater understanding of the benefits and challenges of creating self-build opportunities locally.

"The Right to Build Task Force supports a range of organisations as they work to create many more custom and self-build plots, making it a choice for a far wider range of people. These guides will have a direct positive impact in this ambition." [Ed – see Mario's full article on custom and self-build housing in 2018/19 Winter Terrier].

Sue Craythorne, Kenton Neighbourhood Planning group:

"I found the communities guide straightforward to follow, and the common questions section was particularly helpful. The guide offers lots of tips and sources of support. There is some technical language – but having said that, anyone contemplating going down this route will have to deal with all that and more!"

Luke Copley-Wilkins, Carpenter Oak:

"Carpenter Oak and Teignbridge District Council are a driving force behind custom build, a new opportunity in the housing market to enable self and custom builders with the confidence and choice to design their home. This is a refreshing approach to our standard housing model in the UK.

"Our 5 plots in Kingsteignton are an exemplar of removing the barriers for landowners who wish to bring smaller plots to market. These guides are the next step in supporting self-builders and landowners to bridge the gap, giving them both confidence in response to the housing shortage."

Neil Townsend, landowner:

"Providing 5 custom build plots in conjunction with Carpenter Oak offers me a more certain outcome in terms of design quality and place-making, which is set out clearly within the guide. The guide explains ways that serviced custom and self-build plots can be provided, which will be attractive to a range of landowners."

# SMALL SITES


## Simon Owen

*Simon is a chartered town planner and chartered surveyor with extensive experience in the fields of town planning, development management, acquisition and viability. Simon focuses on residential and mixed use developments, both small and large scale, and PRS and student accommodation schemes. Simon.Owen@hta.co.uk*


I saw an article in the 'Planning' journal some weeks back, illustrating imaginative projects undertaken by multi-disciplinary design consultancy, HTA. As they are working with a number of London authorities, I had to get one of the practice to write on their particular experiences to redevelop small underused sites for housing schemes, unlocking potential of, say, garage courts and parking spaces.

Vaudeville Court, Islington

Brickworks, Islington

### *Unlocking potential*

HTA has been advising London boroughs on development and planning permission since 2012, and has seen the ambition of LAs grow as there have been examples of successful schemes on small sites, which until recently would not have been seen as having development potential.

One of the first LAs to champion small site developments was the London Borough of Islington, looking at a selection of garages under existing flats, and underused garage courts. The borough had the political ambition of councillors to deliver new affordable housing for residents, shared with key enthusiastic officers who were willing to take a lead on projects.

Our involvement came as a result of the complex feedback that Islington's housing team received from the planning officers in Islington, who understandably expected development on borough owned sites to be exemplary in all respects, maximising possible affordable housing in line with council policies (target 100% on public land) and to provide new homes of a very high architectural standard.

Pre-application feedback can be daunting, with a long list of planning policies and guidance listed in the response, and we helped Islington's planning team understand the competing policies and advice, in order to develop an engagement strategy and prioritise the borough's planning policies and development standards in the forthcoming schemes.

The initial ambition was small in scale but big in quality, with one initial scheme, Vaudeville Court, unanimously gaining planning permission at committee, and winning a number of awards including RIBA Awards 2016: London: Building Awards 2015, Small Project of the Year (up to £5m), Winner. This is a fantastic set of achievements for a scheme which delivers 100% social rented affordable housing, with 46% of the homes being family homes.

Initially the housing team was reluctant to push back on areas of planning


Ordnance Road, Enfield


Allen Court, Ealing

feedback which could not easily be incorporated into development schemes, such as rainwater harvesting and grey water usage, which in many small developments can be space hungry and very difficult to maintain. One of our initial tasks was to help negotiate achievable development expectations with the planners.

Since these small beginnings, we have helped Islington deliver over 500 new homes, with between 60% and 70% of homes on each site affordable and the remainder sold on the open market, to provide revenue to fund these high levels of affordable housing.

## *Collaboration*

Other London councils successfully delivering new homes on small sites include Ealing, Enfield, Barnet and Hackney. In each case, key to delivering a successful programme has been to establish understanding and strong relationships with borough officers, so that negotiations can be collaborative. Most planning officers are very keen to engage in detailed discussions and be involved as part of the team, devising the best solution for each site. As the developer team is part of the council, even if as an arms' length organisation, it is easier to build trust to make the process truly collaborative.

Consultation and involvement with the local community is even more important with a council managed development project. Concerned residents, whether council tenants or not, can effectively call out to the ward councillors to object. In our experience, these schemes are subject to additional scrutiny by Members and as such, managing objections is crucial.

LA projects will have been through a robust internal analysis and political process. Affordable housing schemes will have been scrutinised by senior councillors and officers, and a development programme established, with political support. The basis of the development programme will have stemmed from the identified need for new homes, and the needs in terms of tenure and size mix discussed with the housing team. This process helps make certain that the driving force behind the development of new homes is the need for council managed homes and that there is political support, allowing councillors and the officer led development team to support proposals, despite any local objection.

## *Capitalise on garages and parking areas*

Often council estates have large numbers of single-storey garage courts which are used for storage, small businesses, or just empty. The importance of suppling space for parking is diminishing; these spaces can provide useful locations for new homes, which has been one of the ways that Barnet, Ealing and Islington have effectively redeveloped unused and unloved garage courts and parking spaces, to deliver new homes which sit within existing estates, without the need for large scale redevelopment and upheaval for residents.

London has a number of advantages in using small sites for new homes. Firstly, the prevailing density is already high, so there is less resistance to the principle of the addition of new homes in an already built up location. There is generally good public transport, and increasing political acceptance that there needs to be a push to reduce car reliance. The demand for homes is so significant that there is strong political support for building on parking areas and other utilised estate land.

Boroughs like Islington have a car-free development policy and political certainty that housing is more important than personal car use. Barnet, on the other hand, understands that car use needs to reduce, but without such good public transport, there is still currently a need to provide new and replacement car parking. This requires a balance between maximising density and retaining parking areas for existing residents' usage.

Construction projects, even small ones, are complicated processes, with many opportunities to go wrong. Our experience with LAs on small sites has been constructive, and has highlighted the importance of building the experience of the team through the development of sites, such as the small sites first delivered by Islington and Barnet, as a precursor for more ambitious and larger schemes.

We have worked on development programmes with several London boroughs including Barnet, Enfield and Islington, and for individual sites with Westminster, Ealing and Brent. Achieving planning permission for development on small sites requires careful judgement, experience and patience, as proposals often bring out local concerns. We have worked with a number of the country's best award-winning architects, to create high quality new homes on constrained sites for residents in need of new housing.

# TO DISPOSE OR NOT TO DISPOSE – A COUNCIL'S DISCRETION

Gill Boyle

Gill sets out the details of a long-running dispute at her authority, where a different outcome of the judicial review could have had serious implications to restrict councils in disposing of land. "Fortunately in this case, common sense prevailed and the rights of local authorities to treat with land as they see fit has been upheld."

*Gill is a chartered surveyor and town planner and has worked extensively in the land, planning and property industry for 35 years throughout the UK, in both public and private sectors. Gill's has particular expertise in town centre and housing development including the use of CPOs, and is currently employed by Manchester City Council in the Development and Corporate Estates Department, where she manages an investment portfolio and leads on town centre development and other development projects. Prior to this, she spent several years at regeneration company, New East Manchester, 5 years in consultancy including DTZ Pieda and 7 years at Oldham Council in economic development.*

*Gill started her career in local authority planning departments before moving into the private sector with Peel Holdings. She has been a member of ACES since 2014 and is currently vice-chair of the North West Branch and a member of ACES Council.*

Statute provides local authorities with wide powers to acquire, sell, lease and rent for their own use, notably under s123 of the Local Government Act 1972. However, the question sometimes arises as to whether these powers are inconsistent with a local authority's duty to act reasonably (the Wednesbury Principle) and whether the 'reasonableness' test can constrain a local authority's rights to deal freely with land. These issues came to the forefront in a recent case I was involved with regarding Manchester City Council's refusal to sell the freehold of a small plot of land in Newton Heath to a property company, Daniel John's Ltd (DJL). DJL intended to look to acquire the leasehold interest of the council plot, together with an adjoining property. The council's refusal to sell the freehold of this plot of land to DJL led the company to seek a judicial review into what it described as the continued refusal by the council to consider its offers to purchase the site.

## *Background*

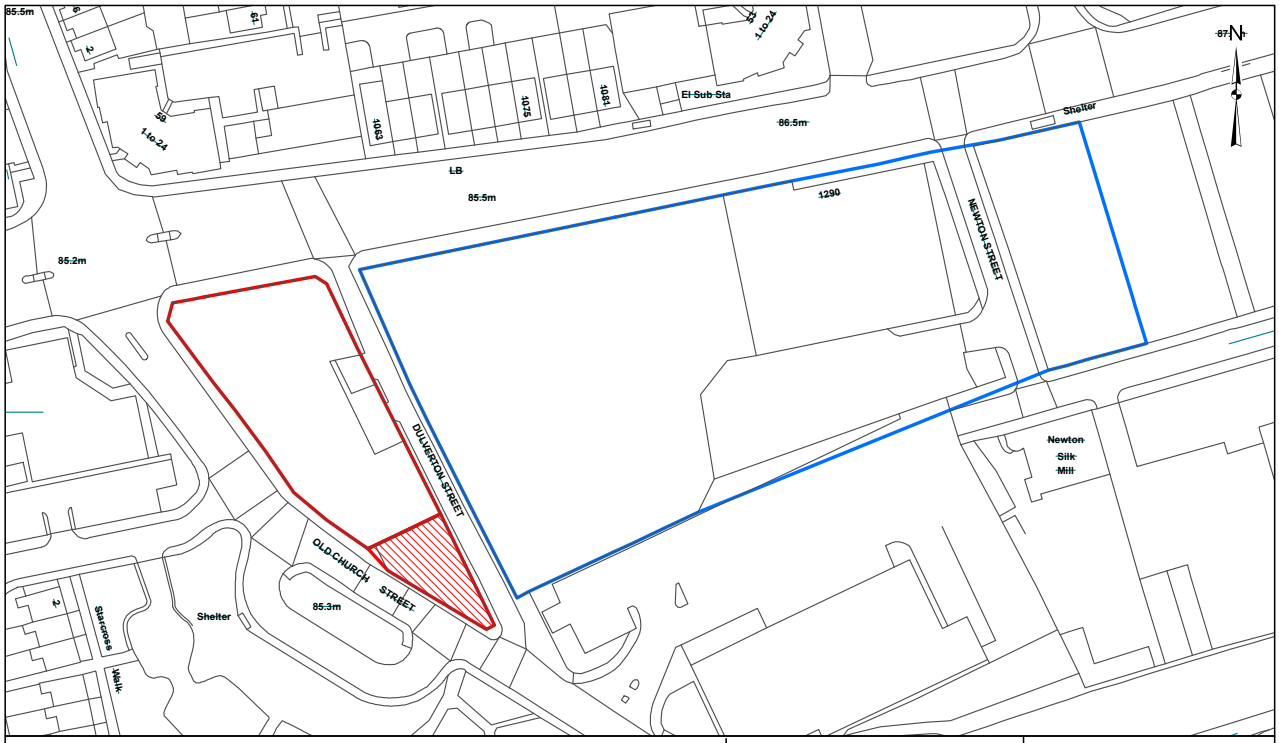
The dispute involved a small plot of freehold land leased by the council to Cityscape for 125 years from 2001. Cityscape also owned the adjoining property on a freehold basis, which comprised a 4-storey Victorian building previously occupied by the Co-op and known as the Rosedale building. At the time of the dispute, the Rosedale building was only partly occupied and in poor condition. Both properties are located within Newton Heath District Centre, an inner-city suburb around 3 miles to the east of Manchester City Centre. Newton Heath, like much of east and north Manchester, had suffered a long decline in the post war period, with a major loss of employment, population, and the quality of its environment. In more recent years however, the council and regeneration company, New East Manchester Ltd (NEM), had actively pursued the regeneration of Newton Heath, including the district centre, although it was acknowledged that there was still some way to go to regenerate the area fully.

In 2007 Millerbrook Properties secured planning permission on behalf of Cityscape, to redevelop the Rosedale site and the council plot for a multi-storey apartment scheme. However, the permission was never implemented and was considered to be unviable because of the high potential costs of its development, compared to its completed value. The plot size was small in relation to the number of apartments proposed. In order to accommodate parking for the flats, the scheme included an underground car park. It also retained the building's main elevation. I held a meeting with the owner from Millerbrook in 2009 while employed at NEM, where Millerbrook acknowledged that the scheme granted permission was not really deliverable and wondered if NEM or the council was interested in acquiring the property.

Nothing further happened until 2011 when the planning permission granted in 2007 was renewed. Although doubts persisted about the viability of the scheme, the planning authority did not feel there were sufficient reasons to refuse the scheme. The permission was, however, subject to a s106 agreement that required the applicant to make a contribution of £228,000 towards environmental works before development could proceed.

## *The dispute*

Towards the end of 2015, discussions took place between Millerbrook and council officers regarding the redevelopment of an area in the district centre. The area under discussion included the Rosedale building, the council's freehold plot (hatched red on the plan), and an adjoining area of land owned by Yikman, who was keen to sell his property. Yikman had

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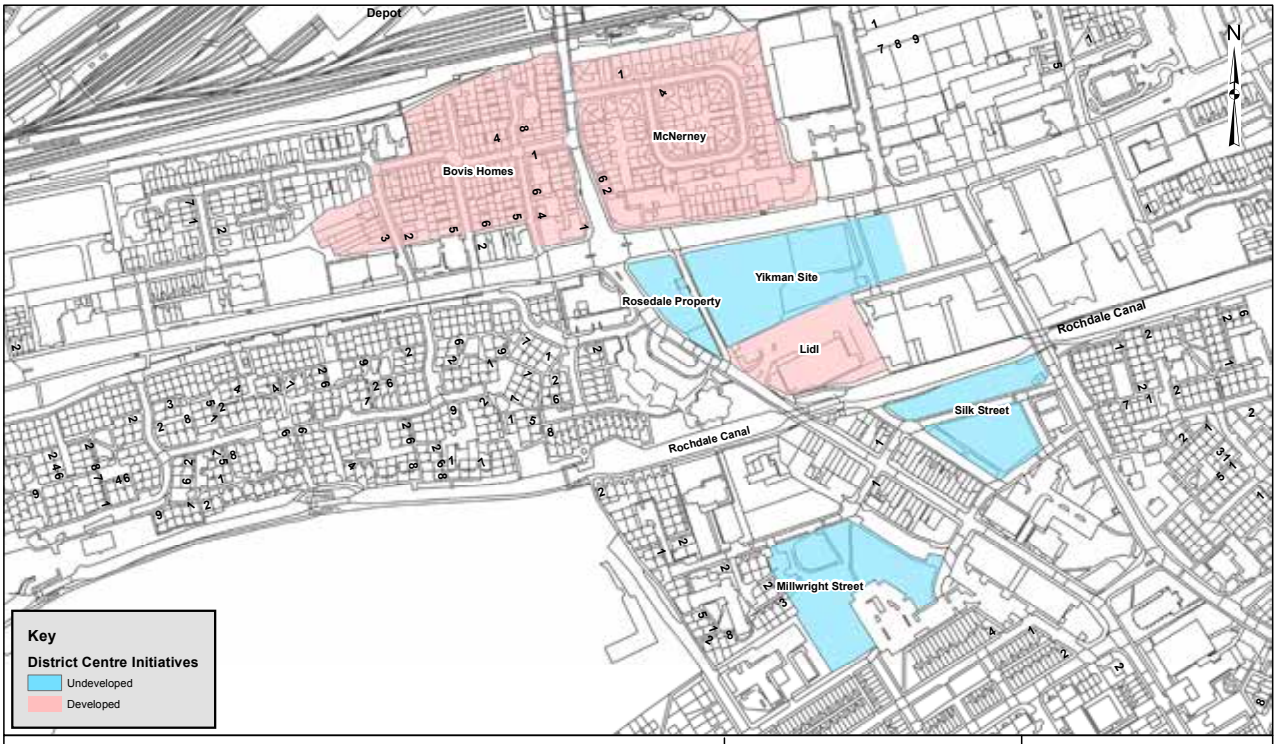


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provisionally agreed to dispose of his property to Millerbrook, which was intending simultaneously to sell around two thirds of the site of an adjoining bakery (Martin) and retain the remainder. Millerbrook proposed to incorporate part of the Yikman site into the approved apartment scheme for the Rosedale building, in order to provide land for car parking and amenity space. The council was supportive of this approach, as it would deal effectively with 2 problematic properties in a highly prominent position within the district centre, and indicated that it was willing to dispose of its freehold interest in the leased plot, in order to support the scheme.

Unfortunately, the proposed wider scheme incorporating both the Yikman land and the Rosedale building did not proceed. By the end of January 2016, Martin had started to prevaricate on the proposed acquisition of the Yikman site and 2 weeks before Millerbrook and Martin were due to complete the acquisition of Yikman's property, Martin withdrew from the deal. Despite this setback, Millerbrook contacted the council shortly afterwards, to confirm that Cityscape was intending to sell its property to another developer, DJL, which Millerbrook claimed was keen to bring forward a high-quality scheme for the site. In order to assist the development of the Rosedale building and the adjoining land, the council issued draft heads of terms in early April to Cityscape, setting out outline terms for the disposal of the council's freehold. The heads of terms were marked 'subject to contract' and also made clear that the freehold would only be sold on completion of the scheme.

However, concerns about the motivation and background of the alleged new owner of the Rosedale building quickly began to emerge, following initial discussions DJL held with the local planning authority (LPA). As a result, I indicated to Millerbrook that the proposed sale of the council's freehold would be put on hold until more information was provided about DJL's proposals, its track record, and ability to deliver.

A meeting between DJL and the LPA was subsequently arranged; it was during this meeting that the motivation and the experience of DJL were exposed. DJL's representative was questioned about the company's background and experience and commented that it had been in existence for around 6 years, and was primarily involved in the management and development of student housing and budget hotels in the south of England. DJL was not able to provide any information about the company or the delivery of schemes similar to the one proposed on the Rosedale property. DJL was also under the impression that it could commence work on site under the existing planning permission and make material changes to the scheme.

The planning officer present confirmed that this was not permissible under the existing consent and a new planning application would be required. Should DJL wish to submit a new application, the planning officer made it clear that it would be judged on the planning policies and circumstances pertaining at the present time, and not those which existed in 2007 when the scheme was originally approved. It was noted that policies on affordable housing, requirements, waste disposal, and amenity space had evolved in the last 10 years and it would be unlikely that the scheme approved in 2007 would be granted consent today.

Following this meeting, I telephoned Millerbrook to tell them that the disposal of the council's freehold interest in the plot would not be proceeding. The reaction of Millerbrook was unrestrained fury, intermixed with various threats, but it was clear at that stage that not only did DJL have no intention of pursuing the wider scheme, but it was also felt by the council that personnel did not have the experience to undertake the scheme, or manage it effectively on completion.

Later in 2016 it was discovered that DJL had been extensively marketing the scheme abroad. A brochure was downloaded from the websites of property agents describing the development as 'hi-lux' apartments. The brochure suggested that the site was on the edge of the city centre and the development would contain a swimming pool and other luxurious elements – not present in the scheme granted planning permission. The brochure also included sales and rental values at well above the market rates in Newton Heath. At the same time, DJL was also challenging the s106 payment that was payable before work could start on site, on the basis of low sales values, which was in contradiction to the claims about values made in the brochure.

In November 2016, DJL completed its acquisition of the Rosedale building for a substantial amount and its solicitor contacted the council, insisting that the sale of the council's freehold be completed in line with the heads of terms issued to Millerbrook in April. The council refused and confirmed that it did not wish to proceed with the sale.

DJL initially attempted to pursue an action for breach of contract and also one under racial discrimination. Both of these claims failed, which led to the only other potential recourse, which was an application for judicial review.

## *Judicial review application*

DJL applied for judicial review (JR) of the council's decision on the following grounds:

1. It is unlawful for the council to refuse to transfer the freehold on the grounds that it objects to the development proceeding in accordance with the planning permission that the council itself granted

2. The council's concerns about Cityscape's ability to deliver and manage the scheme and insufficient information about whom the scheme is intended for are irrelevant considerations

3. The council has failed to take into account or properly weigh the prejudice that will be caused to DJL as a result of refusing to sell the freehold.

HH Bird, sitting as a judge in the High Court, refused the JR application in May 2017 for the following reasons:

1. The planning permission for the (Rosedale) scheme could be implemented without acquiring the council's freehold – albeit it would be likely to make less profit

2. The council's refusal to sell the freehold will not frustrate the planning permission and so it cannot be said that the council is attempting to subvert the planning process

3. Had DJL acted with more diligence and care, it might have discovered that the council did not wish to sell its freehold title.

DJL then renewed its application for permission to apply for judicial review at an oral hearing, following the refusal of its application. It was made on the grounds that Judge Bird had confused the council's decision to refuse to sell the freehold with the question of whether its decision would have the intended effect in preventing the development proceeding as the approved permission.

Following this application to the High Court in October 2017, HH Judge Davies granted DJL an oral hearing, where the council would be required to explain its reasons for not disposing of its freehold. The substance of DJL's claim was that the council acted unlawfully because it was refusing to sell the freehold to frustrate the development going ahead, because it did not wish the development to proceed and cited the reasons given by the council for refusing to sell in December 2016, when it referred to the council's concerns over the "scale and density" of the proposed scheme. In essence, while DJL could not deny the rights of the council to dispose of land in accordance with s123, it argued that the council was acting unreasonably in using its concerns about the scale and density of the proposed scheme to frustrate the implementation of an approved scheme.

An oral hearing of the case subsequently took place in February 2018 and in making his judgement, Judge Davies responded to the claimant's 3 grounds of claim:

1. The council, in its capacity as LPA (to grant permission for a particular development) should not be confused with its capacity as a private landowner and does not justify the imposition of the full range of public law obligations upon the city council. Judge Davies also said that this was particularly so in the circumstances of this case, where all that the council had previously done was to indicate, on a without prejudice and subject to contract basis, that it was prepared to consider transferring the freehold to Cityscape, as the claimant's predecessor. Judge Davies added that it could not be said that there would be grounds for interference other than in the case of fraud, corruption, bad faith or improper motive, none of these were present in this case, and noted the conclusions in his earlier decision in Trafford v Blackpool Borough Council (2014). In the judgement he found that the council was motivated by a perfectly legitimate and genuine desire to seek to persuade the claimant to enter into constructive proposals for the development of an alternative and preferable scheme

2. The council was entitled to have regard to its concerns about the claimant's ability to manage the scheme. These concerns relate not just to the claimant's willingness to undertake the development in accordance with the existing planning permission, and the consequences if the council became embroiled in a planning dispute, if the claimant sought to amend the permission during the course of the works, and the impact on the council's wider regeneration strategy

3. Judge Davies found no merit in DJL's third ground of claim. He noted that the only consequence for the claimant was that it might be unable to transfer some of the apartments without freehold title, thus rendering them less valuable.

The substantive challenge from the claimant was dismissed and permission to appeal refused and a full award of costs made against DJL.

## *Conclusions*

This case raises an interesting principal about the rights of public bodies to deal with land in accordance with the power conferred under s123 of the Local Government Act 1972, which provides that 'Subject to the following provisions of this section, a principal council may dispose of land held by them in any manner they wish'. On the basis of Judge Davies' judgement in this case, this power cannot be compromised by a grant of planning permission – which is a separate statutory function. It is an acknowledged principle that an applicant can apply and be granted planning permission on land it does not own, including council land. The grant of planning permission does not, however, mean that the council is then duty bound to dispose of that piece of land in order to facilitate the development.

The extent to which public bodies are required to act reasonably in relation to the discharge of their statutory powers is a fundamental principal for local authorities and the judicial review process exists as a vital check on those powers. However, where a claim is in effect a private law challenge to the discharge of duties, as will be the case in most claims potentially made in respect of a public body's use of s123 powers, then as Judge Davies infers, it would normally only be entitled to be based on fraud, corruption, bad faith and an improper motive.

Had the arguments proposed by DJL in its judicial review application been accepted, then a local authority's powers under s123 could be undermined in situations where a local authority has refused to dispose of a property where it had previously granted planning permission for the property's redevelopment.

For example, a third party could apply for planning permission on a site owned either partly or wholly by a local authority. The proposed development may be one that the local authority is not entirely happy with, but does not have sufficient planning grounds to refuse the application. On the basis of the arguments advanced by DJL in

this case, the local authority would be obliged to dispose of its land in order to support the scheme's implementation, or risk a judicial review claim.

Fortunately in this case, common sense prevailed and the rights of local authorities to treat with land as they see fit has been upheld. It is only where a local authority has acted on the basis of fraud, corruption, bad faith or a proper motive that it may be required to reconsider its decision. In that eventuality, the local authority would have 2 choices, firstly to sell the disputed land, or not sell, in which instance it may find itself with a financial claim to defend. However, given the wide powers that s123 gives local authorities to deal with land, the option of having to decide to sell land it does not wish to, or risk a claim for compensation from the aggrieved purchaser, would appear to be slim.

In order to avoid cases like this arising in the future, it is probably advisable not to provide any reason when withdrawing from a sale agreed on a subject to contract basis. In the DJL case, it was the council's comment "the scale and density of the proposed scheme" made in response to DJL's solicitor's request as to why the council was refusing to sell the site, that provided DJL with the (ultimately futile) grounds to claim that the council was being unreasonable in using these concerns to frustrate the scheme, by refusing to sell the freehold.

Kevin illustrates the changing patterns of high street shopping with some stunning and thriving building conversion projects in London.

# CHALLENGING TIMES FOR RETAILERS AND LANDLORDS

Kevin Joyce

*Kevin is a strategic property manager in the Property Service serving the London Boroughs of Richmond and Wandsworth.*

## *Context – the challenges*

"The vast majority of the high street has already died" commented Mike Ashley, owner of Sports Direct and House of Fraser and part-owner of Debenhams, to a House of Commons Housing, Communities and Local Government select committee in December 2018. This gloomy prognosis is perhaps understandable with the experiences of a whole host of high street brand retailers making 2018 an annus horribilis year for the high street retail sector.

The convenience, speed and often competitive pricing of on-line shopping makes such a purchasing option attractive to some consumers, particularly younger shoppers. High street retailers additionally have to factor in overheads such as staff costs, business rates and rents into their financial budgeting plans, which means that these retailers can find themselves at a distinct competitive disadvantage to internet retailers. On-line retailers are increasingly benefiting from logistics and last-mile technical innovations, including autonomous delivery and robotic picking to keep their costs down.

The 2018 Autumn budget has looked to re-address the balance up to a point, through the introduction of business tax relief for smaller retailers and the launch of a £675m Future High Streets Fund to help high streets to evolve, but the onward march of on-line shopping and contraction of the high street retail market both appear to be here to stay. The mood of high street shoppers is unlikely to be improved if they have not been able to park near town centre stores, and should they be looking for clothing for example, are then either unable to find anything they like or in the right size.

All bad news, it would seem, for retailers generally, but also for their landlords who may own shops or department stores let to businesses that are trading but struggling to do so, or own units that have been vacated and are lying empty - or who may own both. If say, for example, a landlord owns an A1 shop let to a retail covenant on say a 10 or 15 years' lease, with 5-yearly upward only rent reviews and an absence of any tenant's option to break the lease, should the landlord just sit tight and hope the tenant continues to trade profitably? This would usually be a landlord's preference, but could also bring with it the increased risk of the retailer's business folding in the current market and the unit becoming, and remaining, empty.

Would it be better for the landlord to consider restructuring the lease instead, in favour of, say, a turnover rent including base rent guarantee option? This might mean the landlord effectively being exposed to the retail tenant's trading risks, but improve the prospects of the unit remaining occupied in consequence.

## *Cautious optimism?*

High street shopping is not necessarily all doom and gloom though. The retail

consultancy Harper Dennis Hobbs reported in November 2018 that London's West End, buoyed by the favourable exchange rate for sterling, has topped the European Retail League, ahead of Paris and Madrid, and 7 of the top 10 shopping centres in the League, including the London Westfield Centres, the Bluewater Centre at Dartford in Kent, and the Trafford Centre in Manchester, are also in the UK.

Some high street retailers have introduced internet shopping lines to their business growth plans, and there would seem to be no real reason why others could not follow suit, investing in logistics delivery and e-commerce systems to help develop on-line shopping offers. Interestingly, although the bellwether retailer Next saw Christmas 2018 high street sales fall by 9.2%, their on-line shopping sales rose by 15.2% over the same period.

When an A1 retail unit becomes vacant, the landlord's options may extend beyond simply instructing commercial agents to look for a new retail tenant and hoping for the best. Although some retailers, such as supermarkets, booksellers, stationers, coffee shops and ice cream parlours, have been showing resilience to store closures, they generally appear to be the exception rather than the rule.

If the shop is located in a prime residential area and the configuration of the space allows, it might be viable to convert the unit to residential use. Another possibility could be a conversion to restaurant use, subject to planning, although the food and drinks market is not without its own risks. Entertaining, eating and drinking at home rather than in restaurants and pubs, appears to be increasing in popularity, and with labour and food costs on the rise, not all restaurants are currently making profits.

Problems faced by department stores and other retail chains may differ in some ways from those of single unit retail businesses, but could offer different alternative use possibilities, depending on considerations such as quality of location and the arrangement and configuration of spaces. Some department stores might have upper floors which could convert to residential use, or to office use. Legal and General is, for example, proposing a scheme to refurbish the former House of Fraser Rackhams island site store at the corner of Temple Row and Cherry Street in Birmingham to deliver a mixed-use development, including more than 365,000 sq ft of offices over 9 floors, almost 60,000 sq ft of retail and leisure facilities, and a hotel, subject to planning.

Should they be so minded to, investors in major retail businesses could demonstrate their level of confidence in senior management through, for example, the agreement of a debt-for-equity swap to reduce corporate debt, or to support the issue of new bonds to raise fresh capital.

## *Case studies: Imaginative innovations*

In the event of residential, restaurant or office conversions not proving practical or viable, the pressure on retailers and landlords to bring difficult spaces back into productive use might require a somewhat greater degree of lateral thinking from those involved.

Coal Drops Yard, Kings Cross

Coal Drops Yard is a Heatherwick Studio designed conversion of former brick arches that were used to store and grade coal from the North of England. The original coal drop buildings were on 2 levels, although the gabled roof of the new development rises up and extends from each building to create a third level of retail, to be occupied by Samsung. The open events space which is surrounded by 50 shops, boutiques, concept stores, restaurants and bars, has created some 100,000 sq ft of cool and buzzing retail space within the 67 acres' Kings Cross area regeneration project.

The one thing which on-line shopping cannot really offer customers in itself is a satisfying shopping experience; being able to tap into the wishes of

Coal Drops Yard , photograph by Luke Hayes reproduced with the kind permission of Heatherwick Studio

Market hall, Fulham, photograph by Jim Stephenson reproduced with the kind permission of FaulknerBrowns

Photograph by Christopher Horwood reproduced with the kind permission of FaulknerBrowns


Market hall, Victoria


Market Hall, Fulham

Photograph by Jim Stephenson reproduced with the kind permission of FaulknerBrowns

customers for experiential shopping could prove to become a natural part of the evolution of high street retailing. Fifty operators were chosen from a list of 1,200 companies wanting to be part of the scheme, including names such as Barrafina, Caravane, Fred Perry, Miller Harris, Paul Smith, Tom Dixon and Wolf & Badger, with each operator creating their own interiors within the brick arches. Pop-up and experimental stores are located in Lower Stable Street and linked to the Central Saint Martins arts and design college, which is housed in a restored granary building next door. The end result is an eclectic mix of operators, collectively able to offer an immersive shopping experience to customers in a location just a few minutes' walk from the Kings Cross transport hub.

Other retail destinations might not enjoy the same locational advantages and convenience of Kings Cross or have a wide selection of prospective tenants for landlords to choose from, but the increasingly experiential shopping expectations of customers as the opportunities this might bring could still be a key element of the marketing strategies of high street retailers and their landlords, across the board, in the years ahead.

Market Hall, Victoria

The Market Hall in Victoria is designed by FaulknerBrowns architects with WDS Architecture. It is another impressive example of how difficult spaces can be brought back into use, in this instance, disused arcaded bays in Victoria's Terminus Place, converted to create an international street food and drink destination venue on 3 levels. It is centred around marble-topped communal tables and surrounded by a dozen resident restaurant kitchens, a coffee shop, and 3 bars serving British craft beers, which taps into the night-time economy and is proving particularly popular with the local office population. A roof terrace bar is set to open soon.

As with Coal Drops Yard, Market Hall Victoria benefits from close proximity to a major transport hub, Victoria Station, but it still required some visionary thinking to see the potential that this 1909-built former Edwardian arcade could offer.

Market Hall, Fulham

Market Halls has demonstrated this thinking previously, in its development of Market Hall Fulham, also designed by FaulknerBrowns with WDS. It involves the conversion of the disused entrance hall of Fulham Broadway Station, to create a market hall featuring 250 communal dining seats served by 7 resident kitchens, a coffee shop, and a bar serving British craft beers, with a private events space at first floor level.

Within 8 months of opening, Market Hall Fulham had already won 3 awards - Restaurant R200's Opening of the Year Award, Revo's Re:lax Breathing New Life Winner Award, and Revo's Re:turn Best of the Best Winner Award. Market Hall Victoria is proving equally successful, having welcomed over 500,000 visitors since opening in November 2018.

Tania Love, a Senior Associate at FaulknerBrowns, has commented on the Market Halls vision at Victoria and Fulham, and their involvement in its delivery:

"Market Halls understands the transformative contribution that food and food tourism have to play in regeneration, and we are delighted to be part of a dynamic team which recognises the value of heritage and endorses architectural interventions that bolster the taste of place."

"It's always a privilege to have the opportunity to bring disused bits of our Great British heritage back to life with a new purpose and energy, particularly in the current environment of doom for the high street. Market Halls Victoria builds on our client's ambition to redefine the concept of food halls in Britain, creating another venue that provides an innovative hub on the high street. Somewhere to go meet, eat, drink and share stories. Restaurant-quality food in an environment unique to its setting."

"Social media trends demonstrate the nation's hunger for new experiences. With food right at the heart of this. So just as at Fulham, it was vital that we provided a backdrop unique to this location to enable visitors to enjoy the theatre of cooking taking place in each kitchen."

# THE REGENERATION GAME: GENERATING VALUE BY CREATING DEMAND AND MANAGING GREED

Richard Allen

*Richard is a long-standing member of ACES and Council. As ACES President in 2004/05, he now represents Past and Honorary Members on ACES Council.*

The Regeneration Game was 'played' at the recent very successful CPD event hosted by Heart of England Branch and the Government Property Profession. The report of that day is contained in this edition of Terrier. and who said ACES' events cannot be informative as well as fun?

This article is an adaptation of a presentation made at the Joint ACES Heart of England Branch/Government Property Profession Learning and Networking Day. Held in Birmingham in February, the theme of the event was 'To better understand the role of and opportunities for the modern public sector estate surveyor in supporting the regeneration and growth agenda'. The presentation looked back at lessons learnt in the past, in the form of a property game.

## *Key facts*

To play the game it is necessary to fully understand 3 key facts:

1. Cost is not value. My valuation lecturer said all students should get a T-shirt with these words on it. Knowing how to assess value and the way it supports the regeneration and growth agenda is essential

2. Developers (other than ones set up for this specific purpose such as UK Regeneration, Urban Splash, Blueprint) do not 'do' regeneration. They create assets for sale either for occupation or as an investment, do not use their own money, and at all times seek to minimise risk. If they see that there is something in it for them, they can be persuaded to do regeneration, but it will usually need some form of financial incentive

3. You will need to read this article to the end to understand this fact.

## *The game*

It is a simple game played by 2 teams: the public sector represented by the modern estate surveyor; the private sector represented by the developer. The aim of the game is to generate value. It is played jointly by the 2 teams who, if they play the game correctly, should share the uplift in value in proportion to the cost they put in.

## *Round 1: 1950s to early 70s - tackling the war legacy*

The first years of the game were dominated by the public sector. Armed with extensive compulsory purchase order (CPO) powers it went on a spending spree. To do so, it had to first set up its teams. Central government created the Property Services Agency (PSA). The major local authorities appointed chief estates surveyors who formed their own large estates departments. The chief estates surveyors were pioneers. They mutually supported each other by forming the Association of Local Authority Valuers and Estate Surveyors (ALAVES) in 1949. This Association is now ACES.

The main war legacy challenge was to create decent homes. Large areas of unfit housing were purchased using CPO powers. It was a nationwide slum clearance programme. The people were rehoused in new towns, outer estate council housing and inner city high rise and deck access flats. There was no place shaping or building communities, other than in the new towns which did focus on providing jobs, shops and services. Many estates now have social problems. Most of the deck access and many high rise flats have been demolished, to be replaced with more traditional housing.

Town centres were run down and had to be rebuilt. They were encircled with inner ring roads. Sites were purchased with CPO powers and leased to developers on long ground leases, for new large covered shopping centres. The local authorities have shared in the uplift in value through regular rent reviews. Over time the inner ring roads have become barriers. The shopping centre blocks are difficult to redevelop in a piecemeal way.

Local authorities acquired land and provided infrastructure for new industrial estates, to support rebuilding the economy. Sites were let on long ground leases to businesses to build their own factories. Early leases had no or infrequent rent review clauses. Some local authorities have now cashed in on a share of the significant marriage value. Many of these estates are looking tired. Some have rebuilding clauses which make the leasehold interests worthless, if the cost of rebuilding is greater than

the value of the profit rent for the remaining term of the lease.

The government saw that the road was the future of transport, so they abandoned the railways. Investment was poured into a national motorway building and road improvement programme.

During the 60s the developers start to enter the game. Volume house builders such as Wimpey and Barrett Homes were created. Property values rose rapidly. The developers got greedy and borrowed finance to create land banks. Others undertook speculative development of commercial buildings such as city centre offices. The economy started to overheat. The government acted to control the rampant inflation by continually raising interest rates. All this brought Round 1 to an end in the early 1970s.

### *Round 2: Early 70s to 2008 – sky high interest rates, decline of manufacturing, ship building, coal mining, and introduction of containerisation at ports*

Interest rates continued to rise rapidly through the 70s. Mortgage rates peaked at nearly 19% in 1981 before starting their gradual fall. Many developers went bust through being saddled with debt. Development continued but neither the public nor private sectors rushed to restart the game.

Local authorities released land under housing partnership arrangements to support the house builders. Developers entered land on licence to build houses. Prices were agreed for each house plot and house. Once completed, the houses were sold by the developer; the plot value was paid to the local authority which transferred the freehold of the land direct to the house purchaser. Developers could only increase house prices in line with building cost index rises to keep homes affordable. Some were greedy and sold houses to their directors or third parties, to sell on at a profit to owner occupiers. It also created a 2-tier market as house prices were still increasing faster than inflation. So local authorities allowed houses to be sold at market value, but took a share, usually 50% of the uplift in value - known as 'overage'.

Commercial development was supported by local authorities offering gap funding through urban development grants, based on agreed financial appraisals with developers. These proved successful so were taken over by central government. Rebranded as 'City Grants', the government shared in any super profits on a 50/50 basis. This then evolved into an equity share and then a joint venture approach, with the public sector sharing in risk on a 'side by side' basis.

The major challenge for the time was to regenerate the large areas of urban land desecrated by the decline of manufacturing, ship building, coal mining and the introduction of containerisation at the ports. The initial approach was to establish Enterprise Zones, to encourage economic growth and development by offering tax concessions, infrastructure incentives and reduced regulations such as planning, to attract investments and private companies into zones. They had success until the incentives were removed and some companies moved out.

In the 80s it was decided that a more proactive 'supply push' supply chain approach was needed to create 'destinations' for investment. This was achieved through the establishment of Urban Development Corporations (UDCs). They operated outside the usual planning controls, charged with the urban development of a specific area. Uplift in value was generated in a number of ways. Sheffield UDC's regeneration of the former steelworks area of the DonValley was kick-started by capturing 'floating value' associated with the promotion of a regional out of town shopping centre. But Sheffield Meadowhall also captured 'shifting value' from the centre of Sheffield and Rotherham, whose retail centres suffered accordingly.

Cardiff Bay UDC was established with a more ambitious approach: to put Cardiff on the map as a superlative maritime city, to enhance the image and economic wellbeing of Cardiff and Wales as a whole. The bay was a massive muddy puddle when the tide was out. By building a barrage, it was turned into a pleasant and attractive lagoon. This £220m plan was the catalyst for the £2bn regeneration of the old docklands.

For a mere £800,000, Anthony Gormley's rusty looking 'Angel of the North' perched on top of a hill to welcome road and rail visitors to Newcastle/Gateshead, and had a similar effect. It promoted the image change when the local authorities decided to adopt a culture-led regeneration approach to an area previously dominated by heavy industry and ship building. Both the Cardiff and Newcastle/Gateshead approaches mainly generated new value, which benefited the wider communities.

Creating local centres for London-based tourist attractions such as Tate Modern, Liverpool and Royal Armories, Leeds was another public sector initiative that created catalysts to lever in private investment and generate new value [Ed – and now Dundee – see article in this issue of Terrier]. These varying approaches developed over time. Often they were supported by European Regional Development Funding. Urban regeneration initially was about cleaning up derelict sites with spin-off benefits for local communities, rather than regenerating local communities as the prime objective.

City Challenge, launched in the early 90s, invited local authorities to bid for funds to renew run-down areas. It was the first initiative to recognise that physical and social regeneration were dependent on each other. The Single Regeneration Budget continued this focus, more on the needs of particular disadvantaged groups and individuals at a local level.

Regional Development Agencies, which superseded the UDCs at the end of the 90s, operated on a much broader remit: to support regional economic development and regeneration; promote business efficiency, investment and competitiveness; promote employment; and contribute to sustainable development.

Central and local government became

developers. English Industrial Estates Corporation was set up to develop business and industrial parks in strategic locations, to encourage economic growth across the country. Local authorities established economic development teams which built small industrial units and workshops for small to medium size enterprises. They have proved to be reasonable investments for the public sector, producing a reliable and regular income stream not materially affected by economic cycles.

Through the 90s, the private sector developers started to join the game in a big way. They aggressively competed with each other for land. In the mid-noughties, silly prices started to be paid. Some of the land did not even have planning consent. This development boom continued to spiral out of control. Housing developments were sold in blocks 'off plan' to investors, many of them offshore, at forecast values. Banks started to grant 100% plus mortgages at more than current market values, in the belief that values would continue to rise. Greed had set in again big time: many of these loans turned toxic, particularly in the USA which was playing the same game. Land values started to crash and the banking system collapsed. Round 2 came to a very abrupt end with the 2008 recession.

## *Round 3: 2008 to date – recession, austerity, internet and immigration*

The new challenge for the foreseeable future is the increased demand for housing and addressing social poverty – immigration, homelessness, drugs, crime and mental health. Regeneration is now more about creating sustainable communities than just property. It is the role of property and the property profession to support this objective.

House building slowed at the start of this round. It is only just picking up again in many parts of the country. Homes England is a new agency set up as the government's housing accelerator. Help to Buy has been the government's financial intervention to try and achieve this acceleration.

The government has turned again to Enterprise Zones to support economic growth but so far, they have had little, if any, affect.

The high street is under attack from internet shopping. Some local authorities are buying their struggling shopping centres to take control, cash in on the fall in value, and support their town centre regeneration projects.

The public and private sectors together have not yet started to play the regeneration and growth game in any significant way. To achieve efficiency gains under austerity, the public sector has been rationalising its own estate. In some cases, it has collaborated in the provision of joined-up public services in strategic locations that support area and community regeneration. The public sector has supported the construction industry and growth by investing in major health and education development. Local authorities have started to build council housing again. Many authorities have borrowed to purchase investment properties for their income, to replace the loss of government grant. Some acquisitions have been properties in their own administrative areas that support regeneration and growth.

Private sector developers' main contribution has been continuing to build houses and apartments for sale or rent, student accommodation and logistics parks.

## *Lessons learnt - and in some cases not learnt - from the game*

These can be summarised as follows:

- It is the role of the public sector to make things happen: to pump prime, de-risk and achieve private sector leverage, then step back and share uplift in value with the private sector in a fair and reasonable way, and not compromising their ability to raise private finance

- Uplift in value can be shared in various ways: through the traditional regular rent review approach in leasehold arrangements; retaining access strips (previously known as ransom strips); restrictive covenants (less used these days as difficult to enforce); overage (increase in value due to improved market conditions and economic growth); clawback (value created by change in planning status or relaxation of other legal constraints); and public/private joint ventures (risk and profit shared jointly). The approach adopted will be determined by the nature and characteristics of each project

- One Public Estate (OPE) collaborative working has the potential to be adapted and used in future public private partnerships: it will present many challenges, as private sector objectives are very different to those of the public sector; but it should be tried

- Regeneration takes time: complex schemes usually pass through the hands of a number of developers, who add value before ultimate completion and delivery of regeneration objectives

- Adopt a standardised approach: the private sector complains that local authorities and other public sector bodies don't talk to each other: that they all seem to operate in differing and inconsistent ways. The government's 'efficiency and collaboration agendas' have shown that adopting a uniform approach can be beneficial by saving time, reducing cost and improving quality. This is something else that OPE could address. Perhaps even a future role for ACES? In ACES' Business Plan 2018-21, it says that ACES' aims are to be at the cutting edge, continually identifying and disseminating best practice and innovation

- Remember that the private sector can play dirty: selling houses on long ground leases has left thousands of families facing crippling ground rents that will double every 10 years. The aim of a rent review should be to bring the rent back into line with values at the time of the review. Developers may not have deliberately set out

to mislead purchasers, but this exploitation of the leasehold system was solely to create investments to sell on and nothing to do with providing new homes

- Public sector support should be through a 'supply push' approach: Help to Buy to support house purchasers is a 'demand pull' supply chain approach which has played into the hands of the volume house builders. It increases demand, with no incentive to increase or speed up supply. Volume house builders have effectively been able to control supply, put up prices and significantly increase their short-term profits. Persimmon sold nearly half of its 16,000+ homes built last year through Help to Buy. They have cashed in on this subsidy. From figures quoted, record profits of around £1bn represent 40% over cost, double the 15-20% that was allowed when government was providing gap funding in the 70/80s

- Keep the number of partners to a workable number with compatible objectives: Cannons Marsh in Bristol, considered to be one of the best development sites in the country, lay derelict for 20 years. The reason - it was in 6 different ownerships which could not agree how to move development forward and share the uplift in value

- Develop your strengths: Liverpool has more listed buildings, theatres, museums, art galleries than any other place outside London. It has arguably produced more actors, writers and musicians. When it was granted European City of Culture status in 2008, it just meant that the rest of the world would know what all Liverpudlians knew. The city may be at the end of a cul du sac on a map of Britain but it has a global profile, world heritage water front, and is now a major cruise ship destination. It has reinvented itself around its cultural strengths, with an international visitors' economy expected to grow by 25% over the next 10 years

- Capture existing community strengths and empower the people: when Liverpool lost funding to redevelop large areas of substandard housing compulsorily acquired, it turned to the people. Houses were offered for sale for £1 to people who lived or worked in the city – on condition that they bring them up to decent homes standard and do not sell them for 5 years. The pilot has been a success. The scheme will be rolled out further and include shops. It is a way of getting the people to address their own housing and social problems and regenerate their own communities

- Value is money plus: the regeneration and growth agenda is part of a much bigger game aimed at improving the lives of citizens, by enhancing their economic social and environmental wellbeing

- Managing greed is not new: this of course is Key fact 3. But it is not something included in the article to be controversial or critical of developers. Adam Smith, known as the father of modern economics in his book the 'Wealth of Nations' 1776, concluded that 'self interest is the greed that promotes economic efficiency; it is good if managed'. So, the need to manage greed has been known for nearly 250 years – why is the lesson never learnt?

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# DELIVERING REGENERATION TO URBAN CENTRES – A ROUTE MAP

Rob Williams

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Rob shares with readers the Route Map developed by Revo, which is a comprehensive framework for both the public and private sectors working together, to help sustain vital town centres through regeneration projects.

## *The Route Map*

Considering the challenges facing a number of urban centres – towns, cities, and beyond – we started on a journey to produce a Route Map with the vision to set out a process for local authorities (LAs), developers and investors that gives a framework to deliver sustainable resilient urban centres that attract and deliver regenerative projects.

There is much commentary about the challenges faced, but there are few practical mechanisms to help LAs or developers better interact to bring about the changes needed – yet it is becoming increasingly common for collaboration between the public and private sectors.

Historically, in terms of the financially invested parties to the development process, the private and public sectors have not always been seen as natural partners for a variety of (often misguided) reasons, but there is growing appreciation of the differing roles and skillsets of how each sector can help facilitate regeneration, which is often no longer feasible without collaboration of the two.

The Revo Route Map to Regeneration (Route Map) seeks to offer practical guidance collected from the experiences of a wide variety of schemes, where the solutions required the combined efforts of the public and private sectors to achieve success and meet the objectives set. Trust between partners, and in the process, are critical to create a truly collaborative and successful relationship.

The ambition is to create vitality and vibrancy in our urban centres, which is a product of sustainable – and sustained – investment and curation.

Sustainable investment is that which attracts initial capital, generates income that encourages on-going investment, and the investment of time and expenditure from the community, to give it the vibrancy needed to sustain those investment decisions. By their nature, these schemes tend to be those which are large or complex and have greater challenges due to the market conditions or site location.

In all but a select few locations, short-term commercial viability for a predominantly retail/leisure scheme is unlikely, given market conditions. One also needs to consider a range of uses on the upper floors, where possible, such as private sale residential, private rented, hotel, offices, retirement living, or healthcare, which are all equally important to an urban centre, in terms of encouraging differing reasons to visit - a balance of work, live, shop and play is important. However, as with retail/leisure, some of these uses will have viability issues. Local planning authorities have a key role in ensuring that town centre policies are flexible, and respond to market opportunities that support emerging complementary uses that meet the social, environmental and economic needs of a community.

Against a background of austerity and competing demands for finance for statutory functions such as child and adult welfare, LAs need to assess the benefits a thriving urban centre will bring, whether it is measured in Gross Value Added, private investment, sustainable rates income, job creation, or how it increases the wider offer of the centre. A decision needs to be taken whether the LA wishes consciously to address regeneration as a priority, should the private sector not be able to deliver in isolation, predominantly for financial return reasons. Any solutions must be holistic for the centre as a whole, and not just benefit the subject site.

The Route Map is not designed to be prescriptive, but an aid to those navigating the critical steps in a joint venture, from both the public and private sector perspectives. While it may appear a little complicated, it is in essence broken down into 4 distinct segments:

1. Concept
2. Project workstream
3. Delivery
4. Interventions.

# Revo Route Map to Regeneration

Looking at these in more detail picks up some common key issues and findings that have been prevalent in our discussions surrounding the Route Map, and provides useful background.

### *Concept*

This is the early days' workstream where a development idea originates - a scheme may be initiated either by a LA, through policy or land ownership, or a developer, through ownership or financial interest. It is important that parties are clear on the objectives and timeframes early in the process. It is probable, at this stage, that the parties' objectives will be materially different, and compromises need to be found.

A LA has a broad set of social, economic and environmental duties, as well as responsibilities and statutory processes which it is obliged to follow. The developer will have clear, time-bound commercial imperatives. It is crucial to meeting the relevant objectives that the process for progressing a scheme addresses how these differing objectives will be met.

The parties should recognise that any initial concept/design will change throughout the development process, driven by various issues, including viability. It is often said that a computer-generated image tabled as an aspiration at an early meeting is a vision that parties hang onto and can feel cheated if this is not what is delivered. There are a lot of factors during more detailed workstream developments that can alter this, however, and should be understood from the outset. Flexibility and understanding is required if the ultimate goal is to be achieved. Managing the expectations of private sector boards and public sector members, throughout what can be significant change in short periods of time, is therefore crucial.

### *Project workstreams*

At this stage, it is assumed both the private and public sectors have agreed that the only way for this particular development or project to be delivered is via a joint venture, which can take many forms. The key drivers for such a joint venture are likely to be the wish for regeneration from the public sector, and the need for viability from the private sector. Acceptance of the financial 'risk and returns' and understanding how they are to be shared is key – this is often one of the main areas of contention.

In order to ensure direct and meaningful communication, it will be beneficial for a project board to be created, which is often split between strategic and project management/delivery functions. This is the body through which any development will be progressed, interests kept aligned, and perhaps most importantly, risks are continually assessed and managed.

A LA will need to appoint a project champion, who has a place on the project board, has the authority to ensure that the relevant weighting of the LA's social, economic and environmental objectives can be fully expressed, and is empowered directly, with delegated authority (or through a designated committee with appropriate authority), to make relevant decisions within a meaningful timeline. There must be clear mechanisms, such as standing sub-committees, to ensure there is appropriate political support to any officer-led processes, especially where scheme implementation is likely to bridge the electoral cycle.

On the private sector side, the developer will need a project director who similarly has responsibility for commercial decisions, able to weigh up commercial risks on costs and values in the context of timescales, and funding requirements.

Early engagement of consultants is likely to be required to assist in identifying risks, be they legal, financial, technical, policy, community or political, in order that they can be quantified and assessed. External costs will be incurred at this point, to ascertain how feasible the development plans are. Both parties need to be clear on the extent of these, normally being realised in key stages as pre-agreed milestones of due diligence are achieved.

Some plans will falter at this stage based on this due diligence, and/or the joint venture structure parameters required, but better now than further down the line if there are fundamental issues, or changes to be made to the underlying concept. An unidentified, or unaddressed significant risk will, inevitably, prevent a project from being delivered successfully – it is best to have discovered these at an early stage when relatively minimal expenditure has been committed.

### *Delivery and interventions*

The Route Map delivery process is not about a physical start on site – it is continuing a journey where there are now agreed objectives from willing joint venture partners for a shared vision, albeit with differing agendas, as to why each would like to see the project delivered.

It is at this stage where there will be a more intense pull on the time, people and resources, to enable progress to the 'agreement to start on site stage'. The extent and split of these resources needs to be mapped at the outset via the project board.

There are many workstreams to be covered, only simplistically referenced in the Route Map, which depending on the size of the project, could entail significant resources /costs, to ensure the development is de-risked as far as possible. If market conditions alter throughout this period, the viability of the proposals will need to be regularly reassessed, to ensure all are aware of the financial implications. If the viability metrics have altered negatively since the project workstream stage, there will need to be open and frank discussions between the parties as to if and how viability can be restored.

As outlined earlier, priority needs to be a key consideration from a public sector viewpoint. Without this, the scheme may not start in earnest or have the full support of the LA. Once established as a priority, the LA may have to consider utilising a number of differing levers it has available to secure the regeneration, including the use of property, procurement, investment, borrowing, assisting in securing third party funding through guarantee, or lease wrap mechanisms (to name but a few). These all need to be tied back to the wider holistic picture in the justification of their use in meeting the social,

economic and environmental objectives for the community it ultimately serves.

### *To the future*

It is clear that the future of regeneration will require unprecedented collaboration on an increasing, more frequent basis, between the public and private sectors. If we are to succeed, we need to build both the skills and the trust required to deliver complex projects through economic and political uncertainty. Where there are challenges, we see opportunity.

Revo [Ed - previously known as the British Council for Shopping Centres] is well placed to support the private sector, by building collateral and creating platforms where LAs can come together with the private sector. From our industry-leading annual conference – Revo Liverpool 2019 – and through channels ranging from member committees, study tours, influencing central government through advocacy and engagement, we issue an open invitation to join us; to learn; do deals; and socialise; to show leadership in this new era for urban places. Revo, and by extension the wider private sector, is ready and willing. The future is now.

Revo is the organisation that supports all people and businesses involved in the diverse world of retail property and placemaking sector, helping them to thrive and prosper, energising and driving progress within its community. That community includes private and publicly listed retailers, investors, developers and owners of retail property, as well as local councils, and advisors and consultants of all sizes who provide services to our industry.

Revo Liverpool 2019 – the UK's largest gathering of people and businesses that together create, deliver, operate and occupy great places to live, work, shop, eat and be entertained takes place 17-19 September. Special public sector rates start from just £175+VAT.

Continuing the theme of regeneration, Tim looks at what projects mean in different areas of property and how councils can succeed. CIPFA Property will consider best practice at its Regeneration 2019 Conference on 10 July (see banner at end).

CIPFA The Chartered Institute of Public Finance & Accountancy

# REGENERATION – DELIVERING CHANGE TODAY FOR THE GENERATION OF TOMORROW

Tim Reade

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For LAs, the word **regeneration** conjures pictures of vibrant town centres, transformed neighbourhoods and strong local economic growth. Often we see it combined with snappy strap lines, polished marketing brochures, and flashy presentations that talk of improved infrastructure links and repurposed buildings that will deliver wholesale change and transformation. There has always been a clear determination and desire by LAs to be the agents of regeneration, but increasingly we see councils struggling to come to terms with the effects of budget cuts, reductions in staff numbers, loss of corporate knowledge and an acceptance that councils alone cannot deliver the same impact they once did where regeneration is most needed.

In this article we will examine the challenges surrounding regeneration by looking at 3 key areas often cited as fundamental in our ability to effect meaningful change at the local level: town centres; housing; and infrastructure.

### *Town centre and high street regeneration*

For those involved in the retail sector, be it public or private, landlord or tenant, the recent release of 'High Street 2030: Achieving Change', a report from Parliament's Housing, Communities and Local Government Committee will be of interest. It comes hot on the heels of the government-commissioned 'High Street Report' (Sir John Timpson), which also sought to tackle the increasingly thorny

issue of how we revive, regenerate and repurpose our town centres and high streets.

It will come as no surprise that the committee's report gives dire warnings of the fate that could befall our towns should change not ensue in short order. With a horizon set at 2030, of note was the heavy emphasis it placed on the need for increased partnership between the public and private sectors [Ed – see Rob Williams/Revo's Route Map to Regeneration in this issue of Terrier].

The report emphasises the need for LAs to take the lead in enabling structural change that takes account of developments in the public's approach to the retail sector, such as the rise of on-line shopping. While it majors on the need to increase both public and private investment, at the grand strategic level, its summary recommendations talk of the need to be inventive and flexible.

In short, our town centres must diversify to survive. The tools to facilitate this change will be centred on better stakeholder partnering, changes to planning and property laws, and a shake-up of taxes and financing. These measures, the report contends, will deliver the changes needed by the retail sector so those affected and capable of affecting change can influence the desired outcome.

So what is the desired outcome? The committee's report describes a panacea many will see as unobtainable, such is the degree of change needed to reach its lofty vision: "…activity based community based places where retail is a smaller part of a wider range of uses and activities and where green space, leisure, arts and culture and health and social care services combine with housing to create a space based on social and community interactions". For those doubters out there, at least we have until 2030 to achieve it!

## *Infrastructure*

In an uncertain post-Brexit era (and I promise to use the 'B' word only once), infrastructure projects that deliver regeneration to local and regional economies are viewed by many with some scepticism. Given the warnings in the news every day of potential labour shortages and the effects of import and export taxes on our economy, we could be forgiven for thinking that the growth claims made by those delivering infrastructure projects around the UK are somewhat less than realistic. But to ignore the degree to which these projects can be a catalyst for real change would be to think short term. That is perhaps the greatest danger to our ambitions to create a thriving and robust economy.

While it may be true that real threats exist over access to investment in a more isolationist UK, it is necessary to confront risks and think strategically, in order to compensate for what may occur. A risk-based approach to decision making is needed. By understanding risks, we are better equipped to identify the best courses of action to bring results; key to understanding risk is to do your research and due diligence.

A recent report by the Scape Group 'Digging Deep for Growth' analyses cities around the UK and their ability to compete on the world stage with our closest competitors in Europe (specifically, Germany, France, Italy and Spain). The report categorises cities by how their infrastructure and connectivity facilitate trade and commerce, labour movement and therefore growth.

The Scape report highlights key deficiencies in the UK's 'Global Cities' in relation to their mass transit infrastructure. As a result of poor connectivity, these cities suffer from a lack of skilled labour. Nowhere is this more apparent than in the north of England, where wages and productivity are stunted as employers from the south seek to draw labour. The report places particular emphasis on the need to improve connectivity through improved public transport networks, to enable better flows of labour. This is backed up by statistics which show (according to the CBI) that Gross Value Added increases by £0.50 per hour for every 1 million extra people within 60 minutes' travel time from their homes to their place of work.

The major contention put forward in the report is that a sum of £140bn could be better spent delivering multiple smaller scale transit infrastructure projects in our major cities. I would have to agree that, on the face of it, the smart money should be spent in rebalancing our own economy through smaller scale infrastructure improvements across multiple cities, to ensure they are better connected and more resilient to changes in the economy. Whether this logic wins out will be interesting to see, given the choppy waters we are currently sailing in.

## *Housing regeneration*

After 'you know what', perhaps the second most contentious and emotive problem faced by this country is the undersupply of housing and its effect on long-term prosperity. Annual housing delivery needs to be between 240,000 and 340,000, according to estimates cited by the House of Commons Library in its 'Tackling the under-supply of housing in England' briefing paper. Such projections fluctuate, but nobody is in any doubt that the situation we are in is dire. Housing delivery is expected to fall well below the government's 2015 ambitions to deliver a 1m net increase in new homes before the end of this current parliament. Debate continues to rage over where government should focus its funding, which barriers to housing delivery are more important than others, and how LAs are going to deliver housing where the private sector has proved woefully inadequate at meeting the national need.

One approach articulated in the government's February 2017 Housing White Paper 'Fixing our broken housing market', has been to focus on 4 key areas:

- The right homes in the right places
- The ability to build homes at pace
- Widening the range of house builders and construction methods
- Helping people now – more affordable housing/tackling homelessness.

Strategically, these areas of focus provide a broad direction of travel for


LAs when attempting to marshall their thoughts on how to deliver housing that meets the needs of their local communities. Clearly this is only the first step and other challenges exist which must be overcome.

One example of this is the lack of transparency which allows LAs to match land ownership to planning strategy. With land banking so prevalent in recent decades, the lack of transparency in ownership is now having a strategic negative impact. Market forces have conspired against the sector, to create a situation in which vast numbers of permissioned sites lie undeveloped, while house builders wait for the optimum conditions to cash in on their assets [Ed – see Letwin Review in 2018/19 Winter Terrier].

Solutions to the land banking problem have been proposed in various forms, not least incentive programmes to entice developers to build out schemes. This remains politically unpalatable for many, given the increased profits accrued with the aid of public money and the resultant backlash of local opinion. The ability to compel the market to build out its sites is complex and multi-layered. Many advocate more simplistic solutions that empower LAs to take control directly over land earmarked for housing, but which has to date been undeveloped.

Popular with many is the concept of earmarking publicly owned land for affordable housing. In addition, the proposal to give LAs new rights to purchase undeveloped land at existing use value is both novel and controversial. While avoiding the hope value increase that in itself presents an affordability barrier that has had a stifling effect nationwide, its potential to skew the market and raise concerns with house builders must be considered.

### *Summary – CIPFA Property Conference*

This is just a taster of the issues faced in the complex, uncertain and constrained environment in which LAs are expected to operate. As an institute, CIPFA strives to shine a light on best practice, and our property team endeavours to do this in areas of key importance to our members.

On 10 July CIPFA Property will deliver its annual conference 'REGENERATION 2019' at the ICC in Birmingham. Its purpose is to inform on the strategic issues around infrastructure, housing and town centre regeneration. But equally importantly, it will provide real insight through case study deep dives that examine how safe, secure and successful partnerships have been forged between LAs and private sector organisations to deliver small, medium and large scale regeneration projects across the country.

# DUNDEE WATERFRONT PROJECT

Allan Watt

*Allan is Dundee Waterfront Project Director at Dundee City Council.*

Allan outlines progress on a major regeneration project at Dundee Waterfront, including attracting the exciting V & A building. Detailed Information is available at: www.dundeewaterfront.com

### *The project*

Dundee Waterfront is one of the largest active regeneration projects in the UK, covering 5 key zones along an 8km stretch of Dundee's waterfront. The primary investment opportunities are within the Central Waterfront which includes a number of sites which are wholly owned by Dundee City Council (which is the consenting authority) and are "shovel ready".

The £1bn Dundee Waterfront project continues to progress to plan, with more than £800m of investment now having been committed to the transformation of Scotland's fourth largest city. Disconnected gap sites and redundant land have now become one of the UK's regeneration hot spots.

The first phase of investment focused on creating the infrastructure, roads, utilities, open spaces and construction work needed to reconnect the city centre with the River Tay. A wide variety of offices, retail, leisure, travel, residential, hospitality and tourism-related projects are now arriving in the Waterfront and city. The investments range from micro to major businesses, and with significant interest from across the UK and overseas.

Development at Dundee Waterfront is based on the solid foundations of a visionary masterplan and significant

Photographs of V & A Museum reproduced with the kind permission of Hufton + Crow

public and private investment, which has already been made, to develop the necessary infrastructure and serviced sites for development.

## *V & A Museum of Design Dundee*

The figurehead investment is the new V&A Museum of Design Dundee, which opened on 15 September 2018. Representing an investment of more than £80m, the new V&A Dundee will be a major addition to the UK's rich portfolio of museum assets. The museum sits next to RRS Discovery, the exploration ship which was sailed to Antarctica from 1901-1904 by Scott and Shackleton [Ed – see 2018 Spring Terrier].

The new museum alone was forecast to attract around 500,000 visitors in its first year. Encouragingly, for the almost 5-month period from 15 September 2018 to January 2019, the V&A had already welcomed a total of 395,554 visitors. Those high visitor numbers are anticipated to generate substantial trade for the hotel, hospitality, tourism, travel and service industries.

## *Other developments and investment*

A host of other major investments are helping drive regeneration, including a new railway station which opened in July last year. This development consists of a Sleeperz 120-bedroom hotel and retail space. Other major developments are planned for Dundee Port, and the creation of a new 350-berth marina. The Scottish Government is also investing £63m of growth funding under the Growth Accelerator Model, which will help fund the next phase.

There are huge opportunities for UK investors to partner with the city: "The City Council owns the vast majority of land in the central waterfront, which allows us to work closely with developers, investors and entrepreneurs. There are exciting opportunities for the UK's private sector to capitalise on the expansion of Dundee Waterfront. We are very entrepreneurial in our approach, and would urge interested parties to contact the Dundee Waterfront Development team directly with their ideas."

A further 1 million sq. ft. of development space across 8 sites was recently released. Uses for the remaining sites include professional services firms, financial services, public and government organisations, technology, biosciences, software, contact centres, retail, hotels, bars, restaurants, leisure, recreation and residential.

The choice of uses is only really restricted by imagination: "Dundee Waterfront is a blank canvas of development opportunity. With the V&A Museum of Design Dundee, we now have one of the UK's leading museum assets which will attract hundreds of thousands of new visitors."

"There are major opportunities for businesses of all sizes to invest in the Waterfront and take a long-term stake in the development of the 'New Dundee'. An innovative set of online design and planning guidelines for each individual site steers investors, developers and their advisers on how to approach building projects. The objective is to encourage sustainable, design-led development that reflects Dundee's status as the UK's first UNESCO City of Design.

"The guides will help businesses understand our approach to development, and how they can partner with us as the Waterfront expands. Almost all of the sites within the Central Waterfront are owned by Dundee City Council, so we can ensure everyone gains from the project."

2018 was marked by new private sector investment in Dundee Waterfront. Leading UK development and Regeneration Company, Our Enterprise, which has developed a pioneering 'social legacy' business model, intends to invest £25m in Dundee Waterfront, to build 91 apartments and create a design and innovation quarter aimed at retaining the city's graduates. This development, which now has full planning permission, is scheduled to commence construction later this year.

Two city blocks will house 'Design, make and sell' units suitable for small, craft and artisan enterprises, plus high-quality apartments designed for professionals and couples. Our Enterprise will also build offices for a wide range of occupiers.

2018 also saw the opening of 2 new hotels Sleeperz and Indigo.

Scottish based Robertson Construction, another leading construction and infrastructure company, is fine tuning proposals to build 99 flats, and a hotel on a site, which is adjacent to the V&A Museum of Design Dundee. In addition, Robertson Construction has delivered 50,000 sq.ft. of grade A office space on the site, which is nearing completion and will be ready for occupation this summer.

Finally, Forth Ports is investing £10m in a project that will enable Dundee Port to capitalise on the expansion in renewables and decommissioning work from the North Sea.

# ARE LOCAL AUTHORITIES THE NEW POWER PLAYER IN THE ENERGY MARKET?

Clare Davey

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*Clare provides technical expertise, professional advice and assistance with development matters on all types of energy projects, from feasibility and planning, through to management, site promotion, due diligence and valuation. Clare.Davey@carterjonas.co.uk*

Clare provides a useful introduction for any local authorities thinking of 'dipping their feet' into income generation through renewable energy projects. "While embracing the potential…. it is vital that landowners fully appreciate the merits of their site in order to determine whether it is suitable for a project, be it solar PV, battery storage or PPG projects."

## *Pioneering councils*

Local Authority investment in commercial property has come under a great deal of scrutiny over the last 18 months. However, away from the headlines, a relatively small but growing number of authorities are looking beyond just bricks and mortar towards renewable energy. Investment of this type is becoming increasingly popular as a means to optimise existing assets, generate new income streams, meet climate targets with clean energy, and support a low carbon economy.

In May last year, South Somerset District Council, in partnership with a local developer, announced plans to create a new 25MW battery storage facility near Taunton, to provide essential power management assistance to the National Grid. The system comes as a result of a £9.8m investment from the council as part of its new commercial strategy.

The rationale behind the development and the council's overarching commercial plan is due to the complex financial climate that the council is currently operating in. In December 2018, the council announced that between 2018 and 2022 it needs to deliver savings rising to £6m p.a. This is in addition to having to cut costs substantially, having sustained a 70% reduction in its government grant funding since 2010. The council views the scheme as an opportunity to assist with its income generation needs, as well as its commitment to its corporate plan to promote the use of green technology.

Elsewhere, Ashford Borough Council's Cabinet agreed in February to a proposal for a solar farm project in Shadoxhurst. The 50-acre site was purchased by the council in 2017 and is currently used for grazing, with little scope for alternative agricultural use. It is believed that Ashford would be the first local authority in Kent to build and run its own solar farm. The proposal is for a system 9MWp (9 megawatts or 9000KWp) in size and would directly feed the National Grid. Again, the rationale cited for agreeing to the scheme, subject to planning approval and public consultation, is that a solar farm is seen as the optimal use for the site and would provide a significant income stream, while having a low environmental impact. It is estimated that the project could generate £7m over a 25-year period, which supports the council's entrepreneurial ethos, and secures future council services in a challenging economic climate.

Perhaps the most pioneering of these projects is Warrington Borough Council's deal with a sustainable energy company, to create the 2 largest solar farms in the UK since 2016. With a combined capacity of 62MW, the farms in Hull and York will help make the council the first UK-based local authority to generate all of its own energy. The council estimates that the schemes – once fully operational – will generate enough clean power to supply more than 18,000 homes and mitigate the emission of 25,000 tonnes of carbon every year.

Moving forward, an ability to demonstrate actively green credentials will become ever increasingly important for local authorities and Warrington is a leading example: utilising this technology for income generation, alongside its ambitions to deliver its clean energy targets.

## *Background and technology development*

Solar PV was once the preferred technology for private landowners and developers seeking to host an energy project, due mainly to the relative ease with which a scheme could be granted planning consent, compared to other technologies and the subsidies available for the technology. However, just as

the technology started to mature, withdrawal of government-backed subsidies appeared to signal its demise. Concurrently, Battery Storage and Peak Power Generation (PPG) schemes emerged as a new opportunity for landowners: technology designed to help balance the electricity distribution network, by addressing problems caused by the intermittent nature of wind and solar PV generation.

As the battery storage and PPG market continued to grow from strength to strength, in September 2017 BloombergNEF released a flagship report highlighting a tipping point in UK renewable energy deployment; it became cheaper to generate electricity by solar and offshore wind than by creating new coal, gas or nuclear fired power stations. This watershed occurred in the absence of subsidies, as costs decreased and perception of risk reduced, with performance data collected over a number of years providing certainty of investor returns.

Consequently, solar developers re-entered the market alongside new entrants such as local authorities; business models no longer relied on subsidies and instead produced viable revenues by securing long-term Power Purchase Agreements (PPA), Sleeving Agreements and Private Wire Agreements with large energy consumers. Terminology:

- PPA – Electricity is exported directly to the grid via an electricity supplier. The rate received per kWh is currently in the region of 5-6p. Electricity prices are often higher for contracts secured on a short-term basis (6-12 months), but funding can be difficult to secure for short-term contracts and as such, longer term (up to 15 years) contracts are preferred by investors

- Sleeving - Similar to a PPA agreement, with a slight premium received as the solar PV developer usually has an arrangement with a large, normally corporate, off-taker. The generator will agree to sell its entire output to an off-taker, so that the off-taker can meet its own green energy targets. In practice, the electricity is not strictly consumed by the off-taker. Instead and through an agreement with a licensed supplier, they cover the distribution and transmission costs, enabling the power to be "sleeved" through the network. In doing so, they can enter into a long-term PPA with the generator, and the wholesale price of electricity can be determined between the parties

- Private Wire – The energy generator connects directly into an electricity consumer, usually within 1km of the site, and they will absorb as close to 100% of the electricity generated as possible (the scheme size will have been proposed to match the consumption demand, depending on the cost and complexities of the grid connection for any surplus generation). This is typically the preferred option, as there are currently no distribution charges behind the meter, so the rate paid per kWh is essentially as the result of bilateral negotiations and will depend on the market electricity purchase price and electricity sale price.

## *Investment opportunities for new players*

Public perception of solar is positive, so planning applications are typically less contentious; a recent Department for Business Energy and Industrial Strategy survey found 84% of people support the technology. In addition, as a passive technology, solar is more suited to sensitive sites where noise or emissions are not acceptable, making it more likely to be granted consent in rural locations, with livestock able to be grazed under and around the technology.

With solar technology prices continuing to fall, we are seeing an increasing appetite for larger scale solar developments and have been working with a number of local authorities to determine the viability of their sites for such developments. Key site attributes include access to a viable grid connection (or a significant high energy PPA off-taker) and sufficient land (either owned or third party) of low landscape and agricultural quality.

In the absence of renewable subsidies, the viability of solar is now more heavily reliant on the value of the exported price of the energy it generates. The UK energy network is heading towards a "smart grid" system, with distributed generation and storage being ever more aligned. As a result, we anticipate developers will seek to co-locate battery storage facilities on solar sites, thus maximising the export potential of grid connections at times of peak demand.

While embracing the potential of renewable energy as an income stream, it is vital that landowners fully appreciate the merits of their site, in order to determine whether it is suitable for a project, be it solar PV, battery storage or PPG projects, and whether the best opportunity presented is via PPA export, sleeving or private wire. This will also depend on what's in the vicinity to the site and the complexities of connection to the grid e.g. at what cost, what distance from the site, any third party wayleaves, etc.

The model for private wire is expected to change, following the announcement of the results of National Grid's recent Targeted Charge Review. This consultation proposes to level out distribution charges, so these are split fairly between those projects feeding the National Grid directly and those that remain behind the meter. As such, the economics are likely to improve for straight PPA and sleeving projects but reduce for private wire projects. However, given the benefit of offsetting the retail cost of electricity, for many, private wire will still remain the most attractive development option where this is available.

# THE 2019 MODEL ESTATE REPORT

Catherine Penman

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The Model Estate report has been featured for a number of years, lastly in 2018 Spring Terrier. Catherine here summarises the findings for 2018. It provides useful performance trends for asset classes typically managed by many local authority surveyors, and some interesting comparisons against other investment types. It is particularly pertinent as more authorities consider how to raise income in these challenging times.

## *The Model Estate Report for 2018 performance*

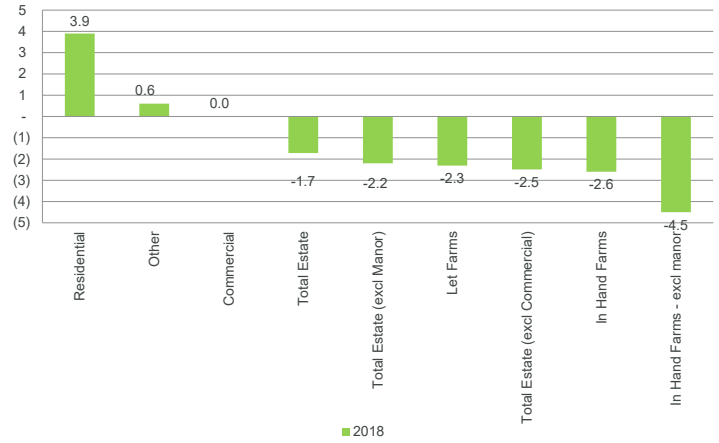
The 'Model Estate' is a notional agricultural estate created by Carter Jonas in 2010. The estate comprises 3,168 acres, which includes a combination of let and in-hand farms, a commercial and residential portfolio, and a solar farm. It is located within the geographical triangle bounded by the M4, M40 and M5 motorways.

Analysing the estate's data every year enables us to give a balanced view of all the assets and make strategic recommendations for the coming months, similar to the annual reviews produced by Carter Jonas for estates under our management.

Furthermore, the model estate is also used to compare the performance of agricultural land against a basket of alternative asset classes: residential and commercial property, equities, gold, fine wine and classic cars. By recording the data since 2010, the report can focus on the estate's annual change and its longer-term performance.

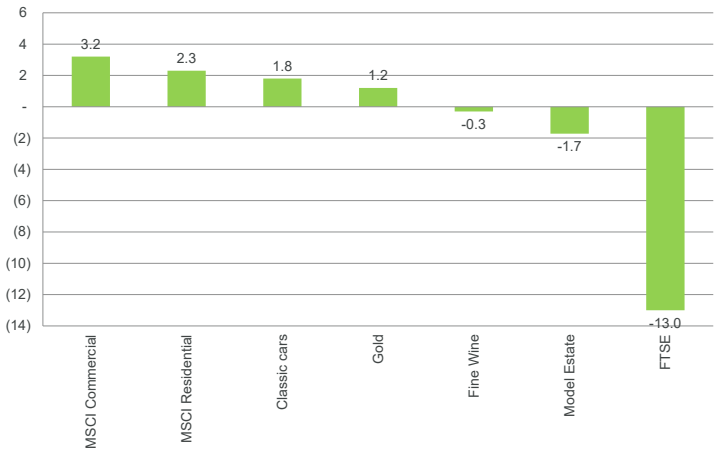
**2018 Model Estate Component Performance**

Source: Carter Jonas




**2018 Asset Performance**

Source: Carter Jonas




## *Model estate performance*

The model estate was valued at £39.4m in December 2018, representing a decrease of 1.7% from its 2017 level. This is similar to the 1.5% fall witnessed in 2017, and the 1.5% decline in average UK agricultural land values recorded during 2018, to £8,833 per acre.

Residential: 3.8%

The residential portfolio of the estate witnessed a healthy 3.8% annual increase in performance, due to strengthening capital values, while rental levels remained stable. This growth mirrors the wider regional residential market over the last year, which recorded growth in the range of 2% and 4%, with demand continuing to increase for good quality, well-located and reasonably priced stock. In sharp contrast, London house values have witnessed 18 months of consistently declining values.

Other: 0.6%

The "other" element of the model estate increased marginally by 0.6% during 2018, due entirely to an increase in the reversionary land value of the solar park.

Commercial: 0.0%

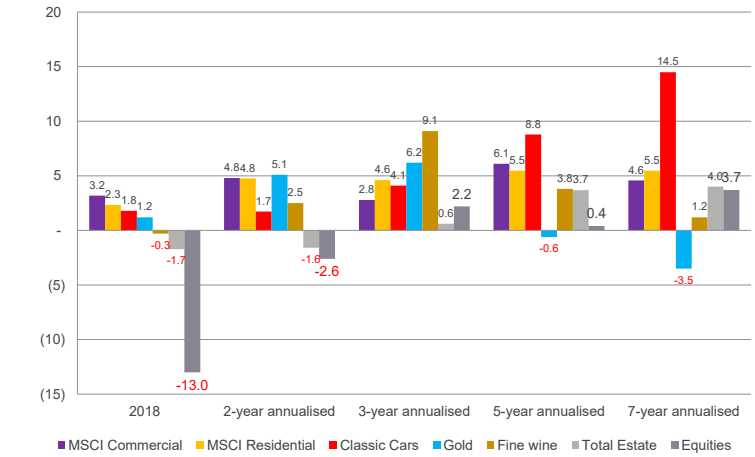
Values remained static across the commercial portfolio of the estate as a result of the substantial management exercise undertaken 2 years ago. The commercial assets remain fully occupied, underpinned by growing demand for quality stock in a good location. The supply of quality office accommodation has reduced in recent years throughout the UK, due to a lack of speculative development in the majority of key regional cities. Throughout the office sector, occupiers are increasingly focusing on quality over cost, and elements such as natural light and other "wellness factors" are becoming more significant. This should have a positive impact on the portfolio in the future.

Let farms: -2.3%

The let farms component of the estate declined by 2.3% in 2018, exactly replicating its 2017 performance. This figure, however, masked a divergence of fortunes. The capital values of the cottages increased by between 1% and 2%, while arable land decreased by 5% and pasture land values remained stable. The spread of returns within the let farms element reinforces the significance of diversity within the model estate, with the principal focus of arable land diluted by the more resilient performance of both the residential element and pasture land.

**Alternative Asset Class Performance**

Source: Carter Jonas




In-hand farms: -2.6%

The value of the in-hand farming element within the estate also declined, by 2.6% in 2018, principally due to the reduction of arable land values. The Manor House increased in value by 0.6% and had a notable positive effect on the sector's performance, reducing its decline from 4.5% to 2.6% when included. The value of woodland also increased, by c5%, over the last year, although it was insufficient to offset the impact caused by declining arable values.

Looking ahead

As the agricultural land sector adjusts to the second consecutive year of negative capital growth recorded for the model estate, the sector remains faced with an increasing number of headwinds. The ongoing uncertainty surrounding the wider economy has inevitably created turbulence. That said, the fundamentals of the sector remain firm – a finite supply, strong demand for the right quality product and, importantly, a favourable tax regime – and continue to attract a diverse investor pool. While double digit growth rates are not predicted, at least in the short and medium term, the direction of travel over the next decade is forecast to increase modestly.

## *Model Estate versus alternative asset classes*

MSCI Commercial (Morgan Stanley Capital International)

Growth of capital values for UK commercial property slowed in 2018, increasing by 3.2% (compared with 6.4% at the end of 2017). However, the commercial sector still takes the top place in this year's alternative asset class ranking. Across the 3 core sectors, industrial property remained the top performer, increasing by 11.4% during the year, followed by 2.1% growth for offices. Retail property continued to struggle in 2018, declining by 5.3% during the year, which is a reflection of the general slowdown within the sector, spurred on by the relentless shift towards on-line retailing.

MSCI Residential

Residential property followed the same trend as its commercial counterpart, whereby annual capital value growth reduced from 7.2% in 2017 to 2.3% at the end of 2018. Nonetheless, this puts residential property into second position in this year's rankings. The slowdown in house price growth has primarily been driven by the uncertainty surrounding the future of the UK post-Brexit, the slower rate of earnings growth compared with residential property values, and finally the role of legislation in the UK's mortgage market.

Classic cars

The growth of the classic cars index remained in line with levels witnessed last year, but the slowdown in annual growth of the other asset classes has pushed classic cars up to third place this year. Although short-term growth has markedly slowed, when compared with the robust annual double digit growth between 2011 and 2015, its long-term performance continues to outstrip that of residential and commercial property, as well as the model estate, gold, fine wine and equities.

Gold

The price of gold fluctuated throughout 2018, driven by increasing macroeconomic factors and movements within the currency markets. At the end of the year, gold prices were up by 1.2% annually to $1,279/oz, placing it fourth in this year's alternative asset class rankings. Gold as an investment continues to remain attractive, and will do so as developed and emerging markets support its role as a multi-facet asset class. During periods of uncertainty, the gold market continues to perform well, which is reflected in its performance over the last 12 months.

Fine wine

While the performance of fine wine dipped slightly in 2018, by 0.3%, the market has held up relatively well, with the index reaching its peak in September 2018, when it hit its highest point for 7 years. Fine wines remain in fifth place among the alternative asset classes, and has demonstrated less volatile and relatively stable long term growth trends, in comparison to the likes of equities and gold. During the course of 2019, the fine wine market is expected to remain broadly flat.

Model estate

The model estate ranked sixth in this year's alternative asset class rankings, up one place from last year. However, over the 5 and 7-year periods, the model estate placed fifth and fourth respectively.

Equities

After reaching its all-time peak in July 2018, the FTSE All-Share index plunged at the end of the year, to reach its lowest month-end level since November 2016. Falling by 13.0% annually, equities ranked seventh in this year's report. The index began to gain some momentum at the start of 2019. However, its ties to the foreign exchange markets will mean it will continue to remain a volatile asset class.

# LOCAL AUTHORITY LAND OWNERSHIP IN ENGLAND

Emily Williams

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*She regularly engages with public sector stakeholders, industry bodies and private sector developers, including providing evidence to the Letwin Review of build out rates, and working on the London Land Commission, identifying public land holdings across the capital.*
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Emily features Savills' research findings into Land Registry records, to make some telling observations about recent LA land ownership investments. Savills is a new advertiser for 2019, so many thanks to Emily and Savills for supporting ACES in both ways.

Local authorities (LAs) have long been significant land owners, with large residential holdings, alongside public amenities such as parks and playing fields. However, LAs are increasingly also looking to use their land ownerships as an income source, as budgets have been squeezed in the years following the 2008 global financial crisis, and this has resulted in more investment in commercial property, often by the use of an increase in borrowing to fund property purchase.

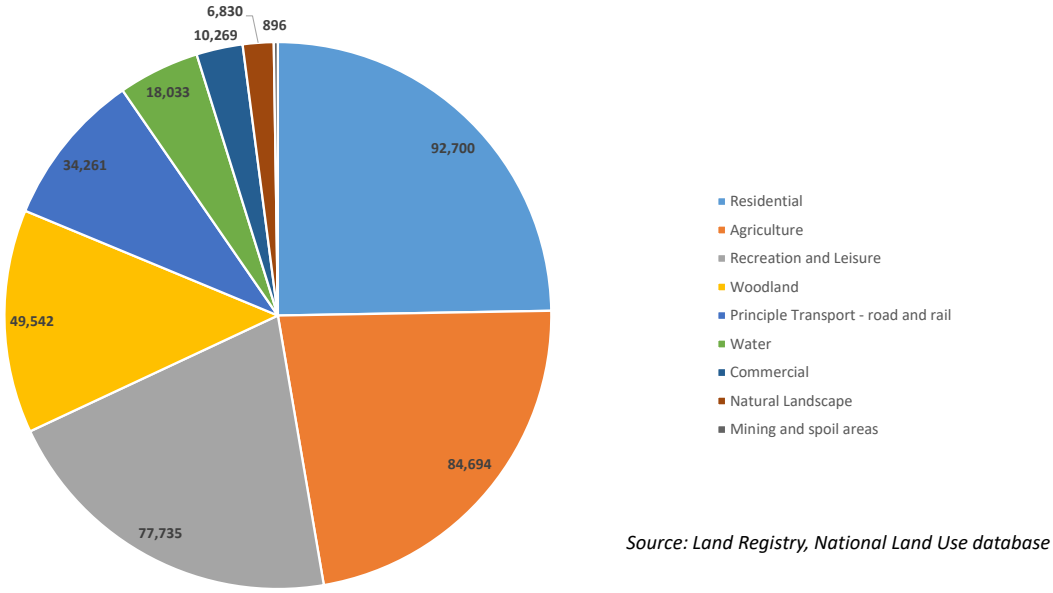
Treating property as an investment offers the opportunity to increase funding for public services, but also exposes LAs to risk in the event of a market downturn. LAs pursuing this path need to have a clear understanding of the property market and strategies to minimise risk and maximise returns.

## *How much land is owned, and what type?*

According to Land Registry data, 374,959 ha are held by LAs in England.

The largest type of land ownership is residential. This category encompasses a wide variety of types, from dense residential areas of 3 or more storeys, typically found in city centres and also

Figure 1: Local authority land ownership by type, hectares




*Source: Land Registry, National Land Use database*

including commercial property on the ground floor, to less dense post war housing estates, and low density, more rural, single unit housing. 59% of residential land owned by LAs is developed with low density housing.

LAs with a Housing Revenue Account (HRA) tend to have the highest level of LA owned residential land. 52% of LAs across England have a HRA, but between them they own over 99% of all LA-owned stock.

### *Figure 2: Top 10 LAs with the greatest residential and commercial land ownership*

| LA | Residential land (Ha) |
|---|---|
| Leeds | 2,448 |
| Sheffield | 2,026 |
| Kirklees | 1,470 |
| Cheshire East | 1,282 |
| Doncaster | 1,260 |
| Manchester | 1,236 |
| Kingston upon Hull | 1,234 |
| Dudley | 1,230 |
| Bristol | 1,202 |
| Birmingham | 1,130 |

| LA | Commercial land (Ha) |
|---|---|
| Manchester | 502 |
| Knowsley | 282 |
| Stoke-on-Trent | 181 |
| Bristol | 179 |
| North Tyneside | 173 |
| Nottingham | 169 |
| Cheshire East | 165 |
| Newcastle upon Tyne | 163 |
| Basingstoke and Deane | 162 |
| Leicester | 161 |

Source: Land Registry

Perhaps surprisingly, the second largest land category is agricultural, and is dominated by arable land; it accounts for 77,900 of the 84,694 ha of agricultural land. The third most significant land type, at 77,735 ha, is recreation and leisure, which includes parks and playing fields. There is no other land category where LA ownership exceeds 50,000 ha.

## *How are LAs investing in land?*

Although the amount of commercial land owned by LAs is relatively small in comparison to residential or agricultural holdings, in recent years it has grown in size and importance. This is due to the sharp rise in spending on acquisition of land and existing buildings, which reached £4bn in 2017/18, up 284% from the level of expenditure in 2014/15. (see graph).

This is the largest increase in spending of any of the economic categories recorded in the October 2018 Local Government Finance Statistical release, and has been mainly driven by increased acquisition of commercial buildings.

Spelthorne Borough Council was the biggest investor in 2017/18, with expenditure of £270m, followed by Kensington and Chelsea (£160m) and Southwark (£144m). In addition to expenditure by individual London boroughs, the Greater London Authority also spent a total of £270m on land and buildings. Spelthorne's acquisition strategy has been driven by the desire to generate income: the council's recent purchases include Thames Tower in Reading and the BP campus in Sunbury-on-Thames. The council's commercial property portfolio is now generating rental income of £50m p.a.

With LAs beginning to treat commercial property as an investment opportunity, there are several that have commercial property portfolios dominated by holdings outside their own boundaries.

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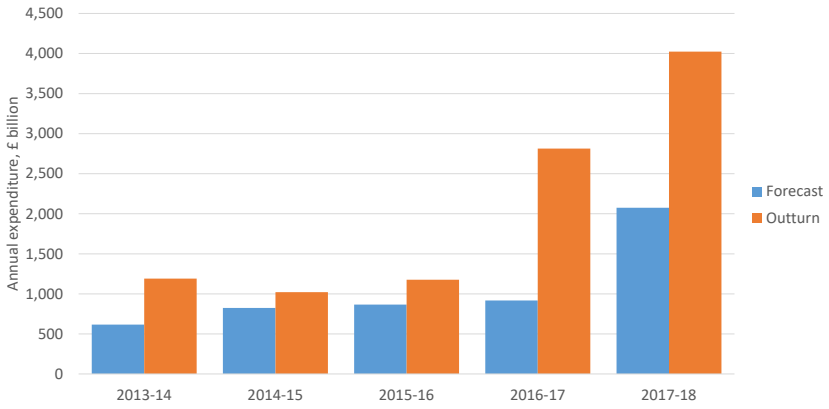
Figure 3: Local authority forecast and actual spend on land acquisition




*Source: MHCLG*

Seven LAs, including South Lakeland, Forest of Dean and Bracknell Forest all have more than 70% of their commercial land located in other areas. At 18ha, City of London is the largest owner of retail parks outside of its administrative boundary. This is followed by Middlesborough (17ha) and Wolverhampton (15ha). With a total of 26ha, Coventry owns the most business park space outside of its administrative boundaries.

However, an investment-led purchasing strategy does remain an unusual approach. Of the 35 LAs active in the property market, 15 spent less than £10m in 2017/18; 318 LAs did not acquire any new land for investment purposes in 2017/18. While there has been a significant increase in LA spending on land and existing buildings, our findings are that it is concentrated in a handful of councils, rather than being a widespread trend.

## *Where are the opportunities?*

Taking a more active approach to managing LA property assets can present some major opportunities. The most evident is the ability to provide more housing. A significant proportion of LA land is undeveloped. It isn't all suitable for development: 5% is water, and 15% is woodland and natural landscapes. But there is potential for development. Agricultural land that is located close to existing settlements could be suitable for housing development and would help meet need for more homes, particularly affordable housing. As mentioned earlier, most LA residential land is low density; in some cases, there may be potential for intensification of existing residential sites.

A catalyst for rethinking how LAs could use their land is the removal of the HRA borrowing cap in England which was announced in October 2018. With prudent long-term planning, we estimate that authorities could release between £10-£15bn of extra borrowing capacity. However, many will need to establish a land pipeline and build up construction capacity. We expect LAs could deliver up to 5,000 homes a year in England by 2021, with potential in the longer term for delivery to rise to 15,000 homes p.a.

## *How can LAs minimise risk and maximise returns?*

Elsewhere, with growing exposure to retail and office markets, LAs need to develop clear strategies for their commercial property holdings, and be aware of wider structural shifts in these markets. Under the statutory guidance issued in February 2018, under s15(1)(a) of the Local Government Act 2003 (https://www.gov.uk/government/publications/capital-finance-guidance-on-local-government-investments-second-edition, LAs are now required to prepare an annual investment strategy to include any investment property holdings. This should include a risk assessment, for which the LA should consider risks such as rental void periods, obsolesce and potential exit strategies, prepared by an adviser with a detailed knowledge of the property market. Exposure to property risk means that the income used to fund services could suffer.

The retail sector is the clearest example of the need to consider these factors. The rise of on-line shopping and the demand for more experiential stores has resulted in changing requirements for retail occupiers. For some retailers, this means that fewer stores are needed. For others, it also means a reduction in their unit space requirements. As a consequence, traditional retail assets such as shopping centres, particularly in secondary locations, may not produce the returns they did a decade ago.

This is not to say that LAs should avoid holding assets in this sector. Indeed, if it is the main landowner for a retail destination, it has great potential to shape strategy, and deliver the curation, flexible lease terms, turnover-based rents and mix of uses, including leisure and amenities that are now necessary to create thriving places. However, it has to be recognised that taking a more innovative and flexible approach to letting retail space will have asset valuation implications.

Therefore, if a LA views its retail property holdings as an income stream, it may be more appropriate to look at consolidating and intensifying assets. This could be applied to big box retail parks and shopping centres; and diversification and intensification, rather than wholesale repurposing, is likely to be the solution, bringing different uses such as distribution, office and even residential on site. This also limits the LA's exposure to the retail market. Opportunities can arise from currently vacant floorspace, redeveloping car parking space, and intensifying existing retail sites.

There is no one size fits all solution, but in an environment where LAs have to be commercially minded and seek out new income streams, there is a case for considering carefully the purpose of land and property assets, and questioning whether they are being used in the most effective way.

# PROPERTY INVESTMENT

Tony Bamford

*Anthony Bamford MBA MRICS MIWFM MCMI is a past Chairman of ACES Wales. He wrote his undergraduate dissertation on property and assets as an investment class. He received a distinction in his main MBA Dissertation on local authorities handling austerity. Until the last couple of years, he thought these areas would be unlikely to ever come together, let alone cross paths. He has 30 years' experience of working in councils in England and Wales. anthonybamfordmba@gmail.com*

Using recent trends in the United States, Tony considers the risks of local authority commercial property investment and strategic decision-making, in the current uncertain economic climate.

## Introduction

The purpose of this article is to look at property and assets as an investment class in today's environment. It will consider some of the associated issues, given the trends that have developed and continue to gather pace around our modern way of living. Back in the days when floppy discs were actually floppy, I did my undergraduate dissertation on property and assets as an investment class. At that time, interest rates fluctuated between 5-7% and high return building society accounts gave between 7-9%.

We learnt the relationship between yield and risk and marvelled at the long leases set in the early part of the twentieth century before rampant inflation and as a consequence, regular rent reviews became a normal part of the environment. In passing, it must be noted that even at today's inflation rates, the buying power of cash would halve over the course of a decade, based on the retail price index (RPI), which is unfortunately becoming side-lined in favour of the consumer price index (CPI), a marginally narrower and subtly, but significantly different inflation measure. This latter index, in simple terms, excludes housing costs and is likely to show a lower inflation growth in the future as a consequence.

## Background

The importance of choosing quality investments and diversification remain important aspects of building up a well-balanced portfolio. In the general investment context, a well-balanced portfolio of investments is set against a range of criteria - approach to risk; whether to prioritise income or growth; or a balance and diversification. The importance of this point especially applies to local authority investment, where ownership can be restricted to the authority's immediate area. The need to identify aims and the key, or appropriate means of meeting them, is essential. This is where the importance of effective and up to date strategies are crucial, together with rigorous and objective, well analysed, business cases.

## Corporate context

To consider this effectively, the overall corporate context and environment must be considered. Property and assets are the second largest resource in most cases, after staff, in the majority of organisations, regardless of their sector. This remains true in the public sector. If we look at some of the larger authorities, Bristol and Birmingham have investment portfolios that produce around £12m p.a. and £35m p.a. respectively. Some other authorities such as Swindon Borough Council and Basingstoke and Dean Borough Council have investment portfolios producing around £7m p.a. and £17m p.a. respectively. The nature of the make-up of these varies greatly and proactive strategic, as well as operational management, is essential in the long term.

The corporate context must begin with a local authority's corporate plan or strategy. If physical assets are going to support effectively an overall vision, there should be clear and direct linkage present. This may seem obvious, but how often is a cascade of purpose explicitly and clearly set out with full stakeholder buy-in completely achieved? Often in such a cascade there are implicit links or alignments, rather than explicit links, and this may cause issues over time, in justifying the clarity of the rationale. This leads to further problems, since clarity enables clear hard and soft performance indicators to set clear outputs and outcomes. With these factors clearly and robustly established, effective risk management can then take place.

## Corporate strategy and corporate environmental context

It is almost 20 years since asset management planning and the associated capital strategy activity was introduced to local authorities. During that time, I cannot recall a local authority corporate strategy that did not have health, economy, environment and education as its 4 central themes. As a major resource, I am not sure assets have been equally aligned and harnessed to these. The reason for questioning this,

is to challenge the assumption that what we have been doing operationally is truly and appropriately aligned strategically.

The importance of this lies in the relationship between local authorities and other public sector bodies. With the creation of the West Midlands Combined Authority, West of England CA, Greater Manchester CA and Local Enterprise Partnerships, an overarching approach at this visioning and strategic level is important. Operationally and tactically, initiatives such as One Public Estate facilitate this. However, in considering investments, wider objectives such as health, in addition to job creation, place making and other factors, could be considered, for example. Investment in sports and health centres and gyms, student accommodation for universities, and hotels for tourism, could add robust soft value to a locality.

Some authorities have undertaken these approaches and some excellent examples have been shown in recent editions of the Terrier, of leisure centres and other assets configured for modern needs and expectations. Other needs might include the provision of creches, extra care and elderly residential needs. These combined authorities and cross-organisation working opens up wider opportunities for risk management and the variety of routes taken. Joint ventures and contributions of assets or finance enable broader and more adventurous option consideration.

## *Commercialisation*

Having set that context, the drive for commercialisation and financial security is central to local authority planning, with revenue continuing to be more challenging than capital in most cases. Property and assets tend to sit either in the financial or regeneration area of local authorities. It can be argued this does have a material effect on how the asset base and its role is seen. From experience, a more rigorous financial approach is most immediately rational and tends to have more clearly defined success factors.

Many years ago, one authority sold a major shopping centre in the heart of its area since the level of investment, which was at a strategic threshold for the centre at the time, could not be justified and the authority felt as a public body, it was not in the shopping centre business. This extremely rational set of central arguments stood the authority in good stead and it invested the capital more appropriately. A similar argument has been made more recently regarding smallholdings and their disposal. It is therefore essential that these factors are included in effective business cases looking at the pros and cons of an approach, before considering the specific opportunities a particular approach may bring.

Nowadays commercialisation includes energy, with many authorities pursuing solar opportunities, waste and recycling and other potentially competitive business and customer-based activities [Ed – see article in this edition of Terrier]. The plethora of advertising signs appearing on roundabouts and electronic sign boards at the sides of roads demonstrates that many authorities are pursuing these approaches in greater numbers. Both commercial and residential property, via a number of routes can be added to this mix. If the corporate context set out earlier is kept in focus, these initiatives can be clearly evidenced as achieving the triple bottom line of finance, community and environment (profit, people and planet).

## *Investment classes*

Setting aside the ongoing debate about geographical investments, the issue of property investment classes and types of asset are important. The financial press is preoccupied in this area: the loss of value in shops, secondary shops and shopping centres seem to be at the centre of this concern.

Taking the commercial world, to illustrate a point, many companies have experimented with their own competitive forces. Kodak was the first company to create a digital camera as an experiment and it was able to continue for around 25 to 30 years. The changes Nokia underwent are perhaps a little more complex but are also illustrative. The point of these examples is that a traditional business under strategic threat might continue successfully, even if declining for many years.

In our context, retail and shopping centres in particular will come under pressure. Of course, what has changed significantly since Kodak's day is the speed of change and potential corporate failure. This is where financial margins, scenario analysis and appropriate risk management and mitigation becomes crucial. In the commercial property arena, as with retail, levels of debt are key, and the likes of Intu and Hammerson, in addition to being specialists in the unloved retail sector, are carrying debt burdens that are much too high.

By contrast Segro, which has ridden the internet phenomenon successfully with warehousing and logistics, continues to expand but now pre-lets the vast majority of its new and planned schemes as a risk mitigation measure. This is where perhaps local authorities should consider their borrowings more carefully. With prudential borrowing and other low borrowing cost opportunities, both individual and aggregated initiatives using this funding must be considered carefully. In such a tight revenue environment, maintaining a positive cash flow on assets with the comfort of appropriate and robust margins is essential.

One of the major factors in analysing investment is the additional yield or return for risk and illiquidity that property and assets as an investment class can carry. When interest rates have been at a higher level but running in a relatively defined band, this was relatively clear. Traditionally something of the order of 1.5-2% over a liquid, easily transferrable investment would be expected. However, with the interest rate environment as it is, the yield after inflation on 10-year government bonds (gilts) is currently negative. Yet investors are continuing to hold these for strategic reasons. The context seems to be that while a loss will be achieved, that loss is known and defined and is actually a lower risk than other alternatives.

In addition to holding property for diversification, it has traditionally been

seen as a hedge against inflation. There is some evidence that this benefit and the relationship with inflation only holds within certain levels. This is not universally recognised, and the evidence is not widespread, since these trading ranges are rarely encountered. However, there is a view that stagflation in particular would cause a breakdown in the inflation hedge benefit. As with other scenarios, this situation would be most effectively dealt with by a good range of investments to avoid "doubling down" on risk. There is a strong argument for the rationale that prime agricultural investments have been the best hedges against inflation, in comparison to other bricks and mortar opportunities [Ed – see Model Estate article in this edition of Terrier].

Many local authorities have an unusually large percentage of ground leases within their investment portfolios. These are, by and large, high quality investments with, on the whole, higher quality of assets sitting on them. Because of the solidity of income, they can be considered to be extremely good investments and as the interest rate environment has changed to what we see today, so has the strengths and quality of these types of holdings. In some cases, they would be virtually irreplaceable. The strengths such robust investments give adds credence to the argument that if these could be replicated, then geography is of little importance and it would be prudent to invest in similar assets in varied locations.

## *International context*

It has often been said that the United States shows where the UK will be in the future. The difficulties experienced by our department stores here - Debenhams, BHS and House of Fraser - mirror some of the difficulties in companies such as JC Penney in the US. Yet in the UK, companies such as Selfridges and in the US, Macy's and Bloomingdales, have proven to be more resilient both in terms of customers and their finances. These and other companies are keeping up with quickly changing consumer demand through an omnichannel environment. Likewise, in researching some articles for a website which covered the apparel and clothing industry globally, it is clear there are major shifts in consumer behaviour in the US and the means of tracking this effectively now exists.

The data emphasises the scale and speed of consumer behaviour change and newer major retailers in the US, such as Target, are also seeking to adjust effectively. There will also be ramifications for their supply chains and as a result, associated property as well. A simple principle is that historically here in the UK we zoned shops because the attraction to customers was where the value was. Hence Zone A included the window and enticing display was worth the most. It would seem many companies have not cut back to this principle, or not done so effectively, when considering what happens when everyone has their own little shop window in their pocket, in the shape of their phone.

However, there are significant changes in the US, with the major holding company Simon Property reducing its mall portfolio substantially and making heavy investments in its flagship and prime holdings. Naturally in the medium to long term, this raises some concern about holding the unwanted equivalent in the UK, especially if you are a local authority. According to CoStar Realty Information, in Fortune Magazine, the mall space per 100 residents in the US is 2,353 sq ft; in Canada 1,636 sq ft; and in the UK is 458, which may be of some slight comfort.

Simon Properties, according to Fortune the company, with over $31bn of assets and interests in over 241m sq ft of property (Wikipedia March 2019), is investing over $1.9bn in its retained real estate. The concern here, if this is a commercial imperative and such deep pockets are required, are local authorities acting prudently trying to replicate this success on a comparative shoestring budget? Naturally the ability to transfer risk through a portfolio of assets, especially on the US scale, is much easier than a local authority putting all its eggs in one small local basket.

The Financial Times has looked at the 2019 store closures in the US through to March this year, compared to last year. Store closures in the US are planned at 4,800 which is double what was planned at this point last year, based on Coresight Research data. Over the whole of 2018, store closures were 5,400 and 7,000 in 2017. It seems unavoidable that the UK will experience this kind of additional pressure. Because shop chains are retrenching drastically, this has a particularly negative effect for shopping centres with big, hitherto seemingly robust names reducing units sharply. Of concern is the pressure on particular retail sectors, where the US again mirrors the UK, with entire major footwear chains closing. Over this year, US closures are projected at around 12,000 according to Coresight.

With the advent of agile working there is a significant change in the office market as well. Illustrative of this is the government's strategy for property and the consequent effect on provincial markets and the quality of space on offer. In some ways, the industrial market is perhaps more immune to these sea changes. However, even here the internet of things and associated technology is beginning to have a significant effect for some companies. This affects how they work, the quantity and quality of data they hold, and naturally, their ability to use this data and manipulate it, as a tool for improved operational efficiency.

## *Economic environment*

Major economies have benefitted from extremely low interest rates for many years; this cannot continue indefinitely. Indeed, the longer it does so, the more concerned many economists become. This has had the effect of inflating asset values and potentially distorting cycles. The importance of scenario analysis referred to earlier is therefore extremely significant and yet more indefinable than usual. We also have substantial divergence in the economic forecasts for the UK, depending on the outcome and resolution of departing the European Union.

## *Conclusion and the future*

The public sector has sought to adapt to a number of changes, including

channel shift within organisations to reduce the cost of customer/service user transactions. It has also sought to use operational buildings more effectively and efficiently and many organisations have undertaken projects for new ways of working. The public sector and local authorities in particular, bearing the spearhead of austerity, are familiar with the needs of change and the direction of travel.

The present interest rate environment has continued for almost a decade now. At some point, as is regularly stated, all economic areas will have to readjust to a pre-2008 economic and financial environment. Hopefully when this does happen the uncertainties caused by trade and tariff arguments will be settled, or at least reduced and the position of the UK and Europe will also be settled and clear. At this stage the effects and uncertainty on areas and regions in the UK is significant.

For example, North Wales, an area with 2% unemployment a few years ago, has an Airbus supplier, Toyota and a German paper manufacturer as the 3 biggest private sector employers. Likewise, in the West Midlands, the Jaguar engine plant grew from 6 employees to over 5,000 in just over 3 years. These success stories can change just as quickly. As asset managers, we must be careful that our prudent property investments are strong and robust in such uncertain conditions. Proposals must be able to stand on their own 2 feet. Hopefully any funding coming from the recently announced Stronger Towns Fund will be available in a coherent fashion and can be used effectively by those on the ground. The funds may help provide a successful means of support for long term investment initiatives.

This knowledge and transferable skills can be used more effectively to consider the medium term for property investments. This experience can cover the procurement of financial and specific specialist advice. In a more exploratory mindset, local authorities can also use their skills and experience to identify and achieve solutions to the softer and more holistic skills required to support objectives such as place making, community creation and sustaining, through effective investment property management and strategic oversight.

# TOMORROW'S NORMAL – ON-LINE PROPERTY AUCTIONS


## Max Mason

*Max is Head of Sales - 574 at Lambert Smith Hampton. He has a background in commercial and residential development valuations and oversaw the launch of the LSH on-line sales platform – 574.*
*He has previously worked within the LSH capital markets team and assisted in the first on-line UK commercial property sale in 2016. He is now looking to bring auctions into the modern day by driving the on-line method of sale forwards, by utilising a collaboration of cutting-edge technology and in-depth local market knowledge.*
*MMason@lsh.co.uk*


Max outlines another opportunity brought about through the widespread use of IT, which the public sector could capitalise (literally) from using. Some organisations have already dipped their toes. "We do expect the property sector, auctions included, fundamentally to change over the next few years as more technology emerges."

The property sector is often considered to be behind the curve when it comes to the uptake of technology. One area, though, is bucking this trend and proving that the right combination of technology and expert human insight can bring buying and selling to a much wider audience – auctions.

The best part is that it suits both the private and public sectors, with the latter particularly valuing its transparent nature. It also provides increased security, with all bidders thoroughly vetted and showing proof of funds before being approved to bid. Our public sector client base includes Norfolk County Council, Newcastle City Council, East Devon District Council, Homes England and the Ministry of Defence – with whom we have a contract to sell surplus property.

By introducing state-of-the-art technology to speed up transactions and introduce a new level of engagement and transparency, the auction sector is inviting today's tech savvy audience to take part too. Technology has created a new generation of workers who think, work and play digitally. They have grown up

surrounded by tech, communicating on social media platforms such as Facebook and Instagram. Our shopping habits have changed so much in the last decade that the high street is still to reinvent itself [Ed – see Kevin Joyce's article in this edition of Terrier]. We now spend an entire day each week on-line, according to Ofcom's recent report 'A Decade of Digital Dependency', which highlights that adults spend on average 2 hours 48 minutes on their smartphone daily.

## *Benefits of on-line auctions*

The traditional ballroom-style auction might seem worlds away from this new digital way of life, but times are changing. Although the auction trade is not at the same stage of evolution as other sectors, the most significant piece of technology to be having an impact is the emergence of eBay-style selling platforms. LSH is pioneering this approach and there are multiple benefits.

- Firstly, on-line auctions deliver absolute certainty to buyers and sellers that, once the auction closes, the deal is done. In an economic world where nothing much is certain right now, that certainty is highly desirable

- Secondly, they are transparent and timely – all buyers and sellers are vetted thoroughly and bid in the open, with information updated in real-time. This suits the new generations who live in an on-demand world where they can govern almost all aspects of their lives instantly through a smartphone app

- Thirdly, on-line auctions reach a far wider pool of potential bidders. The real estate industry today is more of a global playing field than ever before and despite political uncertainty, overseas investors remain keen to invest in UK property. On-line auction platforms enable bidders to get involved wherever they are.

On-line auctions are particularly enabling for new entrants to the world of property, who might find the traditional ballroom style of auction sales intimidating. Whether a buyer is young, old, from the UK or from overseas, everyone is treated equally; registering can be a much less daunting process. LSH sells a diverse range of properties at auctions to a diverse range of buyers, which will only increase as on-line auctions grow and awareness of the on-line model spreads to new buyers.

On-line selling platforms aside, there are now many technologies that speed up the property transaction process, particularly at auction. On-line banking is now the preferred way that many of us manage our finances, while on-line vetting and credit check companies speed up approval processes. Tools such as virtual viewing and 3D walk-throughs mean that people can get a much more accurate initial view of a property, which speeds up buying decisions and widens market reach.

One technology area yet to really impact the property sector is the use of data analysis tools. Lots of tech firms are gathering property data and creating apps to display information, from leasing and rent details, to heating systems and bike store usage, but we are yet to see how this knowledge fundamentally will change the industry. Other sectors are far cleverer about the use of data in decision making. Think about how Uber changed the taxi world, or how Twitter has hit the way breaking news is communicated – or even how Amazon turns sales data into extremely well targeted adverts.

Clever use of technology including big data and predictive analytics will indeed become a high priority for all property firms. At LSH, we are so confident that on-line is the future that we are moving away from ballroom auctions completely. That's not to say we believe that the human element will leave the process. Far from it – though technology might speed up processes and make transactions more transparent, it will always require teams on the ground to shed light on the nuances of each market. We have 31 regional offices, full of local experts who are ready to provide instant and expert advice on value and marketability. Their insights cannot be automated by a clever app, but they can be informed by data gathered by technology. Together, man and machine can provide a compelling partnership.

We do expect the property sector, auctions included, fundamentally to change over the next few years as more technology emerges. Consider how platforms such as RightMove, Zoopla and PurpleBricks have hit the residential market. The property advisor that keep their heads in the sand as these changes continue unabated will be the ones to fall behind. Conversely, those that embrace change and invest in future-facing technology are likely to be more successful and alter the way we trade property on-line forever.

Stephen kindly agreed to write an article, following a presentation to ACES North West Branch. For anybody involved in compulsory acquisition, Stephen outlines 8 practical tips to minimise the complexities of the process – and more importantly, limit unnecessary public costs.

# HOW TO MINIMISE COMPENSATION?


## Stephen Lashmar

*Stephen is a Director at Roger Hannah, a chartered surveyor and Registered Valuer with over 15 years' experience in dealing with compulsory purchase matters. Stephen and his team advise commercial and residential landowners and occupiers, as well as acquiring authorities, on all compulsory purchase matters, including objections, blight notices, business relocations and extinguishments, negotiations and compensation claims.*

*Stephen has acted for clients affected by a number of high-profile schemes, including Mersey Gateway, Etihad Campus and Ordsall Chord, as well as on a number of schemes in London including the Gascoigne and Aberfeldy estate regeneration CPOs. In addition, he is advising a range of businesses and residential owners affected by HS2 on all compensation matters. He has been involved in the acquisition and disposal of a wide variety of residential and commercial properties, as well as more specialist properties including nightclubs, hotels, former National Grid gas holders and a former Ministry of Defence tank farm.*

*He has also acted as expert witness on behalf of acquiring authorities in a number of Upper Tribunal (Lands Chamber) references and for claimants at mediation.*


As we know, compulsory purchase can be a draconian process which can create a hostile atmosphere between the Acquiring Authority (AA) and the claimant. Often the cost of acquisition can be far more than what the AA anticipated. The process and the cost can leave the AA asking itself some difficult questions:

- Why is compulsory purchase so expensive?
- Why is the budget figure inaccurate?
- Why is the cost of compensating occupiers so difficult to estimate?
- Why does compensation appear to be loaded in favour of the claimant?
- How can we get claimants to make more reasonable claims?
- Why is the cost of professional fees so exorbitant?
- Why do claims take so many years to resolve?

Here we look at 8 top tips which we believe are essential for an AA to follow in order to reduce its liability and exposure to compensation claims.

### *Tip 1: Watch the red line*

First of all, the AA MUST understand the scheme and aspirations of the promoters (or development partner if working in partnership). It is necessary to understand technically what land is needed to make the scheme work. Challenge the scheme promoters to ensure they understand the difference between "need and want". It is all well and good having a significant masterplan but ultimately, if this leads to areas being acquired that are not necessary for the success of the scheme, then this could result in the scheme costs exceeding expectations. In addition, acquiring land that is not required could undermine the comprehensive nature of a CPO, and result in the CPO itself being open to challenge at Inquiry.

Having established the aspirational 'red line', research the proposed Order Land. Look at the nature of the area and uses: not everything is as it seems! An example of this occurred when acting on the Mersey Gateway scheme in Runcorn. We acted for a multi-national which occupied a typical 10,000 sq ft industrial unit. Externally, the premises looked a typical industrial unit, but inside there were production lines manufacturing pure silica which was sold on at significant profit! Accordingly, negotiations with the AA were set around how the compensation could be minimised to avoid a loss of profit claim.

Research of the area will also reveal those properties where there is a potential for injurious affection or material detriment claims. Alternatively, undertaking due diligence could identify consecrated land and places of worship, which have their own specific compensation regime under Rule 5 of Section 5 of the Land Compensation Act 1961. As a result, would it be more beneficial to exclude such properties from the Red Line?

Case Study 1 – Bookmakers, North West

We were instructed to advise on a terraced retail unit occupied by a national

bookmaker. The premises formed part of a comprehensive redevelopment scheme in an urban location, albeit on the periphery of the scheme. The property was relevantly straightforward to value, with the council's surveyor valuing the property at £120,000. Not a problem at first glance!

However due to licensing and planning restrictions the catchment area for the business was significantly reduced to about 400m. As a result, the claimant submitted an extinguishment claim for £1.8m, far above any budget set by the council. The claim was settled at circa £800,000. The property was not integral to achieving the aims of the scheme and ultimately, the claim could have been avoided.

## *Tip 2: Get the budget right*

When assessing the land acquisition budget, be pragmatic and as identified in Tip 1, undertake as much due diligence as possible. This will enable the AA to deal with challenges at an early stage. Review the budget on a regular basis so as to ensure appropriate planning can be undertaken to reduce the pressure on budget constraints.

Most importantly, challenge your property team on the assumptions adopted in establishing the acquisition budget. Have they adopted the correct basis of valuation, reflected necessary planning policy etc?

## *Tip 3: Engage with and understand the claimant*

Engagement with the claimant is essential, especially at an early stage. Engagement only appears once in the Guidance on Compulsory Purchase Process and the Crichel Down Rules (MHCLG 2015, updated February 2018), it states: "in order to reach early settlements, public sector organisations should make reasonable initial offers, and be prepared to engage constructively with claimants about relocation issues and mitigation and accommodation works where relevant". This belies its importance.

Early communication is key, enabling the AA to understand the nature of the claimant's business or interest, how it makes money, the personality, as well as helping manage expectations, not only of the claimant but also its advisors! It also helps establish any legal or physical impediments to a CPO.

Initial meetings offer the chance to gather information at the formation stage of the CPO process, which will feed into the requisition for information at the referencing stage.

Successful engagement is dependent on the AA appointing a suitable professional team and consultants who can communicate effectively. It is not just about project cost savings - the inability to communicate can delay the process and prove very costly for the AA. This would be a false economy in the long run. Ensure you are comfortable with your professional team and its ability to deliver results.

Engagement provides a framework to progress negotiations and sets the basis to create appropriate relocation and acquisition strategies which underpin a CPO. As a result, acquisitions agreed in advance will ultimately reduce potential costs and save time, which is critical to the successful and speedy delivery of a CPO.

## *Tip 4: Making first contact – the critical steps*

As they say, first impressions count and usually there is no second chance of getting it right! Often the biggest frustration for a claimant is not knowing what is happening: details of the scheme and most importantly, the timescales involved. This creates uncertainty and mistrust, in what is already an adversarial situation. Advice and information in terms of the scheme must be clear and concise. The AA MUST be approachable and should not create an "us and them" situation. Listen to the claimant and answer the questions honestly. This should improve the possibility of an early deal!

## *Tip 5: Making offers – get it right first time*

As we have seen, first impressions count: the same can be said in respect to negotiations. The 2015 Guidance is informative when it comes to making offers, enabling an AA to consider the bigger picture, taking all costs into account. These costs are not direct costs in terms of compensation under the Code, but indirect costs such as other legal fees (dealing with individual objectors at Inquiry or potentially at Upper Tribunal), wider scheme costs, overall cost of project delay, and other reasonable linked costs, such as potential satellite litigation.

When undertaking negotiations, another key issue is flexibility and innovation. In addition to straightforward purchases, consider sale and leasebacks, deferred completions or options. Ultimately, flexibility on deals will save time and mitigate exposure to compensation over the life of the CPO. This is an opportunity to demonstrate that CPO is the first rather than last resort!

## *Tip 6: Mitigate for the claimant*

One of the age-old questions to consider is when is the legal duty to mitigate on the part of the claimant triggered? There are a number of cases on this point, in Lindon Press vs West Midlands County Council (1987) – the claimant must take all reasonable steps to mitigate its loss and cannot recover any avoidable losses. In Director of Buildings& Lands vs Shun Fung Ironworks (1995) – it was held that a reasonable person in the position of the claimant would have taken steps to eliminate or reduce the loss and if the claimant failed to do so, then it cannot fairly expect to be compensated for the loss.

The legal duty to mitigate starts upon confirmation of the CPO. The AA must not sit back and expect the claimant to do all the work! An AA must take a proactive role and mitigate for the claimant. The duty is on the AA to demonstrate that the claimant has not mitigated its losses. Work with the claimant, engage with their needs, undertake property searches for them. Provide options and by so doing, it will assist the relocation process and reduce the risk of an extinguishment claim.

## *Tip 7: Delay vesting*

The usual process for taking

possession of land is normally scheme-led and dependent upon the development timetable.

As discussed in Tip 6, the duty to mitigate on the part of the claimant starts upon confirmation of the CPO. Under the provisions of the Housing & Planning Act 2016, the process of taking possession has been brought into line under a General Vesting Declaration (GVD) and the Notice to Treat/Notice of Entry (NTT/NTE) route, so that an AA must give a minimum of 3 months under either route. Although not a change to the GVD process, historically under the NTT/NTE process, an AA could take possession on 14 days' notice, so the ability of obtaining possession quickly has been lost.

It is therefore important to establish an appropriate timetable for possession. However, 3 months' notice still places a significant amount of pressure on a business to relocate, and increases the potential for a successful total extinguishment claim. In order to minimise the risk of such a claim, it is essential to give an occupier the maximum notice. Liaise with the scheme promotor or development partner and review the development timetable. Consider delaying vesting or extend the notice period under the NTT/NTE. By giving a minimum 6 months' notice, this should increase protection and reduce the chances of an extinguishment claim succeeding.

### *Tip 8: Watch the costs – do a deal*

The presumption is that the AA is liable for reasonable costs. As a consequence, and in accordance with the 2015 Guidance, it recommends the AA to look at the wider picture when negotiating with claimants. Typical Tribunal costs can be significant. Below is a crude guide to the potential level of professional fees:

- Legal fees - £50,000+
- Surveyor fees - £50,000+
- Forensic accountants' fees - £100,000+
- Barrister's costs - £100,000+.

The actual fees will largely depend on the complexity of the case: fees can be significant.

Costs are important to consider as an AA could be liable for both its own as well as the claimant's. While there should a general consensus to doing a deal, be prepared to fight unreasonable compensation claims!

Case Study 2 – Former Petrol Filling Station & MOT Workshop

We were instructed to advise an AA in respect to an owner occupied former petrol filling station used as an MOT station and vehicle repair shop. The claim progressed by the claimant's agent was on the premise of an extinguishment of 2 businesses which the claimant operated from the property. Despite attempts to negotiate a settlement, the case was referred to the Upper Tribunal, with the claimant seeking £1.45m, whereas the claim being promoted by the council was £300,000. Ultimately the claimant would not compromise on its claim requirements until the day of the Tribunal. It is only at that point when the claimant's barrister reviewed the case that it capitulated and accepted the AA's sealed offer.

### *Conclusions*

Compulsory purchase is not designed to be easy, but the road can be made less hazardous, if these tips are followed. To summarise:

- Early engagement with the claimant
- Be fair with the money
- See the bigger picture
- Have the right team in place
- Assist with relocation
- Have a flexible timescale.

In August 2018, the Scottish Land Commission published proposals for the introduction of compulsory sale orders. These are new statutory powers that local authorities can use to enable them to require specified vacant or derelict land and property to be sold by public auction to the highest bidder. It is new, bold and contentious; but how would it work, and what could the impact be? In this article, Hew provides an assessment and position statement.

# COMPULSORY SALES ORDERS, SCOTLAND

Hew Edgar

*Hew joined RICS in June 2012, having held various policy posts in the UK and Scottish Governments, as well as other membership and organisations, following his graduation from the University of Aberdeen with an Honours degree in Politics and International Relations.*

*As Interim Head of UK Policy, Hew leads RICS' policy development across all priority issues; to build influence, credibility and profile, underpinning the status and reputation of the profession. This includes relationship management with government departments responsible for key policy areas in land, property and construction, including in Whitehall and across the devolved administrations.*

*Hew actively promotes RICS' thought leadership to government and parliament. He also works in partnership with members, professional colleagues and stakeholders, to take forward RICS' working agenda on the land, property and construction sectors.*

## *Introduction*

It is no secret that vacant and derelict land and property make a minimal contribution to communities, the environment or the wider economy. In fact, in many cases they are a blight on localities that become centres of crime and anti-social behaviour.

This is why we will always welcome any discussion that considers, assesses and evaluates the benefit of alternative approaches to ensuring Scotland's land and property assets are used effectively and efficiently – especially when it comes to regeneration.

## *A compelling case*

The notion of compulsory sale orders (CSOs) was first raised by the Scottish Government in its 'Consultation on the Future of Land Reform' – a foundation for the Land Reform (Scotland) Act 2016. Following the consultation's close and analysis, CSOs did not make the cut and were omitted from the subsequent drafting of the Land Reform (Scotland) Bill and beyond.

The Scottish Land Commission's (SLC) case for CSOs, however, is sound, as they have the potential if implemented effectively, to result in vacant or derelict assets being brought into effective use quicker than at present. Indeed, the CSO proposal provides a very detailed and compelling case for their introduction.

Starting with the policy intention of CSOs, their primary objective is to enable Scotland's local authorities to bring vacant and derelict assets (land and property) into "productive use".

The SLC also suggests that CSOs will be a tool for regeneration that should "be regarded as a last resort to be used where all other attempts to bring a site back into productive use have failed"; filling the policy gap between compulsory purchase orders and Community Right to Buy. There is also an emphasis on the notion that CSOs will address areas of market failure – with an objective centred on productive use, not community benefit.

If this viewpoint is adhered to, vacant or derelict assets could be brought back into effective use, reversing market failure in a locality more efficiently.

Indeed, sentiment received from developers and consultants suggests that it is the responsibility of government to take the lead and enable activity in areas of market failure. Market failure, itself, arising from a host of ill-informed decisions; with a key driver behind vacant and derelict assets often being unrealistic estimations of value by owners.

CSOs provide a way around the "overzealous" owners, by starting a dialogue with asset owners with high-value expectations, and could bring

forward the reuse of vacant and derelict land, to the betterment of communities in Scotland.

## *Mixed bag of opinion*

Delving into the detail of the proposal, it becomes quite clear why their introduction does not sit well with sector participants that operate in the planning, development, valuation, and rural sectors (and others). On the one hand, CSOs could benefit communities and regeneration (as a whole); on the other hand, their introduction will be met with significant resource implications for planning departments that are already stretched. Moreso, since research carried out by RTPI Scotland suggested that the Planning (Scotland) Bill enacted in its current form could present over 90 new duties and responsibilities on planning departments, without an increase in resources to undertake them.

Regardless of whether CSO powers would be used as a last resort, or as a mechanism to encourage dialogue between local authorities or communities and asset owners who hold high-value expectations of their assets, we have to consider how Scotland would be perceived looking in. Would CSOs attract land and property investors and developers, or would it divert them? On the former, they may see CSOs as an instrument that will encourage investment; conversely, they may construe CSOs as a stalking horse.

Irrespective of how one may view the CSO proposal, it is important to recognise that while there are many examples of where the introduction and use of CSO powers would work, there are many examples of where they would not. As such, the exact mechanics of the CSOs should not be rushed; a full assessment of application and possible impact should be undertaken.

Indeed, in responding to the 2014 land reform consultation, RICS was clear that while "there may be a public benefit" to CSOs, they would "present practical challenges and certainly require significant detailed examination".

RICS' position has not changed.

## *Further evaluation*

These powers would be discretionary, so it would be for local authorities to decide on a case by case basis whether or not to exercise them. While this would probably require a degree of training and upskilling in CSO mechanics, it could also create inconsistencies in the regional planning output – a problem often cited by sector stakeholders.

Ultimately, there is a need to continue to respect private property rights, and there will often be plausible reasons why an owner holds onto an asset. Thus, there requires to be appropriate processes and safeguards in place, to ensure that such a forced sale is indeed legitimate and the right course of action. The proposal has provisions around this, but more detail, and even a pilot project, is required before introduction.

Equally, it does not always follow that there will be a purchaser for the land, especially if the land carries burdens such as contamination issues, major demolition or high servicing costs. While the SLC's proposal has safeguards in place for a "non-sale", it must be recognised that local markets will vary, and every case will be different. Furthermore, unless there is a central funding source, many communities won't have resources to fulfil the asset's potential. If development wasn't viable when vacant, consideration must be given as to why it would be viable under new ownership, regardless of any monetary support from government.

Finally, very few properties in Scotland are sold via auction. Private treaty is much more common, and those that are sold via auction tend to be lower-value assets (including repossessions) where all other sale alternatives have failed.

## *Summary of views*

There are many obstacles to overcome, in order to create a reasonable and balanced public policy that can deliver productive spaces, or reused empty homes, in sufficient numbers.

It is within areas of market failure that there are no mechanisms for what market value is, due to a lack of comparable data. This will prove a complex area to navigate – regardless of whether the asset will be assessed at existing use or potential value.

It is imperative that clear guidance is provided, and the use of suitably qualified land and property professionals are at the heart of the different stages of the CSO process. This will ensure ethical practice, transparency, and consistency across Scotland.

## *CPO reform and CSOs*

In December 2017, RICS, like many stakeholders, attended the Scottish Government's Compulsory Purchase Order (CPO) Day, and during his address, the Minister for Local Government, Housing and Planning Kevin Stewart MSP suggested, pending space in the parliamentary timetable, that he would consider a review of CPO in the lifetime of this parliament. A welcome move, as CPO is in need of an overhaul. Encouragingly, the Scottish Government has already started a review of CPO in Scotland, and in April 2018 it published new guidance notes for Acquiring Authorities considering using CPO.

Given the Planning (Scotland) Bill – along with its 200+ amendments - will shortly enter Stage 3 of the Scottish parliamentary process, it is unlikely that this Bill would be the most appropriate vehicle to deliver significant changes to CPO and introduce CSOs.

If the parliament is to further explore CPO reform in the future, however, this would present an ideal opportunity to investigate the notion of CSOs at the same time.

# GROW HEATHROW "GREAT ESCAPE" TUNNEL CLEARED BY THE NATIONAL EVICTION TEAM

Mike Anderson, AHCEO

*Mike is a Group Director of High Court Enforcement Group (HCE) which provides enforcement solutions throughout England and Wales. He is also one of the founding directors of the National Eviction Team (formerly known as UK Evict), which is part of the HCE Group. He has a vast amount of experience, having been involved in every major eviction that the National Eviction Team has undertaken. He deals with all things operational and serves in a bronze role when on an eviction site. He has extensive experience in dealing with trespassers and enjoys finding the right solutions to technical problems. He takes a practical approach to his role and embraces challenges.*

*Mike has been a bailiff since 1988, receiving his appointment as a Sheriffs Officer in 1995. In March 2004 he was appointed as an Authorised High Court Enforcement Officer. He served on the board of directors of the High Court Enforcement Officers Association and was their disciplinary chairman. mike.anderson@hcegroup.co.uk*

Following an informative presentation at ACES' Presidential Conference in September 2018, the High Court Enforcement Group is a new advertiser to the Terrier, thank you. Here, Mike gives a fascinating account of HCE's activities at this high-profile eviction of Grow Heathrow. For more information about the work of HCE, please see Asset – Cambridge 2018 available at https://www.aces.org.uk/publications/

## *Background*

Grow Heathrow is a long-standing group which took over a derelict garden centre in Sipson in 2010 and turned it into a community garden. It was established as an action in protest against the plans for the additional runway at Heathrow Airport. The site is owned by Lewdown Holdings, which was granted a possession order earlier this year. The activists and hundreds of supporters had originally cleared the site of rubbish and had built a self-sufficient community of approximately 20 residents.

On 26 February 2019, the National Eviction Team, the specialist eviction arm of High Court Enforcement Group, undertook the removal of occupiers from the Grow Heathrow site at Sipson Village.

The protesters had been expecting the eviction team the week before and had issued a call for support online and on social media. The eviction was undertaken under a High Court writ of possession.

## *Site entry*

Timing was crucial for the commencement of the eviction: our entry team went in first, followed swiftly by the main team. A police helicopter was monitoring the position, due to the proximity of the site to Heathrow Airport.

There were 9 protesters on the site covered by the writ, and approximately 30 more on an adjacent plot of land to the rear.

Tower

## *Protesters at height*

As soon as we gained entry, 2 protesters climbed up the tower they had constructed out of scaffolding tubes. There were several lock-ons on the tower and one protester locked-on.

While our climbers were going up the tower, the protesters started throwing stones and urinating on the enforcement agents at ground level. Once our specialist climbing team reached the protesters, they removed the protester from the lock-on and the other agreed to climb down with no resistance.

We also found several lock-ons at ground level, along with 2 more on top of a corrugated roof. They ranged from simple lock-ons, to 2 that were substantial. We made them all safe and unusable.

The National Eviction Team secured the perimeter site quickly with fencing, to mark out the boundary between the writ site and the adjacent land.

## *Ship ahoy!*

On site we found a container with 2 people asleep inside (they were removed from site), a shed in one of the greenhouses, and 2 landlocked boats - an 8-ton, 25-foot yacht and a Thames Cruiser owned by and put on site by the protesters. Since the completion of the eviction, we are working with the owner to arrange for a crane to remove the boats.

## *Going underground*

The shed we had discovered in one of the greenhouses had a wooden floor with a metal square in it, with a handle. We lifted the metal panel and found a tunnel head/entrance. We shone a torch down, revealing a considerable drop into the shaft. At this point, we mobilised the National Eviction Team specialist tunnelling team, which is fully qualified and experienced in protester extraction from confined spaces.


Tunnel head


Tunnelling team hoist

While waiting for the team's arrival, the head of the tunnel was manned to stop anyone else from entering. The team's first task was to examine the tunnel, to remove any underground protesters and/or confirm that it was empty before closing it.

About 5 hours after finding the head of the tunnel, we heard noise coming from inside the tunnel and a male protester in his 50s appeared at the bottom of the shaft. He said there were 5 of them down there and that they had food and water for 14 days. Simultaneously, a similar statement was made to the waiting press by the other protesters. He also said there were 2 concrete chambers at either end of the tunnels, with lock-ons.

The protester told us that he was the conduit to communicate with the others in the tunnel but was concerned that the batteries they were using to circulate the air and light in the tunnels were about to run flat. We negotiated with him to allow him to connect a power supply to these items from their solar panels above ground - if he gave himself up and came out of the ground voluntarily. He agreed.

While we were not convinced that there were more people in the tunnel, we had to assume that he was telling the truth and physically check the entire length of the tunnels to find the true picture.

## *What the tunnelling team found*

Our specialist tunnelling team went into the 3.5-metre deep shaft, where we discovered 2 tunnel heads, one heading north and the other south. We initially entered the north tunnel, as we thought there was a possibility that this could extend into the neighbouring land, but were relieved to discover that, after a 2-metre strait, it curved into a 2.5-metre long fishhook and then a dead end.

After confirming and videoing the end of that tunnel, we closed it off and focussed on the south side tunnel. This proved to be a lot more complex, having 2 chambers, a mattress, food and human waste containers. The tunnel then curved to the right before splitting into 2.

By 17:30 on Friday 1 March, the team had dug out and shored approximately 22 metres of tunnel and, to our relief, had not found any additional protesters within. The whole process was videoed, and we confirmed the tunnel as being empty, at which point we backfilled to render it unusable.

This was the most extensive tunnel we have come across for several years.

## *The protesters' possessions and ongoing security*

We took a written and video inventory of all items that remained on site, as we were tasked with managing the return of personal possessions under a 14-day tort notice. This effectively allows the protesters to collect any items they wish within that time frame.

As part of this process, the security put in place also prevents the protesters from regaining unauthorised access to the site.

## *Assistance*

If you would like the HCE Group to assist you with protesters, squatters or travellers, please contact the National Eviction Team on 01792 466771.

HIGH COURT ENFORCEMENT GROUP®

INCORPORATING

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# MANAGING THE INDOOR ENVIRONMENT – WHAT'S THE HUMAN IMPACT?

Stephen Preece

*Stephen is the Business Development Director at proptech company arbnco, which develops software solutions to improve the energy efficiency and enhance the indoor environment of commercial and public sector real estate. arbnco is looking for partners in the public sector to pilot its arbn well and arbn lighting technology solutions. spreece@arbnco.com.*

Stephen illustrates the importance of getting inside environments right, using technology platforms, such as the arbn well platform developed by his company. "It pays dividends to invest in solutions that can monitor the impact a building has on the health and wellbeing of the people occupying it." Stephen is looking for pilot authorities to develop air quality and lighting solutions.

## *Introduction*

Air quality and the indoor environment has become a major focal point of attention over the course of the past year: across the globe, we have witnessed unprecedented levels of pollution. California's air quality fell to become one of the worst in the world, following last year's wildfires; over 400 schools were closed in Bangkok in January due to toxic smog; and, in London, the levels of particulate pollution in some classrooms exceed the guidelines set out by the World Health Organisation.

Far from being a problem confined to the outdoors, air quality affects the indoor environment in our homes, schools, hospitals, and offices. As such, our buildings - and the way they operate - need to be human-centric. Unfortunately, a lot of buildings in the UK were simply not built with human wellbeing front of mind, particularly stock that dates back beyond the past 10 years. This means that property management has a big role to play in ensuring that building performance supports the health and wellbeing of occupants, rather than having a damaging effect.

How can smart technology help us address that? Not only do we need accurate, high quality monitoring systems that can gather data on the physical properties of the indoor environment, we need to be able to link these to human experience and preferences. We also need to consider other, often overlooked, factors beyond air quality that can enhance indoor spaces and impact human health, happiness and performance - such as lighting.

## *Air quality*

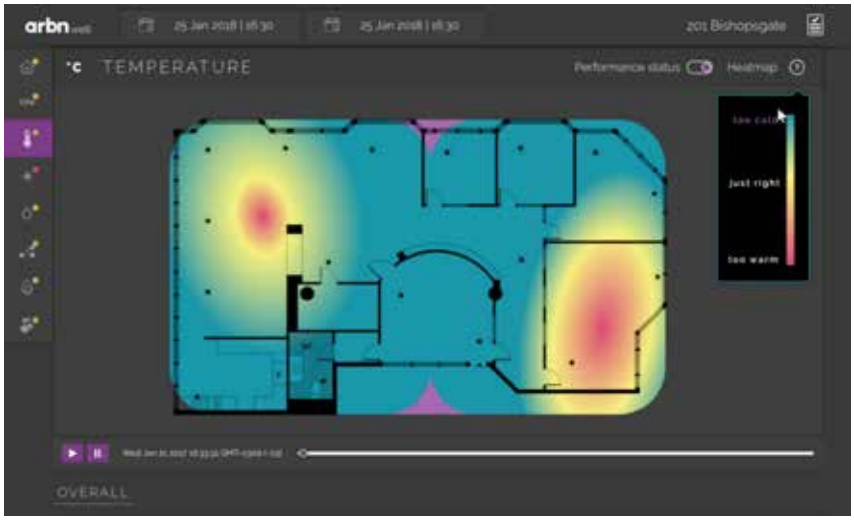
Numerous studies have revealed the impact the indoor environment can have on the health, wellbeing and productivity of humans. If we consider the public sector property portfolio in its entirety - comprising social housing, healthcare facilities, schools and offices to name a few - a poor indoor environment could affect negatively a huge percentage of the population.

Air quality is highly correlated with wellbeing and performance. Low ventilation rates, for example, have been shown to lead to a 9% loss in performance and an increase in symptoms such as headaches. Temperature can also reduce performance: research has shown that performance can drop by 2% per degree Celsius above 25 degrees Celsius. Carbon dioxide (CO2) levels are another significant factor, and there is a clear correlation between high levels of CO2 and 'sick building syndrome' symptoms, typically marked by headaches and respiratory problems. High levels of CO2, above approximately 800 parts per million, also reduce the ability to concentrate.

In addition to this, particulate matter – pollutants in the air such as dust and carbon - can get into the lungs and trigger health conditions such as asthma, bronchitis, and more serious diseases such as lung cancer. In schools and offices, therefore, not only can a poor internal environment be detrimental to learning and productivity, it can also actively contribute to illness and absences.

Modern office workers spend approximately 80-90% of their adult life indoors, and a large proportion of this is in the office. For local authorities, with a large portfolio of properties and a high number of employees, the costs of a poor indoor environment could, over time, be astronomical – both in terms of lapses in productivity and employee absences.

From a financial perspective as well as a health and wellbeing one, the need to optimise these spaces is clear. Property managers need to monitor, understand, and adapt the environment


to better meet the needs of the people in it. Data gathering is an integral part of this. The deployment of high-quality sensors can provide ubiquitous monitoring of physical parameters such as light, temperature, ventilation, CO2, particulate matter, and volatile organic compounds, gathering a body of real-time data on each. The ubiquity of sensors is key here, because of the large variation in environmental conditions across one floor.

Hard data collected from sensors alone, however, does not mean much in isolation, and it can be challenging for property managers to know what to do with it. We need technology platforms, such as the arbn well platform, that also allows for occupant engagement and the collection of human feedback. Physical data needs to be supplemented with feedback from occupants about their perceptions and preferences, so that building performance can also be measured in human terms.

This means the physical data can be utilised to serve the people occupying the space. For example, if one person has submitted feedback that it is "cold", but no one else has complained, the hard data will be able to show which desks are in a warmer space, meaning the individual can move rather than just turning up the heating and making others uncomfortable.

Smart technologies such as arbn well can go further than this, by using the insight gathered from occupant engagement to make performance predictions. Over time, intelligent software can learn about the patterns and preferences of occupants, enabling its algorithms to flag up any trouble spots before they occur. This means that preventative action can be taken before there is an adverse effect on employees – for example, responding to CO2 levels before occupants typically complain they feel tired.

The potential financial incentives for promoting a healthy indoor environment extends beyond boosting productivity and reducing absences. There is potential to reduce energy costs across a property portfolio, as it becomes more apparent where energy output is wasted. There could also be financial benefits for councils leasing out property, as the appeal and marketability of a building that monitors its health and wellbeing impact means councils could charge premium rents, and the spaces could also lease more quickly.

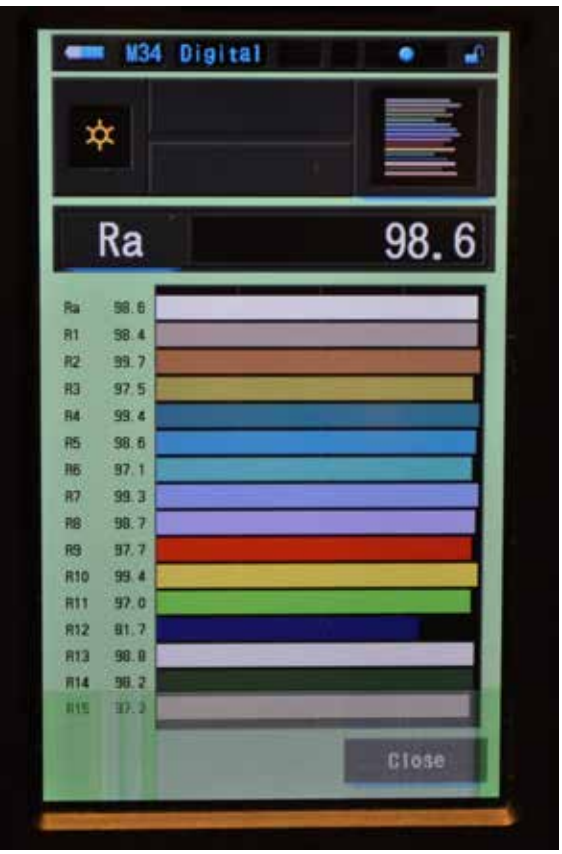
## *Lighting*

Lighting is another big area that has the potential to enhance significantly the indoor environment. Poor artificial lighting can lead to eye strain, headaches, an inability to concentrate and low productivity, particularly in offices or learning environments.

What we should strive for in all indoor spaces is lighting that as closely resembles natural sunlight as possible. Here, Colour Rendering Index (CRI) is crucial. CRI measures the colour spectrum of light produced by a given light source, and how accurately it shows an object's true colour (see over). The index runs from 0 to 100, with higher numbers denoting a better ability to render colours - though no light source, not even the sun, will return a perfect 100 CRI result. LED lighting is now available that is as close to sunlight as we can get: arbn lighting, for example, has a CRI of 95+, compared to industry standard LED lighting which typically produces light with a CRI in the low 80s.

The benefits of this lighting for certain environments - such as healthcare, art galleries and museums - are clear, as these require lighting that can show a true colour representation. For property managers, it means they have better lighting options for offices that might not get a lot of natural light. High CRI lighting can also help to alleviate many of the adverse health effects for night shift workers, as the mimicking of natural sunlight will help the body's circadian system, or 'body clock', adjust.

High CRI lighting also presents property




managers with opportunities to make energy savings. With lower CRI lighting, we tend to compensate for the lower quality of lighting by using more of it, by increasing the number of light fixtures and the light level intensity. With 95+ CRI lighting, the same visual acuity can be achieved at lower light levels. This avoids the need to provide overly bright light for a task, saves energy and enhances the environment.

Within the public sector where resources are often stretched, getting sign-off from procurement on an upgrade project such as this can be particularly difficult. However, alternative funding models available on the market through new 'Lighting as a Service' models mean that upgrades can be made with no upfront cost. Payback is made from generated energy savings, alleviating any cashflow or budget acceptance difficulties.

### *Conclusions*

The technology that we can use to enhance the indoor environment can transform building stock in the public sector and make it a better place to live, work, and learn. It pays dividends to invest in solutions that can monitor the impact a building has on the health and wellbeing of the people occupying it - increasing overall satisfaction, reducing complaints, boosting productivity, and helping to cut down on illness and absence rates.

However, we need the process of data gathering to incorporate both quantitative data (physical environmental parameters), and qualitative data (human feedback). While air quality is a good place to start, we should also look beyond this to think about other indoor features such as lighting, which can deliver a host of biological benefits for occupants, but also considerable operational cost savings for property managers.

# REVALUING PARKS AND GREEN SPACES FOR THEIR HEALTH AND WELLBEING BENEFITS

Alison McCann

Alison outlines compelling research findings from a number of sources which links the connection between parks and green spaces, to help improve the health of the nation and reduce future NHS expenditure. "Our research reveals what we all intuitively know: green spaces are good, do good and need to be protected for good." The following article by Kierson Wise of Sustrans brings these findings home.

*Alison is Fields in Trust's Policy Manager. Having worked for the organisation for the last 6 years, Alison's current role focuses on research about the value of green space to better inform policymaking, as well as overseeing the legal support function for sites protected with Fields in Trust.*

*Alison led the commissioning, data analysis and report production for Fields in Trust's Revaluing Parks and Green Spaces research published in May 2018. Alison previously worked in Sports Development for 2 London boroughs, managing projects with a range of stakeholders and community groups. Alison.McCann@fieldsintrust.org*

### *Research*

Announcing an additional £13m of government money for parks and green spaces recently, Secretary of State for Housing Communities and Local Government, James Brokenshire MP, said "Parks are an invaluable public asset. The new funding will make a big difference, but is only the start of what I hope will be a new conversation – one that focuses on how parks can add even more value to our towns, cities and communities." (1)

We at Fields in Trust are an active participant in this ongoing conversation


Alexandra Park, Haringey, London

- our research concludes that targeted spending on parks and green spaces can help to improve the health of the nation and reduce future NHS expenditure. The Minister and MHCLG are continuing the discussion with green space sector professionals through the Parks Action Group (2) [Ed – see Chris Worman's article in 2018 Spring Terrier] of which Fields in Trust is a member. The group is working to consider the sustainable future for the nation's parks and green spaces. Fields in Trust is well placed to share expertise about the value of parks, as a registered charity dedicated to championing and supporting our green spaces by protecting them for people to enjoy in perpetuity. Founded in 1925, Fields in Trust has over 90 years' experience of legally protecting publicly accessible recreational land.

Our recent research 'Revaluing Parks and Green Spaces' (3) shows that they deliver over £34bn of direct health and wellbeing benefits to UK residents each year. This means people who use parks regularly enjoy a greater life satisfaction, including improved physical and mental health. The research was compiled using HM Treasury approved Green Book methodology and demonstrates that, as well as direct benefits to individuals, access to local parks and green spaces provides considerable secondary benefits to society more widely. Indeed, as Brokenshire himself said recently at the Locality Conference: "well-integrated, socially and economically robust communities matter so much. In good times and bad, they are glue that binds us. If our children grow up in neighbourhoods where they have access to inclusive spaces like parks and activities such as arts and sport, they're less likely to turn to crime."

Yet parks are a discretionary service which councils have no statutory duty to provide. While the number of visitors to parks is rising, investment has decreased, and maintenance has been reduced. The 2018 survey from the Association of Public Sector Excellence (4) paints a bleak picture, with continuing declining investment. Of the parks professionals who responded, 95% either 'agree' or 'agree strongly' that "lack of investment in parks and green spaces will have health and social impacts". Many councils struggle to cover the costs of delivering statutory services; no surprise then to find budgets for all other areas of discretionary spending squeezed. Although most council taxpayers assume their parks and green spaces will always be there, there are no guarantees that any local authority will maintain a local park when reducing budgets are stretched across the whole range of adult and children's community services.

## *Revaluing parks and green spaces*

In recognition that the future of parks was at a "tipping point", in 2016 the House of Commons Communities and Local Government Select Committee established an inquiry. Our evidence submission emphasised the importance of revaluing parks and green spaces for the health and wellbeing contributions they deliver, ensuring public funding for parks and green spaces was commensurate with their positive impact on communities.

The CLGC committee report recommended that local authorities should collaborate with Health and Wellbeing Boards and produce joint green space strategies, which articulate the contribution of parks to wider social objectives and set out how parks will be managed to maximise such contributions. The committee also expressed the need for new valuation methodologies. This was the context into which Fields in Trust published its research findings, which attempt to reframe the conversation. Rather than valuing parks for what the they cost to maintain - or could realise as a capital


Burgess Park, Southwick, London


asset if sold for housing – we think we should measure the physical health, mental health and wellbeing values that they contribute to the individuals and communities who use them for play, sport and recreation.

The focus has sharpened; in recent months parks and green spaces have been cited as a contributory factor in resolving several public policy issues outlined in several government strategies and programmes. Parks have been identified as a public service that can help deliver improved physical health, tackle childhood obesity, support mental wellbeing and facilitate community integration. Recently, community sport and volunteer activity in parks has been highlighted in the NHS "Social Prescribing" (5) approach to preventative health. The new Civil Society Strategy (2018) identifies how valuable shared community spaces are in providing opportunities for social mixing, and parks are identified as one element in the government strategy to tackle loneliness.

Defra's recently published 25-year plan to improve the environment is remarkable in many respects – not least its ambition which extends across 5 parliamentary terms. One of the stated aims is to connect people with green spaces to improve health and wellbeing, and recognising the need to focus on disadvantaged areas.

## *New green spaces?*

Further work by NHS England, in partnership with housing developers, aspires to create 10 Healthy New Towns which put healthy living at the core. The project is exploring ways to tackle health and care challenges such as obesity, dementia, and social isolation. Ideas so far include natural play areas for children, playable landscapes, and outdoor gyms to get everyone exercising. This approach connects with Field in Trust's current programme in partnership with the London Marathon Charitable Trust, Active Spaces (6). It is designed to protect 50 parks and green spaces in perpetuity and inspire the most inactive of people to use their local park and lead a more active and healthy lifestyle through a variety of accessible activities. Learning from the Healthy New Towns programme has been compiled into a guidance paper, so any local authority or housing developer can apply the same principles in the future for new housing developments.

As well as building an environment that encourages healthy lives, it must be combined with a remit to create strong and healthy communities that can grow and feel connected. Local green spaces are a crucial component of that infrastructure and our research found that shared social motivations for using parks across demographic groups reinforce the view that they offer spaces for communities to flourish.

Joining-up this aspiration across government and recognising the diverse range of social policy goals that the green space sector is tasked with delivering could genuinely bring

HEADLINE FINDINGS:

**The Total Economic Value to an individual is**

**£30.24** PER YEAR

**(£2.52 per month), and includes benefits gained from using their local park or green space and non-use benefits such as the preservation of parks for future generations.**

**The Wellbeing Value associated with the frequent use of local parks and green spaces is worth**

**£34.2 BILLION** PER YEAR

**to the entire UK adult population.**

**Parks and green spaces are estimated to save the NHS around**

**£111 MILLION** PER YEAR

**based solely on a reduction in GP visits and excluding any additional savings from prescribing or referrals.**

about some stability and long-term sustainable planning and funding. We hope that the Minister through the Fair Funding Review will consider new ways of analysing need and that the forthcoming Comprehensive Spending Review will offer a fresh opportunity to reconsider the how central government allocates funding to local government in the future, and the services which are prioritised. We are working with the MHCLG alongside colleagues in the Parks Action Group to present a robust business case to really transform the

Weston Park, Shrops

future of parks. Building a sustainable long-term future for council spending, in line with the needs of local communities, could be assisted by funding parks and green spaces that are so vital to our health and wellbeing.

## *Conclusions*

While recognising the urgent need to build new homes, it is vital that communities, particularly children, should enjoy healthy active outdoor recreation within walking distance of home. Yet faced with tough funding decisions, councils are increasingly tempted to sell off green space assets, not only to generate immediate income, but also to remove a longer-term maintenance liability.

We welcome the Secretary of State's new investment in the parks and green spaces that are so vital to our health and wellbeing; we are pleased to see this additional funding, which will go some way to maintaining and improving the parks most in need of renovation and repair. While the direction of travel is positive, there is still a concern that parks without legal protection remain vulnerable to disposal for development. If more money is to be made available for public services, we believe that it would be financially efficient to channel this investment into social infrastructure that supports the preventative health agenda and reduces the need for more expensive and intensive interventions further down the track.

Recent research from the New Policy Institute (7) indicates that councils are actually having to shift funding away from preventative agendas because of the 'quiet crisis', whereas we know that is not a cost-effective decision in the long term. Our Research quantifies that parks and green space save the NHS £111m every year because regular park users are healthier and therefore don't visit their GP so often – that level of cost saving would not be possible if there were fewer parks and green spaces available to the public.

We welcome any additional income to support new and improved parks and green spaces. Conversely, we believe cutting parks budgets is a false economy and any decision by a public body to remove a park or green space is a short-sighted approach which will be likely to cost more money than is saved. Our research reveals what we all intuitively know: green spaces are good, do good and need to be protected for good.

## *Notes*


1. James Brokenshire MP, Communities Secretary: 'We must guard our green spaces– and this cash is just the start' Mail on Sunday 19/02/19 and HM Government: www.gov.uk/government/news/brokenshire-champions-parks-with-over-13-million-new-funding

2. HM Government Parks Action Group: www.gov.uk/government/news/government-pledges-500000-for-new-action-group-to-grow-future-of-public-parks

3. Fujiwara, D., Lawton, R. & Watt, W. (2018) 'Revaluing Parks and Green Spaces: measuring their economic and welfare value to individuals'. Fields in Trust: www.fieldsintrust.org/revaluing

4. Association of Public Sector Excellence, 'State of the Market Survey 2018 Local Authority Parks and Green Spaces Services'. (Briefing 18, 11/3/18): www.apse.org.uk/apse/index.cfm/members-area/briefings/2018/18-11-state-of-the-market-2018-local-authority-parks-and-green-spaces-services

5. BBC News website, 28th January 2019 'More "social prescribers" to ease pressure on GPs': www.bbc.co.uk/news/health-46999922

6. www.fieldsintrust.org/active-spaces

7. Petrie,I., Ayrton,C., Tinson, A. (2019) 'A Quiet Crisis: Changes in local government spending on disadvantage'. New Policy Institute.

Neil Webster introduced me to Kierson, both enthusiastic cyclists. His article demonstrates the importance of the National Cycle Network in the same ways as parks and other open spaces, evidenced in Alison McCann's article in this issue of Terrier. However, and inevitably, funds are needed to maintain all the routes. "At a time when we have record levels of obesity, traffic congestion and air pollution, which cost the UK billions each year, the National Cycle Network presents a huge opportunity for governments to deal with these crucial issues."

# 'PATHS FOR EVERYONE' – WHY WE NEED TO REVITALISE THE UK'S BEST LOVED WALKING AND CYCLING NETWORK

Kierson Wise

*Kierson works for Sustrans as the Project Co-ordinator for the National Cycle Network Review and is regularly to be found out and about exploring wonderful footpaths, bridleways, byways and cycle routes that we are lucky enough to enjoy in the UK. Kierson.Wise@sustrans.org.uk*

## *Background*

The National Cycle Network spans the length and breadth of the UK from the Shetland Islands to Land's End, and from East Anglia to the Giant's Causeway in Northern Ireland.

The 16,575-mile Network comprises traffic-free walking and cycling paths and on-road sections that pass through a wide range of terrain, including urban greenways, forest tracks, quiet country lanes, city centres, canal towpaths and beach-front promenades. It is a national asset. Trips on the Network generate £3.8bn p.a. to the economy, boosting local businesses and improving public health from increased physical activity, reduced traffic congestion and improved air quality.

It is estimated that the health benefits associated with walking and cycling on the Network prevented 630 early deaths in 2017 alone, and averted nearly 8,000 serious long-term health conditions.

The Network is also an asset that has been built, not by government, but by the people, starting with the conversion by volunteers in the late 1970s of a 13-mile disused railway line into the special and ever popular Bristol and Bath Railway Path. It currently passes within a mile of 57% of the population's homes, offering millions of people the opportunity to get active, and the plan is to increase the impact of the routes, by making sure that it serves new residential, employment and public sector developments wherever possible.

## *'Paths for everyone'*

Despite its name, the National Cycle Network is designed not only for cycling but for all types of use, including walkers, children on scooters, wheelchair users and equestrians. It is enjoyed by a multitude of people of all ages and abilities, and for a variety of reasons, including leisure, commuting to work and school, getting to the shops or visiting the local park.

In 2017, 4.4m people made 786m journeys on the Network, and over 3 times as many journeys were made on foot than by bike. In many locations the traffic-free sections have become a real community hub, acting as a linear park, a stretch of wild nature in the midst of urban or suburban sprawl that offers an attractive place to walk the dog, get outside, and breathe some fresh air, well away from traffic noise, exhaust fumes and pavement bustle.

The flat, smooth, car free paths are an especially important escape for those with mobility issues, the elderly and young families. Many of the routes follow canals or riversides, offering users the additional calming and restorative benefits of being close to water.

## *A network in need of some TLC*

However, as users of the paths will readily attest, it is not all idyllic, leafy, traffic-free havens. The entire infrastructure has been initiated and overseen by a charity, Sustrans, with


Bute Park, Cardiff

stop-start funding and very little direct control over what happens on the Network. Sustrans currently owns only 3% of the paths, relying on the goodwill of local authorities, private landowners and other charitable organisations, such as the Canal and Rivers Trust, to design, build and maintain the routes.

The result is that many sections are now in urgent need of repair and attention, suffering from neglected and deteriorating surfaces, encroaching vegetation, damaged signage and widespread litter. Knowing this, and increasingly uncomfortable with the inconsistent and declining state of the paths, Sustrans decided to carry out a complete and thorough review of the entire Network.

In 2015/16, a team of independent auditors was commissioned to capture detailed information along the entire Network, including route type (on road, shared-use, traffic-free), surface finish, usable width, and presence of lighting. The survey team also noted any steps, gates or other barriers, missing or misleading signs, and importantly, whether they felt that the stretch of Network would be suitable for a typical 12-year old to use unaccompanied.

The result is that the paths are better understood than ever before and this valuable information has been used to work closely with partners and stakeholders, to develop a vision and plan for the future of the Network.

Our report, "Paths for Everyone" unveils the results of this comprehensive review.

## *Current state of the Network*

The information collected in the audit has been used to score and grade the network according to our 'National Cycle Network Design Principles'. The results show that, although 54% of the network scored 'Good' or 'Very good', a sobering 46% (7,596 miles) is rated as 'Poor' or 'Very poor'.

A third of the Network is on completely traffic-free paths and many of these, such as the Camel Trail in Cornwall or the Taff Trail in south Wales, are in excellent condition and very well used and loved by locals and tourists alike. But in other places their quality and state is variable. And this still leaves 68% of the Network that is still using the road network, and while much of this is on pleasant, quiet, country lanes, some of it follows, or crosses, much faster, busier roads.

It's the poorly maintained, badly signed and heavily trafficked road sections that can put many people off, especially pedestrians, equestrians, those who are less confident on a bike, or groups with children. Furthermore, the restrictive barriers, pinch points and uneven, muddy surfaces can prevent access to many users, particularly those on adapted bikes, in wheelchairs or pushing prams.

## *Unlocking the Network's full potential*

There are a number of actions Sustrans plans to undertake, working with the full range of government bodies and land owners as well as local communities, volunteers and supporters, to revitalise and rejuvenate the Network.

The aim is to transform it over the next 20 years, enabling it to reach its full potential and attract a further 4m users, including many that are not currently physically active, who would benefit from a well-planned, well maintained system of traffic-free and quiet-way routes connecting our cities, towns, and countryside.

To achieve this by 2040, a number of things need to occur, including:

- Doubling the amount of routes and paths that are entirely free from traffic over the next 22 years. This will involve finding alternatives to some current on-road routes, or creating fully segregated pathways within the highway corridor

- Removing or redesigning the 16,000 barriers that currently disrupt the traffic-free sections of the network, to ensure that everyone, whether they are getting about on foot, by wheelchair, on horseback or by bike can physically access the routes

- Redesigning junctions where traffic-free routes intersect with or cross roads, to ensure they are fit for a typical-12 year old to negotiate alone

- Where the Network remains on road, we will aim to reduce traffic speeds and volumes in order to create 'quiet-way roads'. For these sections, speeds should be limited to 20mph in built-up areas and 40 mph or less on quiet rural roads with low traffic flows. There also needs to be clear signage, to warn people driving to expect people on bike, on horseback and on foot.


Birmingham

Working with local authorities and other partners, Sustrans aims to kick start action on the ground, by delivering 55 'activation projects' right across all regions and nations of the UK by 2023. These projects range from improving signage, redesigning junctions, taking out barriers and of course, building new, high quality, traffic-free paths.

By 2040, the aim is for all the paths on the Network to be of 'Good' or 'Very good' quality, with excellent signage, great surfaces, sufficient width for all users, no restrictive barriers and quiet, safe and comfortable on-road sections.

## *Next steps*

All of this takes time and money. Funding will need to come from a vast variety of sources, but the benefits will be huge. Sustrans has estimated that over the next 22 years a £2.8bn investment into the Network across the UK will be needed to achieve the recommendations.

A revitalised, traffic-free Network is estimated to generate £7.6bn p.a. to the economy by 2040, as a result of increased trips and journeys on a Network that is accessible to all. At a time when we have record levels of obesity, traffic congestion and air pollution, which cost the UK billions each year, the National Cycle Network presents a huge opportunity for governments to deal with these crucial issues. But the benefits of investing in the Network will be seen right across government, especially in relieving pressure on the NHS budget.

There are also many less measurable benefits that the Network can bring – the links it makes between communities, the social benefits to those volunteering or helping out on the network, the creation of wildlife corridors, and the mental health benefits of just being active outside in nature.

National governments realise this and have bought into the 'Paths for everyone' approach and recommendations, with the Department for Transport recently pledging an astonishing £21m to the improvement of the network in England https://www.sustrans.org.uk/news/21m-government-funding-boost-national-cycle-network and the Scottish Government investing £7m on the network in 2018. The devolved governments of Wales and Northern Ireland have also made financial contributions to the review and are actively funding upgrades across their areas.

However, this is just the start; much, much more needs to be done, to ensure this unique national asset meets its full potential, unlocking the huge financial, environmental and social benefits that a well maintained, fully accessible and enjoyable network will bring to millions of people.

## *Sustrans - Custodians of the National Cycle Network*

Sustrans is the charity making it easier for people to walk and cycle.

We are engineers and educators, experts and advocates. We connect people and places, create liveable neighbourhoods, transform the school run and deliver a happier, healthier commute. Sustrans works in partnership, bringing people together to find the right solutions. We make the case for walking and cycling, by using robust evidence and showing what can be done. We are grounded in communities and believe that grassroots support, combined with political leadership drives real change, fast.

Sustrans works collaboratively with many partners and stakeholders towards achieving our shared, long-term vision for the Network. The vast majority of the National Cycle Network isn't owned by Sustrans, but by a variety of landowners who are supported in caring for it by Sustrans' staff, over 3,200 Sustrans volunteers, and many of the communities the Network serves.

# APPRENTICESHIPS - HERE COME THE TRAILBLAZERS

Mike Cox, RICS' Future Talent Manager, Apprenticeships, gave a talk at ACES Eastern Branch and agreed to send an article for Terrier. Sara Cameron, Branch Secretary, has augmented this with a case study at her authority, Norfolk County Council, and thoroughly recommends colleagues using this route.

## *Finding your direction*

Apprenticeships have long provided a path into surveying and now, given the depth of the skills shortage and the need for greater diversity in the industry, the latest schemes are even more vital for the development of new talent. Do the newest recruits into the profession think they can meet that aim?

After finishing her GCSEs in 2015, Adelle Rhule-Martin AssocRICS was pretty sure she wanted to pursue a career in accountancy, until a conversation with a careers adviser sparked her interest in the property profession. To get a better idea of the nature of the job, she applied to GVA's Birmingham office for work experience. Thoroughly impressed by what the diverse world of surveying had to offer, she set out to become a chartered surveyor.

"Because the costs of studying are so high these days, I originally planned to take a gap year to raise funds for a full-time degree," explains Rhule-Martin. "But instead, I asked GVA if it was possible to take me on as an apprentice while I continued my studies." Following discussions with her management team, she became GVA's first RICS-assessed surveying technician apprentice, which is delivered by the University College of Estate Management (UCEM). Last year, Rhule-Martin gained Associate of RICS status, a qualification that has set her up for her current path – the chartered surveyor apprenticeship degree route, which leads to the APC and full membership status.

Spending 4 days a week at the GVA Birmingham office, with one day dedicated to academic work, the apprenticeship combines practical employment with long-distance learning, as well as monthly meet-ups and tutorial sessions in London.

"Balancing the academic coursework with the office workload has been tough, but I've had a lot of support from my employer and the university," explains Rhule-Martin. "For example, the firm makes sure I have one day a week study leave, and provides cover when I need it. The support network is vital for making an apprenticeship a success."

## *Learning a living*

Surveying apprenticeship programmes are not exactly a new concept, but given that the industry is still struggling for new recruits – and with a lack of diversity – they are becoming an increasingly important source of new talent for the profession. Furthermore, the increasing costs of tuition and university accommodation are making full-time degrees a less viable option for many young people. "Getting on the apprenticeship route where I can earn while I learn has been ideal," Rhule-Martin adds.

The benefits for young people looking for a fulfilling and financially secure way into chartered surveying are clear: they can earn a salary while they study, which means having no student loans and tuition fees; learn on the job at an established firm; and open the door to a diverse range of careers.

Coree Beccles is on the chartered surveyor degree apprenticeship route. On leaving school, he began working for a property developer client of CBRE. After applying to study for a full-time degree in surveying at the University of Reading, he had a chance encounter with an apprentice surveyor from CBRE, who told him about the firm's apprenticeship scheme. It led him to rethink totally the path he wanted to take, and since September 2017 he has been employed as an apprentice surveyor at CBRE in London.

"I'm working hands-on with the retail property management team for 4 days a week, with the fifth day at university," says Beccles. "The company in general is very good at getting apprentices directly involved in tasks and giving us responsibility at an early stage. I'm a very practical person, and for me personally this was the best decision, as I'm putting what I learn at university into practice at work."

Raising the awareness of degree apprenticeship schemes to young school-leavers will be key for sourcing the next generation of surveying talent, not just for large surveying firms, but also for SMEs. Mark Combes MRICS is managing director of Severn Partnership, a geomatics surveying SME in Shropshire that employs 2 apprentices on the geospatial surveying technician route. He describes the new apprenticeships as "a breath of fresh air, particularly in the geospatial/geomatics sector, which has suffered from a lack of educational routes to qualification". "The new generation of surveyors have a lot to offer in a world with ever increasing amounts of geospatial data necessary for better asset management."

Despite the benefits to the employee and employer, there are several factors still hindering the growth of employers taking on degree apprentices. "I don't think the industry as a whole is doing enough to raise

awareness of the benefits of the route to the next generation of surveyors," says Rhule-Martin.

## *How to bring an apprentice into your business*

Under the UK government's levy scheme, from 1 April 2019 all SMEs in England can receive a 95% discount on the cost of an apprentice's training, assessment and certification, and a very small business could get a 100% discount. Lee Hatwell MRICS, director at Essex-based surveyor and degree apprenticeships supporter Munday + Cramer, shares his tips for successfully introducing apprentices to an SME:

- Start early: invest some time in finding your future talent - The average school student's understanding of what a chartered surveyor does can be quite varied. Consider hosting careers sessions at local schools to help raise understanding and awareness of the profession. Organising such events will raise the profile of your business, and also provide younger members of staff with an opportunity to gain valuable presentation skills

- Work experience: give potential future talent an early taster - Offering work experience is a great way to give students an insight into surveying. It is also the best way to ensure the candidate is developing the essential skills for a career at an SME. Our second-year apprentice, Michael, has joined us at 3 different times during his A Levels. It's helped him to understand what he wants as a career

- Thought leadership: structure and vision is essential - Ensure the apprentice understands clearly the structure of his or her team and the wider business, so they can see how they might develop with hard work and dedication. Planning, measuring and recording their development is a pre-requisite of the apprenticeship programme, which will also be vital once the apprentice reaches APC stage.

## *Case Study: Level 6 Surveying Apprenticeship - Norfolk County Council*

## *Sara Cameron*

We started considering the surveying apprenticeships in October 2017, in respect of resourcing the estates team in the Corporate Property team.

Supported by HR and their dedicated apprenticeship co-ordinator, we needed to explore potential providers and create a new job description which established the key milestones of obtaining an accredited degree, enrolling on the APC, and passing the end point assessment gaining MRICS.

With no accredited degree provider in Norfolk, we looked to providers with a blended delivery of virtual learning and dedicated apprentice and employer support. UCEM stood out for us and we sought to procure the university onto our framework.

Our biggest hurdle was scoping and defining the job description, and getting this through the reward process to create the 'offer'. After several iterations, we secured a generous salary scale for the breadth of the role, and aligned to the progression of the key milestones of the 5-year apprenticeship.

Marketing the offer meant using specialist recruitment websites, including RICS Recruit and www.notgoingtouni.co.uk to maximise visibility of the role. We timed it for the release of the A Level results in August 2018.

We had 102 applications. Shortlisting was tough – we wanted to provide an opportunity to somebody that had otherwise not been able to pursue a degree, a significant number of applicants with first degrees had been attracted to the post.

In the end we called to interview an applicant that met our essential criteria and as a result, we appointed Ellie Longworth to the post. Ellie brought estate agency experience, a passion for property, and a genuine enthusiasm for the role, having thought it wasn't an option for her as she had not chosen to go to university.

Ellie says, "Joining NCC as an apprentice has been great; I am provided with as much support as I need, to help with both on the job training and academic study. I feel that working within a team with a wealth of knowledge and experience will help me succeed over the coming years of my apprenticeship."

We were thrilled with the response to the role, not least because this was the first Level 6 Apprenticeship offered by the authority, but also that there was so much interest in qualifying as a chartered surveyor via this route in Norfolk (assisted by the generous salary offering). Maybe it's something ACES' colleagues should be considering.

Ellie joined the team in January 2019 ahead of starting her degree with UCEM on 1 April 2019.

Ed – the original article was first published in Modus November-December 2018 by Brendon Hooper. Reproduced with kind permission of RICS. See also Daniella Barrow's article in 2018 Autumn Terrier.

# PLACEMENT OPPORTUNITIES

Helen Goodwin

*Helen is Placement Programme Manager at Public Practice.*
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Helen gives an account of how social enterprise Public Practice is helping to bridge the widening skills gap, by attracting built environment experts to the public sector and matching them with LAs, with the long-term aim of building capacity to improve the quality, and equality, of everyday places.

## *Context*

A national housing crisis, together with continuing budgetary constraints, are presenting unprecedented challenges for LAs, and demanding innovative and enterprising solutions, including taking direct action to deliver a new generation of council homes. Specialist skills, including surveying and other related disciplines, are central to ensuring quality as well as quantity of the homes we need.

A recent Greater London Authority survey shows LAs face urgent recruitment and retention challenges, with approximately 800 planning posts in London currently vacant or occupied by temporary staff. Councils have the ambition to take a more proactive approach, but the biggest barrier they face in building their capacity is recruiting staff with the right skills. This is not a problem specific to London, but a problem faced by LAs across the UK.

Public Practice is an independent social enterprise, set up in 2017, that helps LAs to access a pool of highly skilled practitioners, through a year-long placement programme, alongside a programme of knowledge sharing. This includes surveyors, as well as architects, urban designers, planners, landscape architects, and community engagement specialists.

At the same time as attracting and recruiting talented, motivated and experienced built environment experts - Associates - who want to work for the public good, Public Practice takes expressions of interest from LAs looking for specific place or project-based roles, for example, to support them with town centre regeneration, garden villages, or suburban intensification projects. To make the programme a success, Associates are carefully matched to LAs, based on factors including the suitability of their skills, experience, and personal qualities.

## *A growing success story*

The first cohort of Public Practice of 17 Associates, was 13 times oversubscribed, with applications from some of the most outstanding practitioners in the UK. 16 of the 17 Associates in the first cohort are continuing working in the public sector after the end of their placements, and 14 of the 15 LAs involved have returned to Public Practice for additional placements in the second cohort – in some cases taking on up to 3 new Associates from different specialisms, to form new teams.

In total, Public Practice received over 70 expressions of interest from LAs wanting to host placements across planning, housing and regeneration departments. 37 have been selected for the second cohort, starting in April this year. Over 90% of these placements are brand new roles that are helping LAs to plan more proactively and directly to deliver homes and sustainable regeneration.

Recruitment has just commenced for a third cohort of Associates and LAs across London, the South East and East of England. Those interested in participating are invited to apply by 3 June 2019.

We would also like to hear of any interest from LAs in other regions, as we explore expanding the programme into other areas.

Please find more information on how to get involved: www.publicpractice.org.uk

## *Case Study: Sophie Palmer*

My role as Design & Delivery Coordinator at London Borough of Bexley sits primarily between the regeneration and assets teams, but I also work across strategic planning and economic development, as the only architect in the wider Growth & Regeneration directorate. It is a unique position to have a cross-cutting overview between these teams: in giving design advice, procuring consultant design teams

and developing designs of on-going projects, whether through the planning process, or sitting alongside project managers in developing council sites.

The work I do with the valuers in the assets team helps them to build a more accurate picture of the value of council assets. I can quickly test potential development on sites through a design-led approach; these in-house capacity studies inform development appraisals, without the expense and time required to go out to consultants. I have also helped critique existing designs for sites, to test developer viability appraisals and question the density of development proposed.

The council has a number of complex small sites across the borough, where I have been helping to establish the land value and inform decisions as to how these might get developed in-house or valued for sale [Ed – see article by Simon Owen in this edition of Terrier]. For larger sites I have developed early sketch designs that inform design briefs and allow valuers to quantify development and build a case for how projects might be funded. It has been a hugely informative experience; learning to navigate complex political pressures and a reliance on dwindling funding streams, to deliver well-designed regeneration alongside revenue generating, but high-quality residential development.

### *Case Study: Hannah Lambert*

I have been working as a senior regeneration manager at the London Borough of Newham, developing the next stage of ambitious placemaking and housing delivery, as part of the Canning Town and Custom House Programme.

Much of my time during the placement has focused on writing briefs and community engagement; commissioning teams to deliver new housing and local facilities in Custom House, where a new Crossrail station is schedule to open. This includes a council-led hybrid planning application across approximately 4ha, steering high quality future development that maximises affordable housing and community benefits.

There are a lot of myths around the risks of community partnership working, but lack of engagement can be even more risky; LAs are uniquely placed to work alongside residents and businesses, to consider the vision for an area and make sustainable, long-lasting places that work for as many people as possible. It should be a 2-way exchange, where trust and openness is essential. Good community partnership working does take time and effort on both sides, and needs good facilitation to ensure everyone's unique skills are valued, but typically results in development that is locally appropriate and sometimes even denser than if designed without local involvement. To have real meaning, co-production must be about joint decision making as well as just good engagement, and councils can support and nurture this culture without compromising ambition for delivery, if it is built into the approach from the beginning.

I have been working to join up existing council processes across teams, to make working more efficient. I have also set up internal shared learning sessions to promote best practice, and challenged the ambition of projects, to pilot new ways of working.

I have learnt to be more open to ways of working, to challenge others, and find opportunities to streamline processes. Public Practice creates a hugely valuable network across LAs, which can come together to share skills and ideas and to apply those directly in our everyday roles during the placement.

# ALAN WHARTON, LONDON BRANCH

### *Meeting held on 7 December 2018*

The meeting was held at The Guildhall and was attended by 22 members and guests.

Presentation by Sue Hardy: London Health and Care Estates Transformation update

Sue's Power point presentation has been circulated. She outlined the aims of collaborative working between public sector organisations to improve health and wellbeing for all. Estates strategies would improve investment and disposal decision-making.

A lively Q&A session followed, which included recent experiences, some of which did not show integrated working. Sue said that there will be a review of lessons learned into why previous schemes have not progressed; a toolkit is being prepared on how to overcome obstacles. It was suggested that examples of live projects with good/poor experiences should be prepared.

Sue said she believed there were distinct advantages in having CCG staff co-located with local authority estates teams. There was a lack of strategic property expertise or experience of selling surplus property and LAs may have the ability to assist. The health teams often have to appoint costly external consultants to work through complex problems (and opportunities) and while this also happens in LAs, it was highly desirable for internal staff with local property knowledge and appreciation of the wider service issues to lead this work, with consultants and agents only appointed for specific transactions if necessary. There is a strong case for more collaboration.

Exchange of information

An important element of London Branch meetings is the "Exchange on Information" item, which indicates active engagement of members and is a good example of one of the key benefits of ACES membership. Some of the topics covered:

- The Secretary circulated details of the SPACES Yearbook. This showcases the varied work carried out by the construction sector for local communities across the country. Projects are funded, or part funded, by the public sector. Schemes can now be entered into the 2019 yearbook. Please see www.thespaces.org.uk

- One LA is considering the use of a government procurement framework (SCAPE) to deal with the issue of the fire integrity of internal doors in some schools; it should prove quicker than other forms of procurement

- A council is committed to delivering 1,000 new homes within 4 years. It cannot do this directly, so it is looking to purchase housing built by developers, possibly through the HRA

- The RICS is working on a scheme, associated with its 150 year anniversary, to take over unoccupied private/public property assets, refurbish them, and make them available to local 'good causes', by providing professional expertise on a no-cost basis

- The Valuation Office is to consolidate London operations in 3 offices - Croydon, Canary Wharf and Brent. These will align with the HMRC hubs. A new 3-year re-valuation programme is due to begin

- Neil Webster has met with the University of Westminster to progress a scheme whereby a graduate is given the opportunity to take a placement with a local authority. The branch could consider some form of endorsement/support on behalf of students who undertake work directly for local authorities

- The Government Property Agency is keen to work with London boroughs who have not yet engaged with the One Public Estate programme

- Update on asset reviews and investment decisions. It was acknowledged that shopping centres may be under pressure due to difficult trading conditions. This highlights the interest in recent years by local authorities in acquiring retail investments for income generation and the associated risks. The other reason for such acquisitions, i.e. regeneration, cannot be used for assets acquired outside the council's area

- Recruitment – difficult due both to salary levels and reputations of some parts of London. It affects many boroughs. Options discussed were interns and apprenticeships; some LAs have graduate schemes, offering placements, and can be an attractive long-term option; there is an apprenticeship levy which can attract school-leavers not just graduates; apprentices can start at any age, not just school leavers or graduates.

### *Meeting held on 25 January 2019*

The meeting was held at The Guildhall and was attended by 16 members and guests.

Presentation by Nicholas Werran, Dragon Gate: Delivering public health through local assets and leadership
A copy of the presentation has been circulated.

Dragon Gate is an evidence-gathering organisation. It is currently studying the concept of moving care services away from a hospital environment to GP Hubs and community care. The work is not to re-visit the concept or vision but to

suggest the steps to effective delivery and overcome barriers. Another area of investigation is housing delivery. Nicholas said there is poor comparison of a large amount of available data relating to housing and public health outcomes. The case study of Cornwall illustrated his presentation. A study has also been undertaken at Skelmersdale, Lancashire.

In Q&A, it was noted that budget planning is often a problem; shared goals and maintaining a focus helps. A practical issue relates to asset disposal to contribute to capital costs: health asset proceeds are often distributed over a wide geographical area, whereas local authorities can keep proceeds within their own area.

Can property be regarded as a catalyst for change, or is this usually driven from another perspective? LAs concentrate on service delivery and are much more agile in using all their resources, including property assets, to deliver services compared to health sector partners, which may have a large asset base but are not able to realise the opportunities which it offers.

Exchange of information

Topics considered:

- Property database systems. Different systems were discussed, and reference was made to the survey undertaken by ACES 2 years previously, which could be repeated at branch level

- A council is to build 5 new libraries, contrary to the general trend of closing them; 2 will be within regeneration schemes

- 250 housing units will be started by a council in March 2019, the first tranche of a total of 1,000 within 5 years, and prospects of a further 500. The programme is linked to an asset review/disposal programme. The LA has a lot of land potentially available for housing; one site anticipated for 2,500 homes. It will be delivered through a LA company

- The question was raised whether there are precedents for calculating the social value of housing and the rent subsidy associated with it. There is some information on this on the ACES website forum

- Valuation – discussions about the 'antecedent valuation date', and whether valuers need to be RICS-registered. This is also linked to the requirements (and qualifications) of auditors and whether they are able to accept the professional opinion of valuers

- Staffing – concerns about the over-reliance on interim staff (80% of staff in 1 LA), which can impact adversely on the culture the council is trying to foster

- Telecom companies are demanding access to council premises and claiming legal powers to do so. Most members thought that telecoms have statutory powers if they are working on public infrastructure.

## *Meeting held on 22 March*

The meeting was held at RICS Headquarters, and was attended by 22 members and guests.

Presentation by Matthew Hopkinson, Director, Didobi: The impact of the internet on the high street

The issue has now become the use and interpretation of this information. The internet is likely to account for 30% of shopping, but a physical store remains an important element of retailing. Some, such as Primark, have no internet presence at all.

Internet shopping is very high in the UK, compared to many other countries. There is a huge increase in data from all sources, such as high street spend, age profiles, travel patterns etc, but much of this information is not joined up to identify real trends or customer needs.

Matthew believes that high streets will continue to evolve if they are managed. People remember high streets with a range of shops, and while they regret the loss of well-known retailers, internet shopping will increase. There are probably 11-12% too many shops to be sustainable, and empty premises encourage crime and neglect. However, out of town supermarkets continue to be built. Shopping habits have changed in other ways: the level of returns for clothes can be as high as 30%.

Shops need to become destinations, with speciality and independents likely to prove most attractive to customers. As the population continues to age (40% will be over 65 by 2036), so the town centre function needs to change and focus on their needs and interests. Incentives to encourage high streets usage should be considered more.

In Q&A/comments, it was noted that pedestrianisation has ironically had an adverse impact on some high streets; the tax regime may not be helping: public revenue commitment to maintaining high streets is key to their success; too many shops trading in the same goods will result in failure; lease structures are not related to profitability; residential developments are too often built in places dependent on car travel.

Haris Middleton, Westminster University: Training for surveyors in the public sector

The university runs 2 accredited RICS courses. Numbers are increasing, but there is comparatively more interest in post-graduate courses. Students are encouraged to take up intern and other opportunities available. Haris would be keen to hear about up-coming opportunities and to arrange visits by prospective employers. The courses include a module on preparing for work. They do run summer placement schemes to LAs as well as private companies, and are also considering sandwich courses. Students on these courses tend to be more loyal and return to LAs after completing their courses.

In Q&A/comments, it was pointed out that graduates working in the public sector get more involved in a wider range of 'real work' than many private sector employees, the VOA had a lot of experience of graduate surveyors and found the quality varied; surveyors often left when they qualify. This was not necessarily a bad thing, but one

council tried to apply 3-year contracts; while the experience and employment benefits in the public sector were good, pay has always been a disincentive; a more collective approach may be a possible answer; we do not understand the interests and motivation of young people in the profession or who are having to make career choices; staff reductions in LAs had reduced the experience of existing staff, which had a further impact on the ability to train new graduates.

Mike Basquill attended from the RICS in place of Paul Bagust, and provided an update of relevant RICS activities, initiatives, and reviews.

Exchange of Information

Topics considered:

- A member will produce a summary of the key issues affecting the education sector
- The Ministry of Justice has been interested in acquiring some LA property and asked why some councils are only prepared to sell 250 years leases – does it reflect an earlier reluctance to sell freeholds, or reflect General Fund/HRA restrictions, Prudential Code rules or the property being used as collateral?
- A council has confirmed funding from Homes England
- A Council has now accepted the rights of telecom companies to enter onto council premises under the Telecoms Act.

# JOHN READ, NORTH EAST BRANCH

## *Red Nose CPD Day*

The North East Branch met for its branch and CPD meeting on 15 March at County Hall in Durham. The day followed our usual CPD style and although we did not follow a particular professional theme, the range of topics and discussion provided lots of relevant CPD for all.

In the absence of a permanent Branch Chair (hopefully temporary and nominations welcome), the event was chaired by Helen Stubbs who had taken the time to do a bit of research on each of the speaker introductions.

Durham County Council asset management: Stuart Timmiss, Head of Development and Housing, Durham County Council

Following her brief introduction, Stuart welcomed delegates and gave a brief overview of his new role and the work of the council in asset management and regeneration. This included the recent council approval of plans to relocate County Hall and redevelop the existing site; it is just one example of £3.8bn worth of committed investment across all sectors in the patch.

Investment funding: David Furniss, BNP Paribas

David gave a presentation on investment funding. He outlined trends in institutional investment and the impact on real estate investment over the last 2 decades, and illustrated how real estate sector investment had shifted over the years. He then went on to explain reasons why there has been a shortage of speculative development over recent years, identifying viability gaps, void risk and empty rates liability as 3 key factors. David also outlined the recent increase in local authority investment, explaining what investors were looking for and the rationale behind such investment, be it either for pure financial gain or as a lever to regeneration and growth. Finally, David outlined different types of investment opportunities with the aid of a range of case studies.

IFRS 16: Susan Robinson, CIPFA

Susan gave a presentation on IFRS 16 and the implications for asset valuers and accountants when accounting for leases. By her own admission, this is not the sexiest of subjects, but Susan managed to engage the audience with some memories of her time working for Durham County Council and by bringing alive the issues that valuers will face when it goes live in April 2020. Susan outlined that the new leasing standard will lead to a substantial change in accounting practice for lessees, for whom the current distinction between operating and finance leases will be removed. She explained that the new code requires that a lessee recognises assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

RICS: Tamsin Livermore, Regional Account Manager, RICS

Tamsin outlined the principles of the RICS business plan and the changes and challenges to the profession globally. More locally, she reiterated the desire of RICS to engage more with public sector surveyors and reminded members that the regional offices (Newcastle and Leeds) were there to help. Her discussion provoked audience feedback on recruitment issues and the need to promote surveying as a career of choice for the younger generation. As part of the discussion, Paul Greenhalgh of Northumbria University outlined the apprenticeship programme it was offering and encouraged the public sector as employers to develop apprentice roles, especially in real estate and building surveying [Ed – also see article on apprenticeships by Mike Cox of RICS in this issue of Terrier].

ACES: Neil Webster, Business & Marketing Manager, ACES

Neil outlined his business development role in ACES and used an interactive approach to engage feedback on extending ACES' spheres of influence: increasing membership, promoting good practice and developing a 5-year business plan.

As the morning session came to a close, there was more than the usual expectation of a good hearty lunch when Helen advised the audience that they would get their opportunity to buy a red nose. The excitement level rose when she announced that not all of the noses were red and that there were also white and grey ones, but if you un-boxed an ultra-rare green nose you could have a valuable collector's item. That's when the red nose funding frenzy started and delegates were encouraged to donate, wear their noses and have their photographs taken using the 'ACES/Red Nose Day' photo frame that Bernard White and Karen Maddison made on their train journey over. All funds raised went to comic relief and before the afternoon session we had a group photograph taken, although some of the camera shy delegates sat in the sidelines and kept out of the picture.

Andrew Holthan, Durham County Council

After all that excitement, we went into the afternoon session, starting with overview of Durham from Andrew Holtham. Andrew was very passionate about the county, having lived and worked there for many years. He gave an amusing and fact-packed summary of the council's property assets and some of the cultural and historic highlights of the county, including places such as Pity Me and No Place.

Electronic Communications Code: Nick Ward of Cell:cm

Nick provided an overview of the telecoms sector and the implications of the Electronic Telecommunications Code, published in December 2017 [Ed – see 2018/19 Winter Terrier]. Nick went through the key elements of the code in relation to negotiating terms for renewals and new equipment, and gave some valuable tips for surveyors acting for the landowner.

Brexit: David Furniss, BNP Paribas

Finally, the day was rounded off with David returning to the stage and giving a brief summary of issues surrounding Brexit and the potential implications for property. While his slides had been prepared almost a week before his presentation, they were still relevant, despite the constantly changing position over the last week in parliament.

As we go to press, plans are in hand for our next branch meeting, which is provisionally planned to be held in Rotherham on 5 July 2019.

# ALISON HEXT, HEART OF ENGLAND BRANCH

## Joint ACES Heart of England Branch/Government Property Profession Learning and Networking Day held on 28 February 2019

"It was a great event; an excellent event; a very successful day; met some really good contacts; it was very interesting and informative; I really enjoyed the workshop; it was quite challenging; it was nice that we had to cooperate all together when we don't know each other and come from different departments and backgrounds; very useful exercise especially for a newly qualified surveyor like myself; it was really useful to touch base with others from wider government bodies, both local authorities and government departments."

These were just some of the feedback comments received from attendees of the CPD Day held at the Carrs Lane Conference Centre, Birmingham. The theme of the event was 'To better understand the role of and opportunities for the modern estate surveyor in supporting the regeneration and growth agenda'.

Richard Allen, the event coordinator, introduced the aims for the day. He then looked back at lessons learnt from the past in the form of a property game he called 'The Regeneration Game: Generating value by creating demand and managing greed'[Ed – see Richard's article in this edition of Terrier].

Simon Shutte, Property Business Partner, Office of Government Property next gave an update on the 'Government Estate Strategy'. This was followed by a presentation entitled 'Economic growth - the role of real estate' by Carl Potter, Principal and Managing Director, Birmingham, Avison Young. The final presentation in the morning was by Kiran Williams, Strategic Estates Advisor (Birmingham and Solihull), NHS Strategic Estates Planning Service, on 'Sustainability Transformation Plans'.

Growth and regeneration workshop exercise

A short period before lunch and the whole of the afternoon session was taken up with the workshop. Prior to the event, all attendees had been sent the exercise as CPD homework to familiarise themselves with the subject matter. To undertake the exercise, each table operated as a public sector estate surveying practice that had been asked to pitch to lead on identifying and developing the opportunities the closure of an army barracks would present, for both the MoD and county council of a fictitious county town in the Midlands. They had to develop a shared vision for the town and its environs and produce a public sector estate strategy, to support a master plan to deliver the vision. The exercise presented many opportunities and challenges that public sector estate surveyors encounter across the whole spectrum of their working lives; so it was a useful vehicle to exchange experiences and share good practice.

Following the CPD event, there was a short branch meeting where Keith Jewsbury introduced his role as ACES Branch Liaison Officer and Neil Webster, the new ACES Business and Marketing Manager, explained his role, with particular regard to increasing membership in the Heart of England Branch. This produced a general discussion where members agreed all would be requested to bring junior/graduate employees to future branch meetings – as a 'plus one' - to develop future members and succession planning for branches, and that each attending member be asked to provide a short report on what they or their authority was dealing with at the time.

### *November Ordinary and Branch AGM held on 8 November 2018*

The AGM was held at the offices of GVA (now Avison Young) in Brindleyplace Birmingham, following the inaugural Espresso Briefing, supported by ACES. The Briefing included GVA presentations by Craig Alsbury and Virginia Blackman on 'Estate renewal in the current climate' and Jon Gibson on 'The new MEES Regulations and social value'.

At the AGM Philip Colledge, Mansfield District Council, was elected as the new Branch Vice Chair. Geoff Taylor, Birmingham Roman Catholic Archdiocese, continued his second year of being Chair. Alison Hext, Place Partnership, was elected as Secretary and Richard Allen continued in his existing role of Treasurer.

On conclusion of the AGM, there was a short ordinary meeting which was continued on an informal networking basis over lunch at the Brasshouse pub in Brindleyplace.

# FARIDA AHMED, NORTH WEST BRANCH

The first branch meeting of 2019 was held at Kelhey Court in Wigan with 20 members and guests in attendance.

The branch is very keen to encourage new members and had a healthy discussion on ways that new

members could be supported, with a combination of subsidy in the first year of membership, and other members actively approaching potential members. The branch is also considering sending out a letter to chief officers of public sector bodies to encourage membership. Succession planning is essential for the future of ACES, and the modernisation of the way we operate to attract new members. The Branch will work with Neil Webster on this and support ACES' Business Plan objectives.

Stephen Lashmer and Simon Cooke, Roger Hannah & Co

There was an excellent presentation from Stephen and Simon on compulsory purchase, with some excellent examples of recent CPOs they had been involved with in the north west, as well as tips on how to implement a CPO effectively [Ed – see full article in this issue of Terrier].

Ian Caruthers, VOA

Ian gave a VOA technical update on recent changes that would impact members.

CPD event, 16 May 2019

The branch is again organising a CPD event, which will be taking place on Thursday 16 May at Haydock Park, with excellent speakers lined up. We are expecting a similar attendance as last year, of around 120 delegates.

Details are also being finalised for a branch workshop in the autumn.

# SARA CAMERON, EASTERN BRANCH

***Meeting 15 March 2019***

Eastern Branch held its branch CPD meeting at Landmark House, Ipswich, attended by around 30 members and guests.

There were 3 presentations.

Victoria Hogg and Tim Johnson – Cushman & Wakefield

This presentation reviewed the key issues from the Government White Paper 'Fixing our broken housing market' published in February 2017. By 2020 only a quarter of 30-year olds will own their own homes.

Homes England has taken the role of disruptor in the land market. It has the financial mechanisms in place, ranging from loans to help SME housebuilders, different loan terms for affordable housing, and the provision of loans to unlock sites. The key finding programmes were summarised as:

- £1.3 bn land assembly fund available to fund acquisition and enabling works, through Homes England only and used to de-risk sites for developers
- £630m small sites fund launched in September 2018, to speed up infrastructure delivery on small sites that may have stalled. Applications are open
- £140m estates regeneration loan fund to accelerate regeneration of estates by funding land assembly. Proposals require support of local authorities and projects must be viable.

The presentation concluded with several case studies exploring local authority delivery models and a review of possible future support to fix the housing market, including certainty of major infrastructure delivery, reforms to the Land Compensation Act, and government response to the Letwin Review [Ed – see 2018/19 Winter Terrier].

Mike Cox - Future Talent, RICS

Mike reviewed RICS Future Talent initiatives including Matrics, Inspire Ambassadors and Apprenticeships. Diversity and inclusivity are still hot topics of debate since the launch of the RIC Inclusive Employer Mark in 2015, but the membership statistics demonstrate there is still much to be done in terms of attracting women and ethnic minorities (BAME) members to the profession. Current membership for women is 15% and for BAME 1.5%. It is encouraging that current graduates and trainees are 25% women, but progress is too slow to show gender parity. Couple this with the frightening statistic that only 4% of FRICS are women and that 55% of members are over 50 years old, with 20% over 70 years old, the sustainability of membership to the profession seems a steep climb.

RICS positive actions during 2018 included:

- 130 school visits
- 320 Inspire Ambassadors engaged with schools
- 64,000 students engaged with.

In terms of 2019 the plan is to see:

- 170 school visits
- 500 Inspire Ambassadors engaged with schools
- 80,000 students engaged with.

One path to ensuring a diverse and talented workforce is the surveying apprenticeship. With providers in place to deliver accredited Level 3 diplomas and Level 6 degrees for AssocRICS and MRICS qualifications, these success rates are significantly improving the talent pool, while reinforcing the highest of standards [Ed – see Mike's full article, with Sara's case study of Norfolk County Council, in this edition of Terrier].

Chris Watts – Cushman & Wakefield

Chris reviewed high streets and town centre regeneration and the role of local authorities.

The town centres first approach has had mixed results and has failed to curb the decentralisation of supermarkets and retail warehouses, which have increasingly threatened the viability of our town centres, as they no longer just sell food or DIY goods – they sell clothing, footwear and other high street goods.

The new NPPF clearly states that planning policies and decisions should support the role town centres play; it only has 6 paragraphs dedicated to ensuring the vitality of town centres, in a document with some 200 paragraphs.

High Streets have never had it so tough; recent casualties are not limited to retail - restaurants and leisure uses are struggling too. In the face of BREXIT, uncertainty, weaker economic growth, higher occupier costs, and the continued growth of internet sales, are all hitting our high streets hard.

How is the retail sector responding?

- Retailer polarisation – retailers downsizing to a smaller number of prime locations, leaving large voids in many town centres
- Increasing collaborations to share space between occupiers
- Changing store formats adopting click and collect services, and developing large out of town formats to showcase brands
- Improvements to in-store experience with interactive displays and creative marketing, highlighting the growing importance of leisure and all-round customer experiences. Shops are no longer enough to attract visitors to a town centre.

Every town centre faces a unique set of challenges, but many share a common problem – an oversupply of space, considering retailer administrations, and shrinking demand. Potential solutions could include contracting town centres and releasing retail space for alternative uses such as residential, schools, businesses.

The next branch meeting will be held on 14 June 2019 at the offices of the Guildhall, Cambridge.

# GERRY DEVINE, WELSH BRANCH

Following Council's last meeting in January, Wales, like much of the rest of the British Isles, we experienced a rather warmer and drier February than is usual. We ask ourselves, "Is this due to climate change?" However, as March arrived, the weather had cooled considerably and the Welsh Branch Community Asset Transfer (CAT) Group moved indoors on 7 March at Abercynon Sports Centre, where Rhondda Cynon Taff County Borough Council (RCTCBC) again kindly hosted the CAT Group meeting.

Debbie Hanney, Communities Officer, and Sue Colston, Estates Surveyor, RCTCBC

The host council opened the meeting with a joint presentation by Debbie and Sue, each explaining their own particular roles within the CAT process at their council. Debbie talked about how she works with local community groups, drawing them together from churches and chapels, charities, sports clubs, senior citizens and disabled groups, housing associations, third sector/voluntary organisations and similar groups within each area or valley, to find common interests or aspirations, so that they can work together to create a better public service offer for the benefit of the whole community. The council does this within its Neigbourhood Networking model and provides training and advice to the groups on matters such as strategic marketing, accounting and managing and maintaining property assets including statutory compliance.

However, even before this, there is a lot of work done by the council in each community, from identifying potential community hub buildings and mapping these, carrying out community research and profiling, developing and appraising options, before deciding which locations are suitable for CAT. The information is then provided to applicant groups, to assist them in funding applications.

Sue talked about how leases were arranged over very different time periods, depending upon the business plans of the lessee group. Some groups were more ambitious than others, e.g. one group which had taken over a day centre had been able to bring in around £1.4m of funding, mainly from the Big Lottery, to refurbish the building and attract a GP surgery into it, as well as setting up a childcare facility and community café. In doing so, this fitted well with the council's wish to co-locate services and benefit from ecomomies of scale. Groups had generally been very successful in bringing in external funding, estimated at between £6-7m so far.

Rents also varied: a market rent is stated in leases, but a concessionary rent or long initial rent-free period is incorporated in many cases, to improve viability and sustainability of the enterprise. In addition, on completion of the lease, a tenant handbook is also provided to the group's building manager. Despite this, there had been one or two failures - one because the lessee did not follow the advice provided and another in a location

where the supply of function rooms for events was overly competitive.

Discussions ensued on the different approaches used by the various councils in aspects of the transfers. There was a wide difference of approach in the initial offering of a property or service for a CAT. In one case, in contrast to the host authority's Neigbourhood Netwoork model, the council decided that it wished to shut down its grass-cutting operations, and simply advised the various clubs using its sports pitches that they would have to take over the pitch management themselves, or cease to use the facilities. It was conceded that this was not an ideal approach but was 'dropped' from the higher echelons of management in the cash-strapped council concerned.

One council uses a market rent for its CAT leases and may assist lessees through grant applications where required. This is usually arranged on a tapering basis and provides transparency. Other councils feel that granting a concessionary rent or a rent-free period is a simpler option, especially in deprived ares.

Member interference in the CAT process was also raised as an issue by many authorities, but one to which there did not seem to be a ready solution.

Another issue which was raised and discussed was statutory compliance. It was felt that many applicant groups, and some occupiers, did not have the expertise required to ensure a full repair and maintenance and statutory compliance capability. In some cases, having completed a CAT lease with tenant repair and maintenance liability, tenant groups were reverting to the council's service area to arrange repairs; these were being carried out by the service area without reference to the council's estates surveyors. This could at least 'muddy the waters' or even change the terms of future lease liability because of such action. One suggestion was that applicants should nominate a person as the premises manager, who should then be assessed for competence in these areas as part of the application process. It was generally agreed that most councils do not have the resources to carry out the necessary checks to monitor compliance.

The Welsh Government has issued CAT Guidance, which is updated from time to time in the light of experience, and a representative of the Welsh Government estates team attended the CAT Group meeting as an observer.

At the last Branch meeting Elinor Weekly of RICS Wales, promised to organise a Public Sector CPD seminar. The Public Sector Asset Management Seminar in Cardiff on 28 March was fully booked.

The Welsh Branch welcomes ACES President, Graeme Haigh, to its next meeting on 5 April, again hosted by RCTCBC at Abercynon Sports Centre. Geoff Bacon of Swansea Council will host the branch meeting on 9 July at The Mansion House, Swansea.

# ROBERT HARKNESS, SCOTTISH BRANCH

Scottish Branch met on 1 February at Renfrewshire House, Paisley, attended by 14 members and guest Keith Jewsbury, ACES Branch Liaison Officer.

Some matters discussed:

- Interest has been shown by Scottish Fire joining ACES and an invitation is to be made
- Sustrans is keen to contact branches and liaise with local authorities on their operations in Scotland [Ed – see article on the National Cycling Network in this issue of Terrier]
- Non-surveyors holding ACES membership? Keith stated that if it benefitted ACES, branches should consider applications individually on their merit and raise with the National Secretary for consideration.

Valuation Working Group

At the last meeting on 30 November 2018, there were 15 attendees and the meeting covered 24 topics. It was an interesting and wide-ranging meeting. The Executive requested that minutes be circulated to all branch members for information, to encourage participation in exchange. It was proposed that "Useful Life of Buildings" be the principal topic for the next meeting on 1 March 2019.

The same action was proposed for the Asset Management Working Group.

Property Sharing Agreement

An in-depth discussion took place on Scottish Futures Trust Property Sharing Agreement document. ACES Executive to distribute.

Compulsory Sale of Derelict Sites, Scotland – new council powers

Discussion took place on how the new powers will enable councils to enforce sales of derelict and undeveloped sites. A first possible use in Coatbridge [Ed – see article by Hew Edgar, RICS on proposed Compulsory Sales Orders in this issue of Terrier].

ACES Award for Excellence 2018

Congratulations on behalf of the branch were made to the winner, East Renfrewshire Council.

DWP

Following the devolvement of certain DWP services to Scottish Government, ACES members may receive requests and enquiries to share space within their facilities as part of this service delivery.

The next meeting of the Scottish Branch will be hosted by Highland Council in Inverness on Friday 7 June 2019.

# SURVEYING TALK – WHAT IS VALUE?

Dr David Garnett

David continues his series on terminology, this time straying into the bounds of philosophy to determine a definition of 'value'.

*David is a university teacher and researcher who has written extensively on housing policy and social justice and has acted as a consultant to a number of housing organisations in the UK and overseas. He has spent most of his working life in the field of the built environment, specialising in housing economics and finance. He has acted as chairman to a number of community organisations, including 2 housing associations.*

*Dr Garnett is a Fellow of the Chartered Institute of Housing and author of 'The A – Z of Housing' published by Macmillan Education. His latest book, 'Dysfunctional Discourse: How and Why People Justify Bad Ideas', is due to be published in 2019.*

*He likes cricket and amuses himself by writing awful doggerel verse with obvious rhymes and dreadful puns. david.garnett@btinternet.com*

The English language is full of subtleties that can provide endless fun and interest to etymological pedants like myself. To pick a point at random, I wonder how many of my well-educated, professionally qualified readers know when to use the verb 'to inquire' and when to use 'to enquire' – or is this an unnecessary question because these 2 words are interchangeable and mean the same thing? If you're not sure you are not alone.

In everyday speech, many of the words we use are assumed to be interchangeable. When we go shopping, for example, it matters little if we enquire after the "cost" of a product or inquire after its "price" – it is understood by all concerned to mean the same thing. This is not, however, the case for the language pedant, who would insist that what was going on in the shop was an enquiry about the price and not an inquiry into the cost. A real problem arises when everyday (apparently interchangeable) words like price, cost, inquiry, enquiry, letting, renting, etc. are used in particular academic or professional settings. In economics for example, 'cost' and 'price' are different concepts. The cost of a product or service is determined by the value of the factors of production that were used to produce it and make it available to the consumer. Its price, on the other hand, is determined by the value that the consumer is prepared to pay and the seller is happy to accept. Of course, a playful pedant might read what I have just written and call me to account by saying, "That's all very well – but what do you mean by 'value'?" Fair point.

In surveying and estate management we are constantly making reference to value – indeed, some of us actually refer to ourselves as "valuers". Although the professional determination of value is an activity largely associated with estate agency and auctioneering, the idea of 'value' permeates many aspects of all of our professional activities. Land administrators, property managers, social landlords, building surveyors, town and country planners, local government officers, investment advisors, and house builders all seek to offer valuable services to a variety of stakeholders. In turn these stakeholders expect (or at least hope) to get value from their spending on rents, purchases, investments, business rates and taxes.

## *For philosophers value is more than a money thing*

In our field, the notion of value has become closely associated with money. For some this is seen as morally problematic – particularly those working in the non-market sectors of the economy. Many commentators suggest that commercialisation and commodification have provided a distorted view of our basic values; the constant pressure to produce a narrow definition of 'value-for-money' is distorting the ways in which we are providing public and welfare goods and services. The philosophical argument here is that it is inappropriate to value many of the really important things in life in market (or quasi-market) terms. Embracing consumerism has echoes of Epicurean logic that contrasts with other ancient Greek schools of thought that argue that the pursuit of happiness is the primary purpose of life. The Cynics, for example, believed that a good life was one that was in harmony with nature; the Stoics believed that to have a happy and valuable life involves accepting circumstances that are beyond our control. Ethically speaking, we might conclude that 'value' is, and always has been, a contested concept.

## *Value is a contested concept*

The word 'value' comes from the Latin valere - to be strong - to be relied upon - to have worth. Philosophically speaking, it is possible to say that something has 'intrinsic value' if it has qualities that

go beyond usefulness. If something is intrinsically valuable it is worthy in its own right, without having any reference to how it might be used or marketed. In our materialistic world of human affairs, however, the notion of value tends to be tied to usefulness. So the 'value' of something is usually thought to be that attribute that makes it, in some sense, worthy of use. If something has no use it tends to be regarded as worthless and if it is worthless, in market theory, it tends to be regarded as having no value. This way of equating all value with market value can be problematic if it leads us to underestimate the importance of the range of intangible benefits and 'free' goods we all enjoy – things that are key determinants of the 'good life' we all seek. Although markets are good at valuing material things such as consumer products and services and investment assets, they can be pretty hopeless at indicating an appropriate worth to enhancements in contentment, aesthetical appreciation, noise abatement, clean air, feelings of security, friendship and family links, etc.

The economic value of marketed products or capital assets is composed of 3 interrelated factors, namely, their potential selling price (exchange value), their potential usefulness ('utility' or use value), and their potential to yield a return on money capital committed (investment value). At any time, a piece of land or a building's exchange value will be determined by the perceptions of potential purchasers, or renters, about its current use and/or future investment value. The real, underlying, fundamental social and economic value of a landed property is assumed to be determined by what it does - its usefulness, and in the final analysis, it is this that determines both its investment value and its exchange value. *In the end, for estate managers, all social and economic value is grounded in current or potential use-value.*

However, even in the professionally specific field of estate management, where we usually take it for granted that when we refer to 'value' we are talking about money measures, there have been all sorts of ways in which these measures can be determined. As well as the old favourites of Open Market Value; Existing Use Value; Net Present Value, and the Right to Buy Value; we can add the accounts' balance sheet notion of Carrying Value and the economists' idea of Neighbourhood Effect Value – and so on.

## *Measuring contested concepts is problematic*

The Public Services (Social Value) Act became operational in 2013. This legislation made it a requirement for commissioners of public services to take into consideration at the pre-procurement stage how the services they commission will improve the economic, social and environmental wellbeing of their areas. Although the legislation has brought about a wider view of the nature and scope of value, there still seems to be an expectation that no matter how irrational, intangible social benefits must be given a monetary measure so as to conform to the traditional market way of looking at things.

## *Concluding thought*

On the face of it, the pursuit of 'value-

for-money' (VfM) is a reasonable and worthy objective. But those of us operating in the public sector have a commitment to the long-term welfare of our communities and we need to understand that there is not – and never has been – a definitively agreed understanding of what this term means. It would be a derogation of our ethical duty if we failed to question those who insist that VfM simply means commissioning some administratively determined minimum standard of provision as cheaply as possible. We should also be wary of monetising all aspects of life over which we have some influence. Indeed, I have long argued that the blanket monetisation of social benefits is ill conceived. [I outlined my reasons in an article Measuring and Declaring Social Dividends – A Plea for Simplicity, in 2016 Autumn Terrier]. In professional practice, it is not 'value' per se that is the issue, so much as the contested notion of 'value-for-money'. To get to grips with this we need to confront the question of 'quality'.

But this is another story for another time…… [Ed – I'll hold you to that, David!]

# A VIEW ON RETIREMENT

## Salford's Cultural Attaché

It is said that retirement is one of the great milestones in your life, along with starting school and your first proper job. I reached this great milestone in 2012 after some 40 years' work, mostly in the public sector and latterly as a management consultant.

I received much sage advice regarding retirement about keeping your brain active and ticking over, to taking up hobbies, or better still take up a little job that would not be too taxing and preferably not connected with property or surveying. This got me thinking, not too taxing and not connected with surveying, and I must say it came to me in a flash of inspiration, why not breath in a bit and be a body double for the sex and bedroom scenes for A list actors like George Clooney and Brad Pitt!

I know some of you will find it hard to believe that my first gig (hip and trendy) was on the set of Poldark in a field of corn with my shirt off, breathing in and holding a scythe. After the shoot they superimposed Aidan Turner's head on my body! I have since given up this little job as I got fed up with all the travelling.

On retirement, I noticed I had put a little timber on, well probably in my case a small coppice, and so something had to be done to fight the flab; due to sciatica, running had ceased some years earlier, so other options had to be considered. I hate public swimming pools so that was out, but some kind soul suggested cycling. I hadn't been on a bike for years, so I started off by repairing an old mountain bike I found in the shed that hadn't been ridden for over 30 years. I found I quite enjoyed the exercise, but felt I needed a better set of wheels. I decided on a road bike but was astonished at the prices; the one I eventually chose cost me 5 times more than my first car! With the dealer explaining the brilliant gears, the carbon fibre forks, and ultralight-weight frame, I must say I was a sucker for the carbon fibre forks and that closed out the deal.

The saddle was so thin and looked like an instrument of torture, so I was quickly sold the black padded shorts, or as my wife calls them "licorice shorts", the waterproof jacket, and another fitted cycling top. We then discussed pedals: did I want cleats, normal pedals, or cages? I soon learnt that with cleats you need special shoes that you clip onto the cleats and rotate about 45 degrees to disengage them from the pedals shaft, all too complicated for me, so I opted for cages on the pedals.

I got the new bike home, got kitted up and went out for a couple of hours, tackling a hilly route from my house. I was feeling pretty pleased with myself after the first hour and the new bike certainly made considerably lighter work of the hills. Time for a stop and a drink I thought, so I glided to a halt at the side of a country road and as I stopped, I couldn't get my feet out of the cages, so gently toppled sideways into a ditch with nettles all around; padded shorts might help your rear, but offer no protection from multiple nettle stings!

Once home I told my wife of the mishap, who was really sympathetic and nearly wet herself laughing, and the only good thing was that no-one was about to witness my accident, but unfortunately all the local WI ladies got to hear about my bike heroics, as my wife regaled them of my antics at that evening's WI meeting. I have always been unlucky like that because even as a child when we played doctors and nurses, I was always the ambulance driver!

I am now well into bike riding and about to make the move and be grown up and get special shoes and cleats, but I have a friend who firmly believes men of a certain age should not be seen in lycra or licorice shorts. I have got a solution to this and wear my padded shorts back-to-front; your bottom takes one for the team, but it is a stunning effect when you get off the bike!

The bike riding is working and keeping my weight under control. I can't say I have a 6-pack but I don't think it's a party-7 either. In fact an acquaintance of my wife said I looked in better shape and what diet was I following? Very tongue-in-cheek I replied "it's a high sex low carb diet but don't tell my wife." She thought for a second and said she hadn't come across that one before - and I think she was being serious.

One of the very best things about being retired is the time I can spend with my two grandsons, and even better, that you can usually give them back to mum and dad at the end of the day. On reflection, it is probably a sad fact that I can spend more quality time with them than I did with my own children when they were small. There is two and a half years between them and they have

totally different personalities, but are fiercely loyal to each other and spoilt rotten by grandma and grandad.

As far as I am concerned, the second rite of passage for a toddler, after walking, is potty training and I was told to encourage and congratulate my eldest grandson when a successful potty mission was accomplished; this I did on a regular basis, so brownie points for me from my daughter and wife. One day I was at my daughter's house and had just come out of their downstairs toilet where I bumped into my eldest grandson, who was about 2 at the time. "Have you been to the big boys' toilet grandad?" he asked; when I said "yes" he looked at me, patted me on the arm, and said "well done grandad".

I got into a bit of a situation with my eldest grandson when he was just over 2. He liked going to an American-style eatery which had booth-style seating; we had just finished eating when he said he wanted to go to the big boys' toilet. The toilets were up a wide flight of stairs in the middle of the restaurant. After we had both been, we came down the stairs and when he was about 10 metres away from our booth, he shouts at the top of his voice "grandma, grandad's got a really big winkie". Well, I thought there are 2 ways to play this, either slink back to your booth or swagger: I opted to swagger, but just before I got back to my seat I looked up to find my wife mouthing "no he hasn't" and carrying out a dismissive hand motion just under her chin to anyone who would look in her direction. So much for family support.

I have had my moments with my youngest grandson; when he was about 2 I was entrusted to look after him on my own for most of the day. I must say I thought it went well. I gave him lunch, changed a nappy, put him down for a sleep, and when he woke up we played with some Duplo building blocks on the lounge floor. We were in the middle of this exercise when my wife came home and enquired how we had got on. I explained we had been fine and I commented that he was very dextrous. He gave me a withering look and said in a cross voice "grandad my name is Rory Evans".

Don't get me started on the school run and parental nursery and school choice, which doesn't exist and is a myth; the best a parent can hope for is parental preference, often resulting in a multi-stop car journey - in my case, miles apart to drop my grandsons off at a different school and nursery; where's the wrap-around care; what care there is costs an arm and a leg. I don't know how a single parent on a low income without transport could manage (grumpy rant over now).

Several years ago, the youngest grandson was about to leave nursery, where he was the eldest and top dog, and commence in the reception class at the same school as his elder brother. I was driving to pick my eldest grandson up from school, having first collected the youngest from nursery.The conversation went something like this "it's a good job you will be going into the reception class in September as you will be with your brother, and grandad will only have to do one trip" Grandson "it's alright grandad I don't think I will bother, I will stay at nursery as I like it and I'm the eldest." Once I got him home I quizzed him again why he didn't want to go to school; this time he took a different approach and turning to me, shrugged his shoulders, spread his arms out wide and said "I can't read and can't do sums so why bother?"

My grandsons continue to give us much amusement and it's a pleasure to watch them growing up. Retirement is what you make it; as a friend said, we have probably had the best of it in terms of work and public sector funding, and I watch from the sidelines as austerity changes how services are delivered. The only real downside I have found with retirement is that you are always ill in your own time!

# THE GLOUCESTER GLADIATOR

## "THINGS AIN'T WHAT THEY USED TO BE"

The past is a foreign country. So wrote L.P.Hartley in his classic coming of age novel "The Go Between". How true that is when reflecting on a professional lifetime of working in a variety of organisations.

One of my first experiences was as general assistant to the senior partner of a long-established Dorset practice of land agents and auctioneers. An end of tenancy tenant right valuation was to take place, with 2 leviathans of the profession locking horns and professional pride on a farm adjoining the Chesil Beach, with views overlooking the Moonfleet hotel (cue another literary reference). Time honoured protocol was to be adhered to: the 2 assistants, myself and the junior partner of the firm representing the incoming tenant, were armed with notebooks and pencils (to facilitate rubbing out in the event of disagreements) and religiously followed our principals round the farm, assiduously noting down measurements, weights, volumes and agreed values of every conceivable form of feedstuff and deadstock in neat (woe betide untidiness) columns. At lunchtime a bottle of Lucozade and a large pork pie was shared between us, no expense being spared to sustain us through the day. I imagine little had changed over the generations until recent years, when smartphones, ipads and laptops will have largely replaced the role of the doughty assistants.

Fast forward a few years when I found myself in a senior managerial capacity with a rural county council. Certain customs prevailed from what, even then, seemed like a bygone age. Every morning at 8.50am on the dot, the senior management team would congregate in the departmental meeting room where the morning post would have been opened and carefully laid out in team order. The director would do the rounds, cast a cursory eye over the post, mutter a few pleasantries, and leave. Mind you, convention at the time dictated that all outgoing post must be written and signed in the name of the director and great would be his indignation regarding derogatory correspondence which he complained he had no knowledge of. I railed against what I considered to be an antediluvian practice until, eventually, we moved into the modern world and were allowed to write and sign correspondence in our own names.

Arguably the biggest change in working practice within offices came with the advent of emails (can anyone remember exactly when that was?). Picture the pre-electronic age: letters would arrive, possibly twice daily; internal memos would circulate around the organisation. On receipt they would find their way to an appropriate in-tray where they would sit until the recipient found time to read, digest and contemplate appropriate action or the composition of a suitable response. Inevitably several days would pass between the various interactions, but at least this had the benefit of enabling mature reflection and rewrites where the risk of intemperate ripostes could be minimised. Fast forward to today where communication is fast, furious and virtually instantaneous.

Remember also the days of the typing pool, the Dictaphone in its various incarnations or, rarer still, dictation itself to a long suffering secretary, all now as historic to the modern office worker as the pen and quill. I well recall one office manager introducing with great glee a new system whereby the phone handset would be used for dictating to a central typing pool servicing the whole council.

The electronic diary was an excellent innovation, enabling designated contacts to access one's current and future whereabouts and independently book in appointments, wanted or otherwise. However, scope for confusion abounded: occasionally I would put in a slot in the diary marked "reading", providing time to catch up on browsing professional journals (including The Terrier! - brownie point from the editor? [Ed - oh, absolutely]), together with other erudite works of literature. On one occasion I was collared by the Chief Executive in the corridor, enquiring why it was necessary for me to visit Reading so frequently; did we have property business there, he enquired.

One long-lost and much lamented facility was the morning coffee trolley, bringing with it pastries, sandwiches and other delights, but equally importantly, the anticipation and savouring of a moment's respite from the daily toil (now this is becoming all too Dickensian, so get a grip) and the chance for a quick catch-up with someone you had been meaning to speak to.

Talking of catch ups, The King Alfred pub in Winchester became a favourite Friday lunchtime watering hole during my days, decades ago now, when I worked in that part of the world. At first frowned on by authority, it eventually became accepted as an excellent meeting point for a large, busy office where regular personal contact was difficult. Mind you, there were those whose sojourns to this establishment were not confined solely to Fridays.

Open plan offices undoubtedly have significant benefits in terms of spatial and energy efficiencies, ease of communications, all tastefully enhanced by judicious furnishings, landscaping and noise attenuation measures, but do they have character or provide a sense of place? I liken them to modern sports stadiums; pristine in design with superb sight lines and leg room, but so often anodyne, lacking the local idiosyncrasy which provides that essential unique identity.

Nostalgia can become insidious, but is change always beneficial? I leave you to make up your own minds. It is I suppose a generational thing. I recently unearthed a yellowing sepia-coloured photo of a pre-war gathering of county land agents at one of their regular CLAVA meetings. Plus fours, trilbies and tweed jackets were de rigeur, and most resplendent they looked too, reflecting for many a military background. What I wonder would they have made of me back in the day - or indeed now, when ties have become a less essential sartorial fashion item for the modern professional.

Tempus fugit as they say!

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