The Terrier

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

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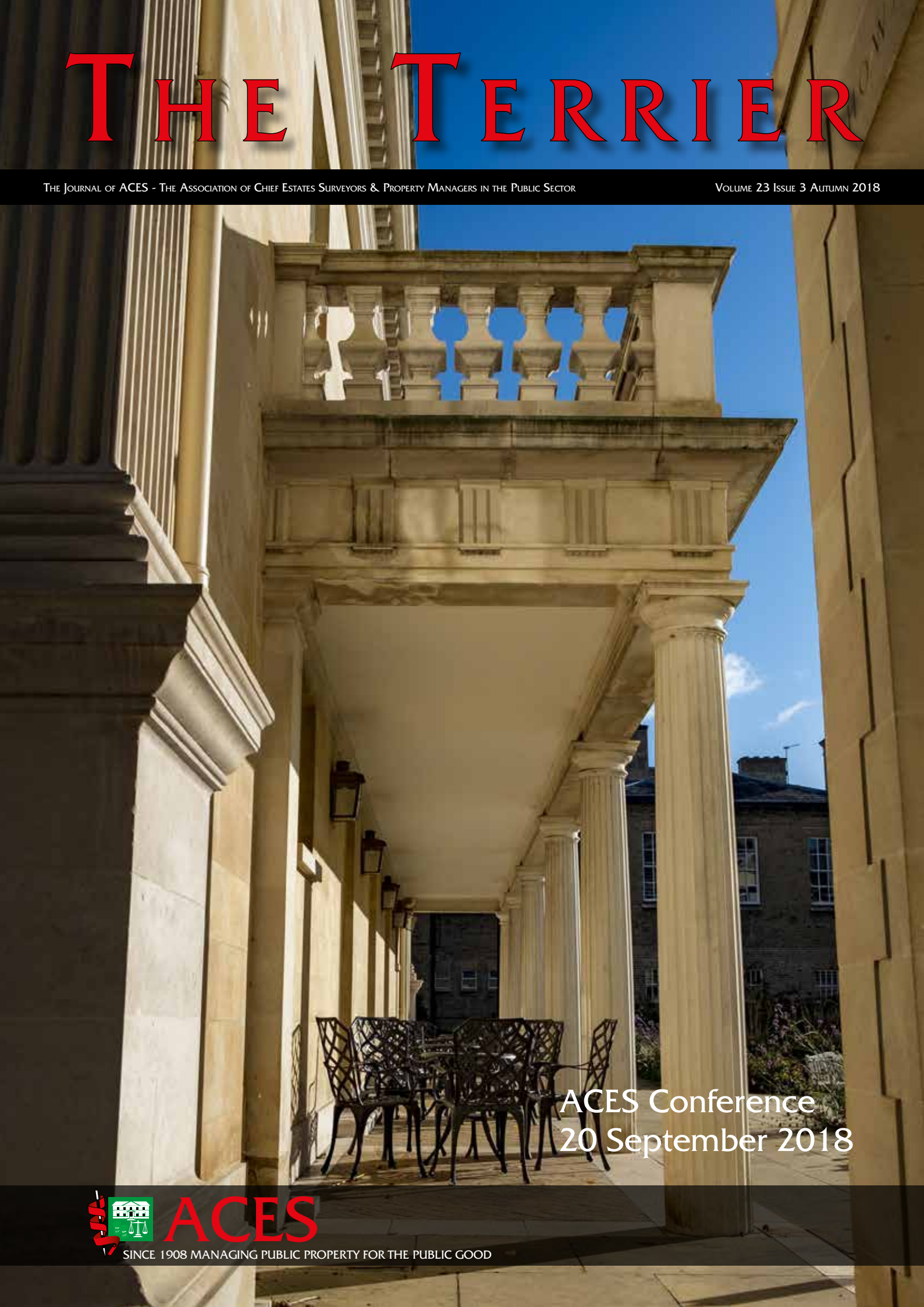

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THE TERRIER

THE JOURNAL OF ACES - THE ASSOCIATION OF CHIEF ESTATES SURVEYORS & PROPERTY MANAGERS IN THE PUBLIC SECTOR VOLUME 23 - ISSUE 3 - AUTUMN 2018

EDITORIAL

Betty Albon

Welcome to the 2018 Autumn Terrier.

This edition features the ACES National Conference held at the superb (and photogenic) Downing College, Cambridge. Hat's off to President Neil McManus, and Secretary Trevor Bishop, for all their hard work in bringing together an excellent programme of speakers. It is true – ACES is a relatively small organisation, but we almost certainly punch above our weight.

There are articles on procurement, collaboration, regeneration and how to do it well – especially for much-needed housing, capital strategies, and compulsory purchase. Together with the branch reports (unfortunately, quality rather than quantity – where are you, branch secretaries?), and a range of additional topics, I'm sure readers will find many useful articles to absorb and pass on to colleagues.

My grateful thanks go out to all authors and advertisers who help to make the Terrier a professional and relevant property journal for public sector surveyors.

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Cover photo: Downing College, Cambridge.
Photograph kindly provided by Nicola Hicks, ACES' photographer for the conference.

NATIONAL CONFERENCE, CAMBRIDGE "INCOME GENERATION AND REVENUE REDUCTION IN THE PUBLIC SECTOR"

This report was compiled from contributions prepared by ACES' members, most notably by Peter Gregory, who is the author for the lion's share. My thanks to Peter and the other contributors – Sara Cameron, Phil Doggett, Richard Combes – and the Editor! The line-up of speakers can be found on pages 65-66.

The full report of conference proceedings will be available in 'Asset' in pdf format and posted on the ACES' website. All members will be notified when it is available. The line-up of speakers can be found on pages 65-66.

President, Neil McManus opened the 2018 National Conference by welcoming delegates to the event and to Downing College, Cambridge. Neil recognised the challenges of his colleagues' day jobs and promised a high-quality day of interesting, thought-provoking and stimulating presentations on a wide range of subjects, which would demonstrate the importance of best practice and innovation in asset management and regeneration.

Neil thanked the conference speakers and sponsors, without whom putting on a conference of this nature would be all the more difficult. In particular, thanks to the main sponsors, the Norse Group, GVA, Lambert Smith Hampton, BNParibas Real estate and Carter Jonas.

Self-build and custom housebuilding

Richard Bacon, MP for South Norfolk, outlined the background to Right to Build legislation in 2015, beginning with "Fixing our Broken Housing Market". The number of completions are declining and house prices are rising; current housebuilding is of poor quality and people have little say in what is developed. 67% of people do not want to buy the products of volume housebuilders.

Developers have no incentives to increase the rates of sale. Demand cannot influence supply and drive volumes, so do we have a 'market' as such? We need 'good' development – well designed, built, and connected. But, the local authority role is place making, which is not a private sector responsibility.

Richard encouraged local authorities to facilitate the market for serviced plots. Self-build typically requires a budget of £250-£350, but there is new demand from the younger generation, who have an affordability problem. Self-build is a normal approach across the globe and the UK is lagging behind Europe. However, local authorities have obligations to keep a register of those interested in self-build and have regard in planning terms to meet demand from the register (currently 33,000 on the registers).

Innovation and collaboration in property

Councillor Matthew Hicks, Leader of Suffolk County Council, gave a resume of the council's single public sector estates programme. The financial challenge faced by all local authorities amounted in Suffolk to £25m in both 2019 and 2020. Therefore the approach is to innovate and commercialise.

Projects were outlined: the development of a new HQ at Landmark House, Ipswich, where there is the co-location of services with other public organisations, and other shared offices at Bury St Edmunds and Lowestoft. Each office is jointly owned with the public sector partners.

The Ipswich offices attracted a £50,000 grant from the OPE programme to develop a multi-agency approach, to explore how co-location can work, including smart/flexible working, developing opportunities for closer working across the public services. The project has been recognised nationally, enabling additional grants to be secured by sharing with the fire, police, and ambulance services.

The savings to local tax payers are expected to total £11.5m over 20 years.

Suffolk Group Holdings – Suffolk County Council commercial approach

Duncan Johnson, Assistant Director Property at Suffolk CC and Chairman of Suffolk Group Holdings gave a guide through the council's several stand-alone companies, whose objectives are to secure revenue and provide good quality services. They are service-facing the public and the market, looking to achieve growth from customers. The companies have first option on Suffolk CC opportunities. The 3 companies, over-arched by the Suffolk Group Holdings, are:

- Vertus – FM. Targets include increasing income and new business; sickness reduction; best value outcomes
- Concertus – design and property company, including estates and property sales
- Opus – recruitment business, delivering temporary resources to other local authorities. It has seen significant growth.

The combined turnover has now exceeded £100m and dividends have been provided to the council of £1.5m.

Duncan stressed that a commercial mind-set was essential, together with a need to keep up with the market, so constant change is required, set in a 5-10 year plan.

Housing market disruption and the role that local authorities can play in diversifying the housing market

Jackie Sadek, Chief Executive, UK Regeneration (UKR) began her session with a plea for local authorities to get involved with housing delivery, to loosen the stranglehold of the 8 volume housebuilders which are contributing to the broken housing market. Jackie has every confidence that if she can do it, through UKR, ACES' members can also disrupt the market by developing new models like self-build.

The principles upon which UKR works is to liaise with local communities to build what they want, echoing Richard Bacon's remarks. However, there can be funding issues; UKR spent 5 years trying to redevelop a site in Nottingham, with the full support of the council, but it failed due to financing difficulties. But UKR has now bought a greenfield site of 940 acres at Biggleswade, on the edge of a country park, and which is to be developed as an 'urban village'.

Jackie offered delegates some advice: local authorities need to be strategic land players; there are some good house builders with whom to partner, but many disingenuous sharks; ideal sites to acquire are lower quality agricultural or brownfield; release serviced plots to the market, but while this does not play to LA strengths, we should gear towards income generation; beware the lawyers and develop political boldness. The volume housebuilders are currently building slums for the future - we should not allow more mediocrity.

Norse, our collaborative approach

Lyndon Watkins, Group Director of the Norse Group, talked about how JVs can help meet the current LA financial challenges of income generation and cost reduction, austerity, fragmentation, and the adverse effects of capacity/downsizing.

Norse is one of many options for service delivery. Based on a strategic approach, Norse supports collaboration, and retains public sector values. While it believes in public sector ability in asset management, it recognises the constraints of the environment in which it operates, particularly when the in-house officers have a low profile, making delivery difficult.

Norse is wholly owned by Norfolk CC. The council retains much control, but risk is shared, and profits split 50/50; clients get the benefits of a private sector organisation, able to call-in expertise and have a national presence. It provides white and blue collar services and has proved to be a flexible model – 27 partnerships have been created.

Lyndon outlined a case study from his previous authority - Newport County. It was in poor order, with poor management. Under the Norse 10-year contract, staff have increased from 200 to 310; other local public

sector organisations have joined the JV. Services now show a customer satisfaction of 90%.

Property Portfolios – are they earning their crust?

Gayle Taylor, Head of North West Operations, LSH, a building surveyor by profession, works with a host of different client organisations from both the private and public sectors. Property as an asset class is hardly new, but recent CIPFA opinion is that most local government property holdings, while strategic, aren't delivering appropriate returns due to lack of positive action in managing the asset base. Organisations need to improve the use of tools and expertise, to balance portfolios between acquisitions, disposals, operational and repurposed assets.

We have all seen good examples of authorities increasing co-working, agile working, and shared services; times and technology have changed and with 60% of time spent out of the office, we simply do not need the old spaces to work from.

Difficulties arise between seeking a good tenant mix which lifts values, and navigating the political pressures of members and speed of governance, which inevitably leads to lack of a competitive edge in asset management. The advice is clear. Engage specialists early, get to know your professionals and then use them.

Gayle's final strapline: **"It's how we have always done it" doesn't work here.**

Cambridge – how we are making best use of our property assets and opportunities

Councillor Lewis Herbert, Leader of Cambridge City Council, gave an informative overview of Cambridge; a city of 'considerable magic' and one of the top 10 most innovative cities in Europe.

Lewis outlined the financial pressures felt by the council, along with other LAs, and the approach the city has taken in developing Cambridge for businesses, residents, employees and customers through assets and driving revenue from the existing property portfolio, including new commercial investments in excess of £20m.

Major new developments in the city include the Addenbrookes Biomedical campus currently under construction and proposals for Cambridge Northern Fringe East (currently subject to a £190m Housing Infrastructure Fund bid) and part owned by the council, which is set to deliver over 7,000 new homes plus new employment space.

Lewis also reflected on the more disadvantaged in the city and the council's approach to transport, including ambitions for a metro system, and delivering much-needed affordable housing through various initiatives, in conjunction with the Greater Cambridge Partnership (formerly City Deal) and the Cambridge and Peterborough Combined Authority.

Legal Update: what's new and important?

Antony Phillips of fieldfisher updated delegates on recent case law covering 3 themes:

- Overage - provisions are dependent upon "triggers", eg grant of planning consent, sale values or events, including the nature of leases. They are designed to protect the seller. Disputes generally relate to the triggers

- Notices - there are many cases every year because notices are incorrectly served. The effects can be devastating financially. The rules are that all service provisions need to be complied with; service must be on the correct entity and all conditions are construed strictly. Antony advised that delegates should always instruct a solicitor

- Injunctions – these need to show a defined geographical area, and apply to persistent encampments where there is the risk of reoccurrence. An important change in the law is that injunctions can be served against persons unknown and the Court has wide powers.

The changing world of housing associations

John Lefever, Land and New Business Manager, Hastoe Group explained that housing associations rely heavily on public sector land, which has enabled the delivery of quality, illustrated by Hastoe's Passivhaus and straw bale homes. His association specialises in small rural exception sites and will pay a premium for quality build for the benefit of tenants, not for the sake of building regulations, eg high performance heating/reduced utility bills. Financing is often through cross-subsidy, by building a high spec large private house to offset the costs of the affordable units.

John illustrated the range of product his association now builds. Many of the models are community-based and include:

- Almshouses

- Community benefit society – provision of essential community facilities
- Co-housing – community group owning the land
- Public sector land development – shared vision, affordable housing, high design standards
- Community land trusts.

As a matter of policy Hastoe will not buy houses built by the volume housebuilders.

Development viability – what's new?

The effervescent Gilian MacInnes, of Gilian MacInnes Associates, set the scene by saying that housing developments should deliver 'places', that is growth supported by infrastructure, by alignment between the developer and other stakeholders, eg commercial, LPA, infrastructure provider. However, the ability of developers to avoid planning gain costs is alienating communities.

Gilian gave an update on the standardised approach to viability heralded by the new NPPF and PPG from July 2018. She went on to discuss 'The Delivery Grail' of delivering places through local development plans, where infrastructure costs and affordable housing statements are to be included in valuations for development plans. These will set out the contribution from development and will cut down any areas of controversy The viability battlegrounds include transparency and benchmark land value. The recent Clay Farm Cambridgeshire appeal decision discounted price paid as a key determinant.

She provided a succinct summary of how benchmark land value is to be considered in terms of 'EUV+' and how market value must be truly comparable to avoid 'circularity', as highlighted in the recent Parkhurst Road High Court decision. In theory, viability testing at application stage should not be necessary where an adopted local plan was in place, because plan-making will already have taken account of it. In the event that it did take place, however, hope value and price paid were to be discounted.

Gilian thought that reality and policy are not always the same. Also, RICS should grasp the new planning guidance and change its own land valuation guidance.

An introduction to PropTech

Olly Freedman, Sales Director of Datscha UK, began by saying that driving a 'mentality change' is the biggest challenge of the PropTech industry; so far, Barnet and City of London Corporation are clients.

The Proptech system is part of 'big data' and draws data sets from other agencies, eg Land Registry, in order to provide an aggregate of available property data from digital sources for Datscha's clients.

Barnet is using the system for asset audit purposes, to align actual ownership with its internal records, which has the knock-on effect of increasing income, by collecting rents from properties whose ownership was unrecorded. It has also been able to map its assets against those owned by Harrow, to see where there may be opportunities for OPE projects.

The software can be extended to include, eg., data on planning, transactions completed and in process.

Much of Olly's session was visual, illustrating the capabilities of the system and applications, which can make the work of asset and estate managers much more effective.

Recovering possession of public land quickly, effectively and correctly

David Asker, Director of High Court Enforcement Group outlined 7 main types of possession action: statute is kind to owners looking to regain possession.

It is desirable to have a structured approach to every project – planning is the key, especially the health and safety of both the owners and the evictees. Firstly the owner needs accurately to identify land and property, which is not necessarily obvious. Training is vital for contingency planning and to ensure all know who is responsible for what: when actual eviction changes from planned, there is a danger that in the heat of the moment, things get overlooked. But most importantly, reputation must not be tainted by a poor eviction process.

Gaining possession requires a writ of possession to be issued by the court. This can cause delay, which may be a cost to the developer who cannot operate. The writ is to be lodged with an authorised high court enforcement officer (David is one), who then takes over responsibility. This is particularly good for a LA client, which can distance itself from the action.

While a landowner should be able to enjoy free use of his land, without encumbrance, including a blocked access point, people also have the right to protest. Reasonable force may be used to implement a writ. However, there is no definition of "reasonable force".

Helping the public sector understand the coal mining industry

Nicole Madin, Principal Property Manager for The Coal Authority, firstly stated that the Coal Authority (CA) has been around since the Coal Industry Act 1994. It manages the historic liabilities from coal mining sites, including uncapped shafts, unrecorded mine shafts, tip management, and slippage. It provides a 24/7 emergency call-out service, eg for sink holes; it repairs subsidence damage, and undertakes site remediation, which may involve purchasing affected sites.

Nicole advised that the website contains information held by the CA, particularly mineshafts, shallow workings, deeper workings, seam outages, high risk development areas. She cautioned that workings were more extensive around the country than you might imagine, so it was better to look at an early stage if redevelopment is proposed. Data is now held in GIS, having been transcribed from surveyors' hand-written mine plans. For instance, there are 173,000 known mine entries; £3bn legacy liabilities; 500 surface hazards are reported and 600 subsidence claims are made each year.

The CA licences coal operations and carries out statutory visits. An important area of work is in dealing with mine water, which is generally bright yellow on the surface; this is ochre contamination and treatment schemes include the use of reed beds to filter the water.

CA acts for Defra and the Environment Agency; it subscribes to the Mines Rescue Service, which deals with remote call-outs.

Nicola concluded by describing 2 case studies of liability sites where remediation was proposed/under way: Snowdown, Kent, a 100-acre site, closed in 1985, with a listed winder house, where master planning was now under way; Clipstone, Mansfield, also with a listed winder house, where the CA was looking for community/heritage interest.

Swansea Council and Ministry of Furniture – a collaborative journey

The final presentation of the day was from Geoff Bacon, Head of Property Services, Swansea Council and Simon Jones, Business Manager, Ministry of Furniture, who described their winning ACES Award for Excellence 2017 [Ed – see full article in this edition of the Terrier].

The project was office refurbishment of the existing civic centre, leading to agile working and a higher profile for property. The council was seeking to rationalise services, in preparation for relocating to a new civic centre as a later phase.

The novel aspect of this rationalisation was to recycle furniture, in partnership with the Local Social Enterprise - the Ministry of Furniture. The council was looking to do something new to change hearts and minds and decided to tackle waste and counter the throw-away society. Furniture was 'remanufactured', eg desks were stripped down and re-engineered.

Geoff and Simon finished with a summary of the outcomes of the project, in terms of remodelling furniture, cost savings, increased employment, reinvestment, and provision of sustainable furniture fit for purpose, which resulted in some impressive reductions in materials saved from landfill, CO2 and water reductions, and manufacturing savings.

Conference close

Neil brought the conference to a close, thanking speakers for making time to be at the conference. He also wanted to place on record his appreciation for the fantastic support and long-hours put in by ACES' Secretary Trevor Bishop, and to thank Downing College for hosting the conference at this splendid venue, and in particular Kerry-Ann Grovell for all her organisation skills behind the scenes.

Neil will be handing the Presidential baton to Graeme Haigh, Senior Property Manager at the Isle of Wight Council, who thanked Neil for his own hard work to deliver such an excellent conference.

ACES CONFERENCE SOCIAL REPORT

Ann Bishop

The setting for the Presidential Conference 2018 in Cambridge was beautiful. The whole Downing College and its grounds were a delight. Our accommodation was excellent as was the service we received at breakfast, the informal dinner and the Gala dinner.

Our first excursion was to the National Stud at Newmarket. As we set off in the rain, we were all glad that we were prepared for the weather but there was plenty of laughter and banter on the coach. After all, we are British and we don't let a bit of rain get us down! Our coach was met at Wavertree House by our guide, Robert, who, as well as being very knowledgeable, was also very witty and interesting to listen to.

We got off the coach to view the stallions and as we had been advised that the horses could sometimes give a little nip, we thought it best to keep our hands away from them. I did want to get some photographs to adorn this article, however, and being a country girl I am used to horses, so I ventured near enough to get the shots that I wanted. The grey stallion, Gregorian, took a fancy to either me or my camera and tried to get his face as close to me as possible each time that I tried for a close up. Amid much laughter I did eventually get some but mainly at a distance; he certainly put me in my place.

We then visited the Stallion Unit with its weather vane featuring a horse and a greyhound atop the building. All aspects of the methods used during the covering (mating) process were described to us and we were shown the equipment used to protect the mares from injury. We were told that the mares would be covered again shortly after the birth of their foal and very likely pregnant again while still feeding the newborn.

After this we went to the Foaling Unit where we managed to see a mare with her 2-day old foal, and another foal in an adjoining stable. In the paddocks next to the foaling unit we glimpsed others at various stages of growth. We visited the graveyard where Mill Reef was laid to rest and stood underneath the beautiful copper beech trees which were planted by HM the Queen. We were lucky that we had no rain except while we were on the coach. After a light lunch we left the stud for our onward journey to Ely Cathedral.

The rain stopped again as we alighted the coach to tour Ely Cathedral, so we remained dry on the short walk to it. The size of the building amazed me. I have

never seen a cathedral this large that is still standing. We were told that people often ask why such a vast building was built in such a small town but, in fact, the cathedral came first. When it was built in 679, Ely was only a small settlement. The town grew up around the cathedral. Queen Etheldreda, foundress and abbess, was the daughter of the King of East Anglia. She married but the marriage was never consummated. She built her monastery on the site of an old church which is now Ely Cathedral.

Over hundreds of years the cathedral was added to in many different guises during the different eras and different religions. The changes showed in all areas from plain, undecorated, to those of massive ornamentation. The ceilings were amazing, as was the decoration in the chancel. I could write for pages and pages but Betty would ban me from ever writing again! [Ed – no I wouldn't!]. So, after soaking up the splendour and history of this amazing place we did a little shopping. Some of us then made our way back to the coach and then to Downing College to prepare for the Presidential Conference dinner.

We gathered in the Drawing Room for pre-dinner drinks with beautiful harp and violin music being played in the background. Unfortunately, we were unable to gather outside on the terrace and lawn due to the inclement weather which meant that as the room filled, the music became drowned by the conversation. The dinner in the magnificent Dining Hall at the College was excellent and the service superb. The after-dinner speaker was informative and amusing, giving guests a history of the development of Downing College, its benefactors, and an 'eye-spy' of architecture of the various buildings. The Presidential speech was excellent (if with a hint of relief) that I feel was with thanks to a job extremely well done. After dinner we regrouped in the Drawing Room for drinks and an excellent and funny monologue by Malcolm Williams.

On Friday we had a guided and very informative tour of Cambridge with visits to 2 of the main colleges and their chapels. Our guide, Roger, was a veritable fount of knowledge, while being amusing at the same time. We visited areas that I had not seen on my previous visit to Cambridge. I loved the architecture; the herb gardens in one of the quadrangles which were surrounded by box hedges held my attention for far too long until I realised everybody had moved on without me!! After our tour finished, we rushed off to the River Cam, where the punts were waiting to take us for a jaunt up the river. We were in 2 different punts with banter flowing backwards and forwards between the "chauffeurs" which was at times, hilarious. The knowledge with which we were bombarded by these pre-Brexit "gondoliers" was incredible, making it therefore no surprise for us to discover that they were both Cambridge students. We made our way back to the college in a happy and relaxed mood, some of us to be heading home and some to relax before dinner and our last night in Cambridge.

I would like to thank the President for choosing such a wonderful setting for this conference. I would also like to say thanks for the attention to detail of both himself and the Secretary in pulling everything together over many months of hard work with excellent results. And finally, many thanks to Tim Foster for helping to put together the social programme and for choosing such interesting and delightful places to see and things to do.

NOTES OF ACES NATIONAL COUNCIL MEETING 20 JULY 2018

Trevor Bishop, ACES Secretary

19 members attended the meeting which was held at Jurys Inn, Manchester.

President's report

The President, Neil McManus, reported on several matters that he had dealt with since the last meeting and noted a very busy few months. He referred to a number of branch meetings he had attended, which included excellent CPD in all cases and where he had received very warm welcomes.

The President and Daniella Barrow had a further useful meeting with RICS in May and confirmed the venue for ACES National AGM 2018 at RICS HQ [Ed – note for your diaries – 16 November].

The President reported his attendance on 27 June at the Municipal Journal Achievement Awards 2018 which helped with ACES branding. The winner in the category 'Innovation in Property and Asset Management' was Angus Council.

The President confirmed that he had also been very busy making progress with the National Conference arrangements, including securing valuable sponsorship and sourcing speakers. A full set of excellent speakers had now been agreed.

A written report providing more detail was submitted to Council.

Secretary's report

The Secretary, Trevor Bishop, reported on matters arising during the period from the 20 April 2018 Council meeting.

The pursuit of invoice payments of ACES' membership subscriptions was progressing, with over a 93% collection rate at the date of the meeting. Several late payers had promised payment following the last reminder, but the Secretary was now considering cancelling future membership where no responses had been received. Details of late payers were to be circulated to branch secretaries.

The Secretary was pleased to report a further small net increase in membership since the last meeting, with new organisations joining. However, it was noted that this needed to be treated with caution, with the possibility of loss of membership in the event of non-payment of subscriptions.

The Secretary reported on progress made towards the improvement of the website, with a proposal submitted by the organisation recommended at last Council. The Secretary reported further service issues with the current website providers which strengthened the need for attention. The offer of the website jobs page for free to members had generated a number of entries and this would be kept under review.

The Secretary referred to the actions he had taken in preparing for the changes under the General Data Protection Regulations (GDPR) and that members had been notified of this through the forum and reminded of their rights under the legislation. It was noted that work needs to continue to ensure the data held by ACES was not excessive or unnecessary.

The Secretary advised that he had been working very closely with the President on preparing for the National Conference in Cambridge including publicity, event management and invoicing. Other key areas that the Secretary had provided support included the business plan, Award for Excellence, responses to consultations and the roll out of the GVA Espresso Briefing to Manchester.

Financial matters

The Treasurer, Willie Martin, reported on the finances of the Association and the latest budget position. He informed Council that the year had ended with a slight deficit, which was mainly due to an increase in administration costs and a delay in payment of a significant advertising invoice. In general terms the overall finances were in good health.

The Treasurer circulated detailed appendices setting out the key budget areas and variations in income and expenditure, together with the budget projection for 2018/19 which anticipated a small deficit. Notwithstanding this, the accounts remained healthy and the Treasurer recommended no increase in membership subscriptions for the coming year. This was approved by Council for ratification at the AGM.

Terrier advertising for 2018

The Editor, Betty Albon, reported that there had been a few changes in advertisers for the Terrier journal but that the income generated was still very good for the year.

Comment was made on some of the procedures necessary to continue production of the hard copy version of the Terrier but It was considered that this format was still very popular with readers.

ACES' website

The Secretary referred to a detailed report tabled by Paul Over. This related to the proposals made by consultants to assist ACES with a clear specification of its requirements for a new website and procuring a new provider. Paul's paper set out the options and some of the financial implications.

Council restated its preference for a complete rebuild of the website and the appointment of a consultant was approved. It was agreed that a sub-group would be set up, led by Paul Over, to provide client instructions and steer service delivery by the consultant.

Important issues raised were ensuring that the resulting rebuild was fit for purpose, bearing in mind the size of the organisation; the site was attractive to potential new members as well as existing; GDPR compliance was essential; the consultant be given clear milestones and a firm target date with a view to the new site being operational before year end (and preferably by AGM); the consultant include production of an appropriate bidder list as part of his work.

Council also requested, as soon as practically possible, a pre-tender estimate of the cost of the new website provision.

Business Plan report

The President presented an update report on the ACES 3-Year Business Plan and tabled the latest draft Business Plan and Action Plan. Council was unanimous in its praise for the work done by the Junior Vice-President, Peter Gregory, supported by others, in preparing this document. It was agreed that the Action Plan was the key element in moving matters forward and Council members were invited to make final comments as soon as possible.

It was agreed that an important part of delivery and responsiveness was an acceptable scheme of delegation identifying, in the Action Plan, categories of decision-making by the AGM, Council and the President respectively.

Discussion took place on the appointment of the Business & Marketing role identified in the Business Plan and it was agreed that a clear job description for this needed to be drawn up, together with details of remuneration and other conditions of the appointment. Keith Jewsbury was nominated to prepare this, in consultation with the President, with a view to putting the opportunity out to members and making a selection for approval at the AGM.

Council agreed that the documents as presented, subject to any minor amendments arising out of the meeting's discussions, be taken forward to the AGM in November with a recommendation for approval.

National Conference 2018 – Downing College, Cambridge

The President confirmed matters were progressing well for the conference and its theme of "Income Generation and Revenue Reduction in the Public Sector". An excellent list of speakers and sponsors had now been secured. The President was confident that the event would prove a financial success, building on the impetus and ACES' reputation set by the 2017 conference held in Leeds.

The Secretary presented a detailed spreadsheet showing delegate numbers already secured as well as sponsors and their representatives. With a number of months to go and anticipated further demand, the numbers required for a successful event were looking achievable. The number of social delegates was also very promising.

Discussion took place on the preparations for the 2019 Conference and it was noted that decisions on venue and format needed to be made in good time, in view of experience of preparatory work required. It was noted that various circumstances would influence the format (one or two day, for example) but the President at the time would closely liaise with Council throughout the process.

AGM venue

The President re-affirmed his agreement with the RICS that the 2018 AGM was to be held at Great George Street at no room cost. This left catering costs to be determined and the Secretary was instructed to explore reasonable cost options with RICS. The President was keen for opportunities for sponsorship to be explored and London Branch representatives agreed to take this up.

ACES Award for Excellence

The Senior Vice-President, Graeme Haigh, reported progress with arrangements. The Secretary had now requested submissions from all members, with a return date giving sufficient time for judging and preparation of the award in time for the AGM in November. The Editor advised that the principle was agreed, of accepting case studies featured in the last year's issues of Terrier as entries for the Award, and this was to be re-stated in the reminder to members. Noting the earlier comments by the President on the MJ Awards, he asked that Angus Council be invited to submit its winning entry.

Coordinators and external working groups

Several informative and useful reports were received from coordinators and these have been assembled and posted on the ACES website.

Consultation Coordination Group

The Senior Vice-President reported on the response to the recent consultation on DRC Valuations by RICS. There had been some very good responses from members and Mike Forster had co-ordinated the final response to RICS online. Mike was thanked for his sterling efforts in pulling this together and responding within a tight deadline. The SVP commented that more work needed to be done to facilitate responses by members to consultations and the revamped website was key to this.

Branches

Informative branch reports were submitted to Council by the North East, Scottish and South East Branches.

Future meetings

Annual Conference
20 September 2018
Downing College, Cambridge

Annual Meeting
16 November 2018
RICS HQ London

Annual Conference
September 2019 tba

Annual Meeting
November 2019 Glasgow

ACES Council
January 2019 London

Other matters

Daniella Barrow advised that the ACES Twitter account was proving to be increasingly popular and members were asked to engage when at all possible. Daniella mentioned that an ACES LinkedIn page now also needed to be rolled out.

The Secretary reported on a recent enquiry from a member about the status of membership which was prompted by his authority questioning corporate tax implications. Reference was made to membership being personal as stated in the constitution, albeit subject to conditions relating to working in the public sector and representing the respective employing organisation.

MEMBERSHIP Trevor Bishop

I list below the changes in membership between 1 July 2018 and 30 September 2018.

New members approved

There were 6 new applications approved during the period:

First Name	Surname	Organisation	Branch Ref
Nick	Ethelstone	The Coal Authority	HE
Andrew	Holtham	Durham County Council	NE
Helen	McLeod-Baikie	Pembrokeshire County Council	W
Tim	O'Mullane	Southend-on-Sea Borough Council	E
Jonathan	Fothergill	Align Property Partners	NE
Melanie	Jackson	Align Property Partners	NE

Members transferred to past membership

Just one member transferred during the period:

First Name	Surname	Branch Ref
Mike	Knight	SE

Resignations

The following 5 members resigned during the period:

First Name	Surname	Organisation	Branch Ref
Stuart	Gibson	West Dunbartonshire Council	S
George	Adamson	Clackmannanshire Council	S
Gerard	Darby	Durham County Council	NE
Alex	O'Brien	Swansea City Council	W
Barry	Cooke	Pembrokeshire County Council	W

Membership:

Summary of current membership at 30 September 2018:

Total membership	
Full	217
Additional	62
Honorary	33
Associate	27
Retired	44
Total	**383**

PROCUREMENT OF FACILITIES MANAGEMENT – RICS PROFESSIONAL STATEMENT

Derrick Tate

In July, RICS and IFMA published the Professional Statement on the Procurement of Facility Management. Author and Director at PwC, Derrick Tate, shares his insight into the value of raising standards in facilities management and help to restore public confidence.

Derrick leads the Facilities Management Strategy and Transformation practice at PwC. He brings commercial and technical expertise together to support his clients to think strategically about facilities management, so they can achieve best value from their FM and Real Estate services and solve complex problems. Derrick provides advice on strategy development, procurement and managing large commercially complex contracts. In recent years Derrick's clients have included local authorities, manufacturing companies, national retailers, professional services firms and government departments. derrick.j.tate@pwc.com

Authoring the statement

In my work at PwC I am trying to raise standards; I want clients to buy and manage FM better and I want suppliers to sell and deliver FM better. This Professional Statement is a great tool for surveying professionals to help us do just that.

For local authorities, FM procurement is particularly important in the current environment. Libraries, schools, social care facilities and other key public services rely upon facilities management to function effectively. Financial pressures are forcing many local authorities to reduce costs. FM is often seen as a key area for cost reduction. Where procurement is being undertaken in such an environment, it is easy to sacrifice quality for cost reduction, intentionally or not. The mandatory requirements and guidance notes in the Professional Statement will help guard against this.

Procuring an FM contract is a lot like running a marathon: you start out with a plan; you prepare thoroughly; you think you know what you are doing and what you want to achieve; it all goes according to plan for a while, then you encounter a problem or hit 'the wall', but you keep going. It might take much longer than you expected but eventually you cross the line exhausted. You are happy you have achieved your goal, but later as you suffer aches and pains you begin to doubt if it was worthwhile, you may even regret doing it and wish you had never started. But get it right and you are elated and are starting to see the long-term benefits of your accomplishment.

Using the Professional Statement

The Professional Statement is not rocket science: most of it is common sense. However, this standard is the first step to set out some comprehensive rules and guidelines that should be followed when procuring FM. It's a framework of simple, straightforward must-do's and a set of guidance notes covering planning, the procurement process and post-procurement activities. My aim was to make sure the basics were done correctly and to provide some guidance of the detail.

Get planning and procurement right and contract management should be straightforward; get them wrong and you will expend a lot of time and effort post-procurement.

The time is now for standards

The FM industry, the economy, and society are undergoing a period of rapid change. This year, we have had the collapse of one of the largest UK outsourced service providers FM companies; next year Brexit will become reality. Technological developments will drive change. FM will not be immune. We are used to buying services that have a cost base primarily made up of people. We know how to price labour, we know how to specify what labour needs to do. How do we price the use of artificial intelligence? How do we evaluate one machine learning algorithm over another? I don't know the answers to questions like these now, but future editions of this Professional Statement will have to grasp this

concept. Technology will become a key component of FM procurement.

Industry support and engagement

The Professional Statement was developed with key industry stakeholders, including the Chartered Institute of Procurement and Supply (CIPS), Crown Commercial Service and the International Facility Management Association.

Some quotes:

"CIPS are pleased to support the content presented in the RICS procurement of facility management paper. Through the guidance and influence of CIPS and senior professionals the paper offers a standardised piece of guidance that aims to support procurement professionals with a singular best practice approach to tendering and securing the best value from the sourcing process in relation to securing facilities management services." (CIPS).

"We are pleased to support the RICS FM procurement professional statement. A professional approach to procurement is essential in ensuring contracts are put in place that work effectively for both client organisations and suppliers. The RICS guidance enables this to happen and supports the development of FM as a profession. As such it will be incorporated into NHS Property Services approach to FM procurement." (Charles Siddons FRICS, Head of Operations, NHS Property Services).

"We need more standards to ensure that there is clarity in what people will deliver, so the supply chain can better understand what it is buying and selling, and what people will receive. This has held us back as a profession We urge government and all organisations to adopt and follow this statement in conjunction with complimentary practices they already have in place, such as the Public Services (Social Value) Act.

"By demonstrably following good practice, and stating to suppliers that you as a buyer adhere to the RICS guidance, will provide transparency, standards, and improve public confidence." (Paul Bagust, Global Property Standards Director at RICS).

I hope that the Professional Statement is helpful to the industry. There is uncertainty in the market about outsourcing at the moment and the Professional Statement will help to restore confidence. Given the engagement work undertaken and stakeholder conversations, I want to see organisations stating in invitations to tender that they are going to follow the Professional Statement in their procurement. I hope that FM companies value this and respond to a professionally run procurement process that results in successful procurements and consequently improves contract delivery. I am looking forward to seeing the results.

Mandatory from 1 October 2018

All RICS-regulated professionals (mandatory from 1 October 2018) will follow this guidance, but adoption of the framework would be competitively beneficial for all property professionals involved in the procurement of FM services, including those acting for landlords and occupiers, FM suppliers procuring services from sub-contractors, investors, and public and private occupier organisations.

Find out more

https://www.rics.org/uk/upholding-professional-standards/sector-standards/real-estate/procurement-of-facility-management/

CROWN COMMERCIAL SERVICE – HERE TO HELP

Matt Davies

matt.davies@crowncommercial.gov.uk

The Crown Commercial Service is an executive agency and trading fund of the Cabinet Office. The CCS is responsible for improving government commercial and procurement activity. In this article, Matt explains how CCS can help public sector services procure services effectively, through framework agreements, in particular, the Estates Professional Services agreement. This framework is provided free of charge.

Over the last 18 months the public procurement of facilities and estates management has become front page news. Incidents like the collapse of Carillion have put the industry under the microscope like never before, and sparked a national debate about the future of outsourcing in general, and facilities and estates management in particular.

As ever, as scary as these challenges may be, they also provide us with unique opportunities to change what we are doing, and how we are ensuring that public bodies and their supply chains are working together effectively to deliver world-class public services.

With further challenges including Brexit on the horizon, professionals in the industry can be forgiven for feeling under intense scrutiny to make the most compliant, cost-effective and socially responsible procurement decisions possible. That's where Crown Commercial Service (CCS) comes in.

Crown Commercial Service and the full property lifecycle

At CCS we support public sector bodies like local councils, NHS trusts, schools, the emergency services, and housing associations to save time and money when procuring common goods and services, from utilities and fuels, to project management, property, and workplace solutions.

We work with over 17,000 customer organisations in the public sector and our services are provided by more than 5,000 suppliers, including thousands of small and medium-sized enterprises (SMEs) based around the UK.

This summer we launched our FM Marketplace framework agreement and celebrated the one-year anniversary of the launch of the Estates Professional Services framework. These frameworks are part of a suite of solutions either already in place or in development, which will support a full property lifecycle service for property, construction and infrastructure consultancy projects across all RIBA stages.

Using our extensive knowledge of the market and suppliers, we put in place frameworks that public sector buyers can access for all of their property and project management needs, with the reassurance that they are efficient, effective and compliant.

The current landscape

Public sector needs have grown more diverse, in part due to the ability to achieve the flexibility required to accommodate changing market conditions and ever-evolving operating models. Whether departments utilise an outsourced or in-house model, CCS sets out to support customers through the building, operation and management of the built asset.

In August 2017, CCS launched the Estates Professional Services agreement, enabling organisations to buy advice, guidance and associated services to help them to manage their estates and assets. Suppliers are on hand to help public bodies with reducing their property costs, releasing unwanted property assets, and identifying savings and opportunities to generate income from land and buildings.

Covering all public sector property across central and local government, health, education and the emergency services, the framework can be drawn on by most UK public sector bodies when commissioning real estate consultancy. It is designed for a range of services, including continuing to reduce the size of estates, exiting inefficient leases, reducing running costs, releasing capital, supporting the government's sustainability agenda and facilitating flexible and cross-departmental working.

It is expected that £430m will be spent through the framework over its 4-year lifespan. Over a third of the businesses supplying the agreement are SMEs (35%), with regional expertise maximised through an innovative lotting structure.

Departments and public bodies such as Cabinet Office, HMRC, Defence Infrastructure Organisation, Highways England, Transport for London and The Met Police have used the agreement already, to procure a variety of services to maintain and manage their estates.

The most common services currently being procured are for valuations, strategic advice, acquisitions, disposals, dilapidation, rating support, full property management and consultancy, with the agreement pipeline value already exceeding £140m.

Practical procurement advice from CCS

The category and procurement teams at CCS offer support from the very beginning, from helping the customers identify where their requirements will be fulfilled, to providing a suite of documents and templates to help produce a clear and compliant tender. The category teams are always available for advice and provide best practice guidance to minimise the possibility of any 'trip ups' during the procurement process.

The CCS Building Pillar offers the expertise of award-winning category teams to support the customers throughout the procurement process. CCS takes into consideration all of your needs including and not limited to:

- A variety of routes to buy goods and services
- Best in class supplier management
- Support in developing new innovative solutions
- Collaboration and partnering with key stakeholders in the industry
- Support in addressing customers social value and sustainability policies
- SMEs and the supply chain
- Equality and diversity.

Procurement experience shared by both framework customers and suppliers identifies a number of useful pointers to ensure you are buying what you need for the right price:

- Active premarket engagement - speak to your potential bidder pool, engage on scope and quality/ price matrix and take on feedback
- Utilise the streamlined tender documentation that will facilitate the flows and tells the story of what is trying to be achieved
- Identify a dedicated contact point for clarifications and questions
- Be clear on the timings for key milestones within the bid process
- Be clear and consistent on scoring methodology, weightings and assessment
- Limit page count per question/ section- ask questions which are specific and relevant to your project requirements
- Detailed, timely and credible feedback to successful and unsuccessful suppliers.

What are the benefits?

There is no charge for customers to use the Estates Professional Services commercial framework. However, CCS charges a small management levy on suppliers, ensuring the maximum commercial benefit for the public sector.

The framework provides a simple route for customers to access a comprehensive range of suppliers through a further competition or direct award process. Further competitions take around 4 weeks, depending on the size and scale of the requirement - cutting out the need for organisations to carry out their own lengthy procurement processes.

The delivery of savings is embedded into the pricing model, with competitive rates agreed and continuous improvement at the heart of the framework's design. Some services can be incentivised, based on the level of savings achieved or additional income generated.

Customers can access management information to track and capture spend, based on a common set of service codes, allowing in-depth analysis of the cost/ benefits being realised.

Flexibility is also built in, with a carefully designed lot structure and the ability for customers to tailor further competitions to achieve the best commercial outcomes that fit with their requirements; just as importantly, the agreement can provide a number of non-cashable benefits.

Embedded within the selection, award and management of suppliers is social value. Framework suppliers demonstrate and undertake initiatives including creating opportunities for SMEs and encouraging ethical and fair trade. Customers are also able to tailor their call-off agreements to align with their departments' policies on sustainability, social value, apprenticeships and modern slavery.

Customers will also benefit from knowledge transfer and upskilling from suppliers; this can be provided via CPD events, job shadowing, or seminars addressing current or future trends.

Looking to the future

The Estates Professional Services framework complements other CCS property frameworks, including the Facilities Management Marketplace, Project Management and Full Design Team Services, and the forthcoming Construction Works Contractors.

We are expanding our FM offer. A second 'phase' for Workplace Services, which includes placement of agreements in security, housing maintenance and defence FM, is currently being developed.

Our mission at CCS is to help public sector bodies navigate the sometimes daunting world of property procurement by supporting them to make cost-effective, compliant procurement decisions that benefit their local communities.

Find out more

To find out more about Estates Professional Services, please contact the dedicated framework manager by emailing property@crowncommercial.gov.uk.

Visit ccsheretohelp.uk/products-services/buildings to find out more about all of CCS's building-related solutions.

ONE PUBLIC ESTATE UPDATE

Ben Stoneman

Ben is Regional Programme Manager for the One Public Estate programme in the East and South East of England, providing support to OPE partnerships alongside the Cabinet Office. Ben joined the Local Government Association from MHCLG, where he led a number of government programmes on housing, economic growth and regeneration across the country, including Milton Keynes and Thames Gateway growth areas. He has also been responsible for designing and delivering a range of government policies, including local enterprise partnerships, town centres, Garden Cities, and local government. Ben. Stoneman@local.gov.uk

Ben gives a whistle-stop tour of progress with the extensive OPE programme, which has now been operating for 5 years, focusing on Ben's area of the East and South east region,. Ben is very keen to hear of further potential projects which fit OPE's programme criteria for Phase 7, particularly those centring around THE delivery of housing.

Property by its nature is pretty fixed. So getting the best out of your assets and keeping up with the changing landscape of the public sector can be a significant challenge. But the One Public Estate (OPE) programme can help councils and local partners get the best use out of their land and property together, by taking a more strategic approach to asset management.

One Public Estate celebrated its fifth birthday this summer. Since 2013, we have grown from a small pilot involving 12 areas, to a programme of national significance, working with 9 out of 10 councils in England and supporting the delivery of over 500 projects up and down the country. We are a national programme delivered in partnership by the Office of Government Property within the Cabinet Office and the Local Government Association (LGA). Our OPE programme provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with central government and other public sector partners.

Our operating model allows the public sector to work in partnership to get the best use out of its land and property. OPE has been driven by local areas deciding what their priorities are – for example, releasing land for new homes, regenerating town centres, aligning with health estate transformation – and using the programme to deliver them.

Early projects in the East and South East region have already raised £145m in capital receipts, cut running costs by £23m, created 5,700 jobs and released land for more than 2,900 homes. Nationally, our projects are expected to deliver £615m in capital receipts and £158m in reduced running costs by 2020. Additionally, it is estimated that they will create 44,000 new jobs as well as release land for 25,000 homes.

We have 17 partnerships in the East and South East region – from Bedfordshire to Brighton – where we've already invested some £10m of OPE funds, and they are actively working on projects contributing to these benefits. We're delighted, for example, that 2 new co-locations were achieved earlier this year where OPE supported the feasibility and preparation costs – Huntingdonshire District Council, Citizens Advice and Department for Work and Pensions (DWP) at Pathfinder House, Huntingdon; and King's Lynn and West Norfolk Borough Council and DWP at Kings Court, King's Lynn. Both these projects will have real benefit to the customer's ability to access these services, joint working between the staff, as well as revenue savings to the relevant organisations involved.

We're also really pleased to see funding being awarded on the back of early OPE investment. In March this year for example, OPE-funded Council-NHS partnership projects saw Medway Clinical Commissioning Group awarded up to £8.5m for a new Health and Wellbeing Centre in Clover Street, Chatham, and up to £6m to develop the Strood Health and Wellbeing Centre.

Elsewhere, recent land sales at Ida Darwin Hospital, Cambridgeshire and Springman House, East Sussex will see these redevelopment projects move forward. The former, with Homes England taking ownership from the Trust, following OPE-funded development work and planning permission for the site, has brought a capital receipt to the Trust and development expertise to housing delivery on public sector land. On the latter, the OPE-facilitated acquisition from the NHS and South East Coast Ambulance Service by Lewes District Council will enable the relocation of the existing community fire station into a new blue light services hub integrating fire, police and ambulance services, which in turn will unlock the development of ambitious plans for the £180m North Street Quarter regeneration scheme in Lewes, East Sussex.

In addition, we recently partnered with the Ministry of Housing, Communities and Local Government jointly to administer its £45m Land Release Fund – a capital fund aimed at addressing small-scale viability issues in projects which enable the release of council owned property for housing. Over £15m was awarded to projects in East

and South East region earlier this year, which will release land for around 3,000 new homes. Projects in Essex, Luton, Bury St Edmunds and Stevenage are already well underway. This is part of our closer working with MHCLG and Homes England to help them deliver their aim of a million new homes by 2020. It also reflects the LGA's ambition on behalf of councils, to match the government's target of releasing public land for 160,000 new homes.

The next OPE funding round will launch in the autumn, offering regional support and enhanced collaboration across the public estate, with £15m of funding available (up to £500,000 per partnership) for project development. I and my Cabinet Office partner for the region, Liz Wigley, are actively advising OPE partnerships on their bids and we are very keen to hear of potential projects which fit our programme criteria.

Our focus this round will be on delivering housing - particularly those projects which demonstrate they are able to support specific housing policy challenges – be that local demand, affordable housing, new Garden settlements, or more innovative methods of delivery such as modern methods of construction, for example.

We are also striving to become a more sustainable programme, exploring options to work with private sector investors and incorporating repayable grants into our funding model, in order to demonstrate to HM Treasury the payback potential of a One Public Estate approach. This is an important aspect for partnerships to consider as our funding programme matures.

Further details of One Public Estate, including our Phase 7 Prospectus, additional case studies and contact details are available on our website at: https://www.local.gov.uk/topics/housing-planning-and-homelessness/one-public-estate

ACES AWARD FOR EXCELLENCE – AGILE WORKING IN SWANSEA

Geoff Bacon

Geoff is Head of Property Services at Swansea Council. He is a qualified chartered surveyor with 30 years' experience in the private and public sectors. While his initial professional experience was in London dealing with investment agency and acquisition, the majority of his working life has been in the public sector, based in Swansea. His current role covers 3 distinct operational areas: commercial estate management, strategic asset management and facilities management.

Currently he is leading on the implementation of the Agile Programme in Swansea.

The 2017 ACES Award for Excellence for "delivering an innovative project as an integral part of the office asset management programme, which included the implementation of agile working that has added significant economic, environmental and social benefits" was won by Geoff and his team at Swansea Council. Geoff has kindly agreed to 'tell the story' in this article, as well as making a presentation at ACES' National Conference with Simon Jones from the Ministry of Furniture.

Introduction

My career in local government in Swansea has now extended beyond a quarter of a century and in that time, property professionals have slipped down the agenda. Gone are the days of city estate agents sitting alongside city solicitors and city treasurers at the top table. It was often quoted that property is the second most costly resource of a local authority but over the years, all manner of structures have come and gone, with various 'homes' being found for the property team.

Throughout this time, we have continued to produce our asset management plans, make better use of our assets, implement structured disposal programmes, and ensure our asset valuations are all in place and up-to-date and our auditors happy - or as happy as they ever will be.

However, over the last couple of years we have managed to grab the attention of the corporate hierarchy with a project that has pulled together all the strands of an already well-established and successful accommodation strategy; the emergence of a property corporate landlord arrangement; implementation of practical project management skills; true collaborative initiatives; and a meaningful engagement with social

enterprise, with a demonstration of the proper use of a circular economy that has managed to push property back up the corporate agenda, to demonstrate that property professionals understand how an authority works and can deliver.

I set out below all the key facts and figures to demonstrate how the Agile Programme demonstrated that we could grasp the nettle and fundamentally change the way in which the vast majority of council staff work on a day to day basis by taking calculating risks, circulating savings before they were hived off into other worthy corporate projects, and gave an entire team the opportunity to celebrate success.

Transformation at Swansea Council

Swansea Council's transformational office environment saved substantial amounts of public money and created a refurbished, recycled, collaborative agile workspace - an eye-catching innovation in asset management. Overarching the decision for the transformation was the necessity to comply with the Well-being of Future Generations Act 2015 (WFGA). Mindful of budget constraints and the authority's social responsibility, Swansea sought innovative ways of reusing existing furniture, in collaboration with a local social enterprise and Swansea University, creating a new office environment by upcycling/recycling furniture.

Research led the team to recognise that upcycling and recycling current furniture would offer an inventive and effective solution. The aim was to kick-start the transformation through a pilot based on a specific work area and team, followed by a whole floor, then a rollout across the whole civic centre. This was the start of an ambitious project which would ultimately transform the way Swansea Council staff work.

A new civic office is proposed but, ahead of that, the need to change working practices to suit an agile workforce has been recognised. The move towards agile working was, therefore, linked to a cost-effective refurbishment of the civic centre. An open plan style was chosen as the right way forward - sweeping aside an existing rabbit warren-style office layout - allied with a new furniture design.

The vision of the agile working project is to develop the most economical, social and environmentally friendly new way of working. It reflects the council's determination to make best use of space and accommodation, focusing on modern ways of working and allowing staff to work flexibly from any location. The project is a key success in a long-term council-wide programme to tackle austerity. It modernises the council, to meet the needs of residents now and in the future, while making planned savings.

A key strand of the project is to build on the ongoing implementation of an office accommodation strategy that had already saved more than £1m a year and generated capital receipts of in excess of £2m, a considerable achievement in a low-value location. Agile also needed to meet the demands of the WFGA which highlights the importance of assets and sustainable development. Through mobile and remote working, agile gives all office staff access to the accommodation and technology they need to work effectively.

Core to agile being a success is the development and rollout of a new office environment, coupled with new digital technology such as new telephony, portable computer hardware and cutting-edge software.

Social enterprise and recycling

The key aspect of the creation of this new environment is that it has been undertaken with awareness of the council's social responsibility through the revitalisation and upcycling of furniture and floor coverings in a collaborative partnership with a Local Social Enterprise - Ministry of Furniture. Without their drive, determination and expertise, the project would not have had the unique selling point of being socially responsible. While the council already had a responsible disposal policy for furniture, including reuse, through internal and charitable donation and recycling, the office refurbishment provided an opportunity to implement wider wellbeing goals, by creating employment and skills opportunities for supported businesses through furniture refurbishment. The circular procurement approach also helped close product and material loops, reducing waste to landfill and supporting the reuse and remanufacturing economy.

The Council recognises the importance of balancing short-term needs with safeguarding the ability to also meet long-term needs. Encouraging reuse through supported businesses and increasing utilisation also addresses the collaboration and involvement themes set out in the WFGA.

The additional benefit was that agile working has reduced the council's space needs by around 25%. This was critical in generating a sustainable income that would enable the entire project to be self-financed, but also creating an added benefit of working closely with, initially, Swansea University, but via the Local Property Board, other public sector partners. Low cost, fully serviced accommodation is being made available to public and third sector partners, which eases the procurement/disposal process, while adding significant collaborative benefits through joint working, shared projects and even informal arrangements within a shared meeting space and a refurbished canteen. All of these were funded via the income generated.

The project

The background to the project was simple. Swansea had already reduced its office accommodation and as a result, made significant savings. However, the traditional approach of reviewing occupation densities could only go so far. Offices were still overcrowded with furniture and paper, but not people. This had to change, against the backdrop of austerity and a natural aversion to waste. Examples of schemes elsewhere were identified, and it was clear that there was an opportunity to do something different.

Swansea, through the investigation of other examples, became aware of Ministry of Furniture - a company which was created following the

demise of Remploy. They, along with Greenstream Flooring, were selected via a tailored procurement exercise, to supply furniture and carpet tiles and to convert a tired and cluttered civic centre workspace into an agile pilot office. They then replicated the change across wider areas of the building as individual teams were converted to agile in a structured rollout. They converted existing furniture and end-of-life council stock into predominantly re-manufactured office furniture, delivering demonstrable circular economy benefits in line with Welsh Government targets.

Desks were broken down to virgin material, segregated and assessed for use. To complement the remanufactured desking and storage solutions, Ministry provided high-spec chairs - 100% remanufactured with 5-year guarantees - at a considerably reduced cost.

But reducing the space occupied was only half the story: savings could have been made in mothballing accommodation but that would not have "sold" the story. By working through the established Local Property Board, collaborative opportunities were sought with public and third Sector partners.

Challenges

There were a number of significant challenges to the project and it soon became evident a truly collaborative approach could overcome these issues. Firstly, cost - or the perception of cost - and secondly, change and the inevitable resistance to this.

Cost

The cost element was resolved as the reduction in need of office accommodation has so far allowed 2,069 sq m to be released. Following a targeted marketing of the available accommodation via the Local Property Board, only public and third Sector partners were approached, to offer them flexible and relatively low-cost accommodation. This enabled an agreement with Swansea University to take over a whole floor of the civic centre in 2018. This will generate significant rental income for the council and cost savings equating to around £400,000 p.a. The accommodation provided to the university is fully serviced, with the added benefit of the availability of a shared meeting space, canteen, café and council chamber, all within a secure, semi-public environment. In addition, energy consumption has reduced considerably as a result of new computer hardware within the agile office; this has provided further revenue and carbon reduction benefits.

Furthermore, as a direct result of working collaboratively with Ministry of Furniture, they were able to expand their production by diversifying their business, which allowed them to quantify their social aims as an ex-Remploy business. They were able to employ 2 military veterans with disabilities on permanent contract, while also hiring disabled operators on flexible contracts during peak project periods, creating a positive community benefit and offering a roadmap towards increased employability within a deprived job sector.

WRAP, the Waste and Resources Action Programme, is documenting this project to highlight Swansea's efforts towards establishing a resource-efficient economy. Other authorities are using Swansea as a model of best practice, visiting the site and liaising with the estates team. This innovative way of working has helped demonstrate that costs and waste, in its truer and wider sense, have been kept to a minimum.

Change

Our awareness of the change management difficulties, following earlier attempts to reduce office accommodation using new working methods, meant that as the furniture and the office environment had to be transformed to change the way staff worked, staff had to be involved throughout the process. An agile task group was established, comprising stakeholders with the skills, experience and knowledge to take the project forward successfully and oversee the introduction of new technology and working policies.

An internal group of champions for change management (team dynamics and environment) was set up to help in transitioning work practices. To date, 180 staff have relocated into the agile environment and the agile task group has initiated a survey linked to motivation.

Council staff are pleased with the change. Their testimonials reveal how their apprehension about change quickly evolved into positive thinking and these testimonials are regularly collected and more widely publicised.

Asset management

The primary purpose of the project was to enable the continued rationalisation of assets, building on the revenue and capital savings already achieved. In addition, the aim was to prepare staff for a proposed relocation to a new condensed civic office building in the city centre, while preparing for the transformation of the way the council works.

The conversion of office space and staff to agile working before the relocation to a new development will mean reduced impact on service delivery, lower costs and less waste in the long term. In doing so, current and future property costs will be reduced further and staff are being given the tools to work in a flexible manner.

These objectives have been achieved over and above expectations, and other by-products of the new working environment include increased productivity, reduced sickness, improved cross-council working, additional collaborative opportunities, the ability to fund improved IT provision through asset-based savings - and significant social benefit to others through the support of Ministry of Furniture and Greenstream.

Swansea Council has hosted other public bodies through its lead role via the Local Property Board but also through the ACES' network - to share the principles and lessons learnt as a model of best practice. Council representatives have been asked to join a task group for Business in the Community in Wales to look at circular economy opportunities.

Details of the project

The refurbishment of the civic centre provided an opportunity to create an open-plan style with furniture designed to facilitate the new working practices. To assist the design, Swansea Council defined 5 specific work areas and functions:

- 'Collaboration': areas where people can meet and plan
- 'Focus': space for individual, concentrated work
- 'Socialisation': informal areas where people can connect and hold informal meetings
- 'Supervision': space to assist in staff development e.g. training resources, quiet spaces for confidential meetings
- 'Touch down': short stay areas for staff members who are only in the building for short periods.

The council also wanted to expand its existing options for disposing of surplus and redundant furniture which prioritises:

- Partner organisations, e.g. schools
- All other council organisations
- Other council departments
- Neighbouring authorities and colleges
- Local charities
- Recycling through 'Recycle Shop', Swansea.

To date, 3 wings of the civic centre have gone through the transformation into modern agile-style workspaces, covering a total area of 1,200 sq. m. Work was carried out over 3 phases; the pilot procurement (Phase 1) started in January 2017, with installation in April 2017. Phases 2 and 3 were tendered in May 2017, with installation from July 2017.

The tenders specified a minimum requirement of 80% of the furniture "to be either upcycled or recycled and include items from the existing office furniture held by Swansea Council". The remaining 20% of furniture could be "new or recycled items as long as they contributed to the modern feel of the office environment and supported the new agile working environment".

The council used the National Procurement Service Wales (NPS) Furniture Framework for Supported Businesses of which Ministry of Furniture is currently the sole supplier.

Some outcomes

Across all 3 phases a total of 486 items of furniture were re-used or remanufactured. This includes:

- 199 desks
- 214 office chairs
- 41 storage units
- 2 tables
- 3 meeting pods
- 25 other items.

Re-using and remanufacturing these items has diverted approximately 7.8 tonnes from landfill. This also achieved a total carbon dioxide equivalent (C02e) saving of 29.1 tonnes:

- Savings from desks and tables is approximately 13.9 tonnes C02e
- Savings from office chairs is approximately 12.6 tonnes C02e
- Savings from storage units and other items is approximately 2.6 tonnes C02e.

Each remanufactured office chair used in the project has an estimated associated 20kg of carbon dioxide emissions. This equates to a 61% reduction when compared to emissions from equivalent new chairs. Water consumption associated with the remanufacture of the chairs (1,424 litres) also compares favourably when compared to new chairs (5,114 litres). This equates to a 72% saving in water consumption.

Originally, there were 122 staff working from 150 desks. Swansea now has 368 full time equivalent staff working from 212 desks. The utilisation rate for desks has more than doubled, from 0.81 to 1.74. All 150 desks on the previous plan have been recycled within the scheme. The reuse and remanufacturing from 486 furniture items has diverted around 7.8 tonnes from landfill with the remanufactured chairs alone.

In the civic centre project, a mix of new and reused tiles carpeted the offices,

with 45% of them recycled, the highest percentage yet by Greenstream. The 530 sq. m. of re-used carpet has reduced waste to landfill or incineration by 33 tonnes.

As a direct impact of this collaborative way of working, Ministry has been able to expand its footprint and employ additional staff who were otherwise furthest from the job market, while also establishing a factory of 8,000 sq. ft. that is fit for further growth and projects of this nature. This is in part due to the forward-thinking of both Swansea's property team, Ministry's leaders and Swansea's procurement innovators. Trust between client and supplier remains a pivotal agenda; a collaborative partnership requires openness on both sides and the fact that Ministry was on the National Procurement Service framework 'Lot 6' afforded the client the ability to save considerably while not scrimping on quality.

Other benefits that have presented themselves have been less obvious: one recent initiative with the university relates to how post graduate students will be able to assist, via structured study, in how the authority runs its business and projects, while the Council can reciprocate with mentoring.

Swansea Council plans to move offices within the next 4 years and has recognised the need to transition towards workplace practices that will suit a more agile workforce in the new building.

DEVELOPING A STRATEGY FOR YOUR CAPITAL

Chris Brain FRICS

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Chris from CIPFA outlines the context and requirements for developing an authority's capital strategy. He includes practical advice for surveyors to consider and follow – it's a potentially daunting list to deal with effective asset management for informed decision-making, and comply with the capital strategy requirements by the deadline of 1 April 2019.

Introduction

During August 2018, CIPFA delivered a Better Capital Strategies Roadshow, as a means of informing local authorities about the new requirement to develop and publish a capital strategy, and to provide further information and support on how to go through that process. It was apparent during those roadshow events that many local authorities are not as prepared as they could or should be, to develop a fully robust capital strategy.

This article outlines some of the significant obstacles which many authorities identify as a potential impediment to them developing a robust capital strategy in accordance with the requirements. There could be obstacles relating to information local authorities hold on their property assets, as well as obstacles around the management arrangements of the portfolio.

Experience tells us that the production of the capital strategy is likely to be led by the finance team; the strategy should be treated as a corporate document. I would suggest that while finance may lead the process, property teams have a critical role to play in the provision and analysis of information, assessment and quantification of risks, and development of property-related strategies that necessarily need to feed into the process.

Where does the requirement for a capital strategy arise?

In November 2017 CIPFA published revised and updated editions of 2 important codes. These codes impact on strategic asset management and the ability of local government to ensure that their property estates are both financially sustainable and are able effectively to contribute to the commercialism agenda. The codes are the Prudential Code and the Treasury

> *"…the authority is required to **consider all of the resources currently available to it and those estimated to be available in the future**, together with the **totality of its capital plans and income and expenditure forecasts."***
>
> *Prudential Code (CIPFA, 2017)*

Management Code.

The aim of the Prudential Code is to support:

- Local strategic planning
- Local asset management planning
- Proper option appraisal.

It is intended to ensure that:

- Capital expenditure and investment plans are **affordable**
- External borrowing/other long-term liabilities are within **prudent and sustainable levels**
- Treasury Management and other investment decisions are in accordance with **professional good practice**

What is the purpose of the capital strategy?

The capital strategy is intended to give a high-level overview of how capital expenditure, capital financing, investments and liabilities, and treasury management activity contribute to the provision of services, along with an overview of how associated risk is managed, and what the implications might be for future financial sustainability.

The capital strategy should be tailored to the authority's individual circumstances It should include sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured and how they will meet legislative reporting requirements.

What should the capital strategy include?

In terms of capital expenditure, the capital strategy should include:

- An overview of the governance process for approval and monitoring of capital expenditure, including links to the authority's policies on capitalisation
- A long-term view of capital expenditure plans, where long-term is defined by the financing strategy of, and risks faced by the authority, with reference to the life of projects/assets
- An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals
- Any restrictions around borrowing or funding of ongoing capital finance, for example requirements around the Housing Revenue Account or Police Funds.

The strategy should additionally include:

- The authority's approach to commercial activities, including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources
- Requirements for independent and expert advice and scrutiny arrangements
- An overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and long-term liabilities
- A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

What are the obstacles to developing the strategy?

When it comes to the property aspects, some of the obstacles to an authority developing a robust capital strategy can be self-imposed, such as perhaps a pulling away from taking a strategic approach to the management of property assets. Others are as a result of understandable responses to constrained budgets over a number of years, such as reductions in condition survey frequency. Either way, together they have left many authorities ill equipped to understand properly the capital demands of their property portfolios going forward, leaving them in a weak position when trying to plan for how they will meet that need, and hence exposed to the risk of future financial instability.

Equally, the discipline of assessing potential capital supply from the property portfolio is not always as well developed as it could be, even though organisations often already have the opportunity to readily identify and quantify this potential supply, but do not recognise it.

If your organisation has gaps in knowledge, whether in the area of capital demand or capital supply, this can result in poor capital prioritisation, through ill-informed decision making. The key question for those reading this article is: what will it take to put your organisation in a strong knowledge position in this area?

What should we have in place?

In helping you to answer that question for yourself, here is our summary of some of the areas you might like to consider. Some of these you may say you have in place or in development, which is great. Others of you may decide you are not well advanced or even not in place at all, in which case you have a ready action plan:

- How do you prioritise capital spend and is this a transparent and equitable process, set within a disciplined framework?
- Is there a discipline of written business cases for all capital expenditure, which includes a corporately agreed approach to option appraisal which fully assesses risks, and includes sensitivity analysis?
- Do you as a matter of course undertake post project reviews of all capital schemes, so that lessons are learned for future capital bids, business case evaluation and project delivery?
- Do you have up to date condition surveys of your assets and do you know the rate at which they are deteriorating?

- Have you set building condition standards, so that you know what level of repair the organisation aspires to across the different asset groups?

- Have you assessed the full life cycle costs of repairing your property portfolio and costed alternatives?

- Do you know which building elements or components will be likely to fail, and when?

- Do you have full visibility on the repairing covenants you are committed to where you occupy properties under lease, and has this been quantified and costed?

- Do you have an estate strategy, and does this set out how you manage compliance with lease covenants by tenants that avoids or minimises future impact on the organisation's budgets?

- Does the estates strategy set out how you monitor and manage building obsolescence?

- If you are investing in commercial property, do you have clear investment criteria, a robust governance framework, clear monitoring and reporting processes that identify investment risk through the life of your intended ownership of the asset, and an agreed investment exit strategy?

- Are staff and elected members provided with regular appropriate training in areas such as strategic asset management, project management, business partnering, property investment etc., so that they can make informed decisions?

- Is there a corporate business planning process whereby each service sets out how their service is transforming and what the impact there is going to be on property assets?

- Does the organisation adequately resource and skill property business partnering staff to work with services, to understand their property asset requirements?

- Does the organisation have an asset strategy which pulls together asset requirements from the full range of other corporate strategies, so that there is a cohesive and comprehensive plan of where the organisation wants to be, and how it will get there?

- Has the organisation gone through a formal asset challenge process, questioning the necessity for each and every asset, how each asset performs, how fit for purpose it is and what it costs?

- Has the organisation used the asset valuation process to identify alternative use values on operational assets, to identify new sources of capital?

I would recommend that the information you compile around the capital demand and capital supply for your property portfolio (and indeed any other asset group the organisation might have, such as highway network, plant, vehicles, equipment etc) should be plotted onto a timeline over a suitable planning horizon, showing peaks and troughs in the net capital demand. This will do two things.

Firstly, you may find there is scope to re-profile the timeline of either capital spend or capital receipts, thus smoothing out some of the peaks and troughs, making management of the capital programme much more achievable.

Secondly, and more worryingly, it could well tell you that you will never have enough capital to maintain the assets you have. If that is the case with you, then the organisation has some serious decision making ahead. I would suggest this process is invaluable if your goal is the attainment of a healthy, well-funded, sustainable and fit for purpose capital programme.

How are you positioned?

At this point you might be sat with a very smug grin on your face that tells the world that you have everything in place. I truly doubt there will be very many people like that, but if that is you, then either you are way ahead of the curve - or you need to go back and read the article again, just in case you are deluded.

The optimistic among you will have a shortlist of actions. The realists amongst you will have a much longer list of actions.

Now you have your list of actions, you need to decide in what order to deliver it, over what timescale you will deliver it, who will deliver it, what it will cost to deliver it, and where the money will come from to deliver it. I wish you all good luck.

Your authority's first capital strategy must be in place by 1 April 2019. For that to happen, it must first be approved by full Council (or your equivalent), and before that can happen, it needs to be prepared and considered as part of the organisation's budget-setting process, which for many of you reading this article, will already be well underway.

So time is short. This means that for some authorities, it may take more than one budget round to get themselves where they need to be. That doesn't mean you should do nothing, but you do need to remain realistic about what is necessary and achievable in a reasonable timescale, and focus on that. Inevitably there will have to be some prioritisation of actions, so my advice is to take a risk-based approach to the actions, focussing on those which are likely to have the most significant impact on financial sustainability for the organisation.

Just one final thing. What about the pessimists, you ask? They, of course, have not got this far through the article, having given up half way because they believe that they will never be able to achieve any of it. Perhaps it is the pessimists that need the most help on this journey, and as authors of the 2 new codes, CIPFA is uniquely placed to provide that support where needed.

Robert outlines government initiatives to encourage brownfield land redevelopment. However, he casts doubt about the effectiveness of some measures. Robert was assisted in the research by his colleague James Miles.

BROWNFIELD SITES – HOW THE GOVERNMENT IS INCENTIVISING DEVELOPMENT

Robert Burke Bsc(Hons) FRICS FCABE

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Working for both landlords and tenants, Robert prepares schedules of dilapidations and negotiates financial settlements for a broad range of clients in different property sectors. rburke@lsh.co.uk

'Brownfield' land. The very name suggests something dirty, used, derelict or even stained and contaminated. Pockets of fields which are brown grey or any other bland and unappealing colour, rather than green; land waiting to be developed and turned into something better and more useable. It makes sense and is appealing, romantic, even. Land ownership and even usage has always changed and is dynamic; it's in keeping with our history and heritage; since before the Romans. Kipling even talks about it in his evocative poem, The Land.

The implication is also that our precious greenfield sites therefore must be being preserved. Actually, in a country of 60m acres, about 10% of England and less than 6% of Britain as a whole is urban. So for every acre built on or developed, about 9 are not. This feels about right to me, as a lover of the countryside; but what is the government doing to incentivise brownfield development in a landscape where 14,400 acres are urbanised a year. The government noted in 2014 that there was space for 200,000 homes on brownfield (previously developed) land across England.

'Fixing the foundations: creating a more prosperous nation' was a policy paper published in 2015 that touched upon the need for more housing and was the precursor to the later changes in government policy. 'Dynamic Economy 9' of the paper: planning freedoms and more houses to buy, stated: "The government will introduce a new zonal system which will effectively give automatic permission on suitable brownfield sites to build housing."

This would have meant that certain brownfield sites would have been restricted to housing only, with no planning permission required. No zonal system has been introduced after heavy criticism by many groups.

Brownfield registers

Proposed in the Housing and Planning Bill, April 2017, new regulations were implemented that would help speed up the development of derelict and underused land for new homes. Local authorities across the country now have to produce and maintain up-to-date, publicly available registers of brownfield sites available for housing locally, having regard to the criteria set out in regulation 4 of the Town and Country Planning (Brownfield Land Register) Regulations 2017.

The registers will help house builders quickly to identify suitable brownfield sites. Communities will be able to highlight local derelict or underused building sites that are primed for redevelopment. This can bring investment and increase the number of new homes in the area. In January 2018, the MHCLG announced that 310 local authorities had published brownfield registers identifying 26,000 hectares of brownfield land.

Brownfield registers were first piloted in 2016, when 73 local planning authorities across the country pioneered the measures. Brownfield registers are supposed to ensure that 9 out of 10 suitable brownfield sites across England have planning permission for housing by 2020.The government has introduced 'Permission in Principle' (PiP) to give greater certainty to investors in developments (see below); sites considered suitable for housing development and included on part 2 of a brownfield register benefit from PiP.

In addition, the £3bn Home Builders Fund will be used to support the development of brownfield sites, with an additional £1.2bn provided to unlock at least 30,000 starter homes on brownfield land. The government has shortlisted 29 brownfield areas across England for new housing powers: the areas include Thurrock Thames-side Towns (Thurrock Council), Greater Gainsborough Housing Zone (West Lindsey District Council). The government is committed to ensuring that 90% of suitable brownfield sites have planning permission for housing by 2020.

Brownfield registers are split into 2 parts:

- Part 1 comprises of all brownfield sites appropriate for residential development
- Part 2 are sites that have been granted permission in principle.

Registers are published locally as open data and will provide transparent information about suitable and available sites.

The large majority of local councils across England did publish their brownfield registers, but there is a lack of part 2 of the registers. The part 2 registers specify which brownfield sites have been given PiP planning status. This is what is necessary to speed up the process.

Preparing a part 2 register is not compulsory and by consequence most local authorities have not completed this section. If the current situation continues, the results generated from the Brownfield Land Registers might prove somewhat underwhelming, given how the first part of the registers simply list brownfield sites having already obtained planning permission and brownfield sites that are potentially suitable for housing but are subject to obtaining planning permission.

Permission in Principal

PiP introduces a new way of obtaining planning permission through these new registers. It will simplify the planning process for developers. It will give them more certainty over whether a site is suitable for development ahead of working up costly proposals to obtain full planning permission. This will encourage new development and increase the amount of land available to build on, helping to boost housing supply.

PiP will settle the fundamental principles of development (use, location, amount of development) for the brownfield sites, giving developers/applicants more certainty. Developers cannot proceed with development, however, until they have also obtained technical details consent.

The technical details consent will assess the detailed design, ensure appropriate mitigation of impacts and that any contributions to essential infrastructure are secured. Both the PiP in principle and the technical details consent stages must be determined in accordance with the local development plan, the National Planning Policy Framework and other material considerations.

Vacant Building Credit

The Vacant Building Credit (VBC) came into force through the publication of planning guidance on 28 November 2014.

The VBC applies to any building that has not been abandoned and is brought back into any lawful use, or is demolished and is to be replaced by a new building. The developer is offered a financial 'credit' equivalent to the existing gross floor space of relevant vacant buildings when the local planning authority calculates affordable housing contributions.

Local authorities set affordable housing targets based on local circumstances. They can then use instruments such as s106 agreements to require contributions to affordable housing from new developments. However, the VBC means that the requirement would only apply to any increase in floor area, over and above that of an existing vacant building, not to the total floor area of the development. This is intended to encourage the development of brownfield sites.

The guidance states that, "Where the overall floor space increases in a proposed development, the local planning authority calculates the amount of affordable housing contributions required from the development as set out in their local plan which is then deducted from the overall affordable housing contribution calculation."

There is no definition for what a vacant or abandoned building is or for how long it must have been vacant.

Housing minister, Brandon Lewis MP said "...the policy removes a stealth tax" that hindered regeneration and encouraged empty properties. He suggested that the changes will help deliver more housing at no cost to the taxpayer and would have no "significant adverse effect" on the government's affordable housing programme.

However, London boroughs and some of the biggest private property developers have opposed the introduction of the VBC. Westminster City Council has said it will work to try and reverse the "deeply flawed" policy, suggesting that it would put the delivery of affordable housing in London at serious risk, deepening the accommodation crisis afflicting the poorest people. Many councils outside London also believe the VBC policy will make it more difficult to build affordable housing.

What we have found is a continued reluctance on the part of many local authorities to seek to apply VBC, particularly when bringing forward either their own or other public estate sites for redevelopment. VBC still seems to be regarded by many as a conflict between national and local policy which flies in the face of the authorities' own (and their politicians') aspirations to deliver additional affordable housing.

The original NPPF from March 2012 emphasised the fact that brownfield land should be used as efficiently as possible. However, paragraph 63 (and footnote 28) in the revised NPPF issued in July 2018 states that: "Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any

affordable housing contribution due should be reduced by a proportionate amount equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings that have been abandoned."

Our view is that in not seeking to apply VBC to their own sites those local authorities who are not also housing authorities could potentially be in breach of their obligations under s123 of the Local Government Act 1972 to achieve 'Best Consideration' on any future sale or redevelopment of the site.

In February 2015, a cross-party group of London politicians called on Lewis to suspend immediately the VBC. On 26 March 2015, guidance was updated to make it harder for developers to exploit the system or to reduce or avoid affordable housing contributions.

Remediation

In 2016 the government also cut funding for the remediation of brownfield sites, which is often required to decontaminate the ground before sites can be used again for another purpose.

At least 740,000 acres of contaminated land have been identified, according to a report from an influential committee of MPs. Many of these sites could be used for housing, farmland, industry or other developments, which could both ease the housing crisis and reduce the need to claim more of the UK's diminishing stock of green belt or agricultural land for building.

Doing so would require work to remove the remaining toxins from the soil, which is technically feasible but carries a cost. To date, that cost has often been borne by the government and local authorities, but the MPs on the environmental audit committee found that the Department for Environment, Food and Rural Affairs had drastically cut its funding for remediation, and is planning to phase it out in 2017.

The committee heard that this would discourage developers from planning new building in areas of housing shortage, particularly those in poor areas. In richer areas, hopeful developers frequently pay for decontamination themselves, but in poor districts they rely on the council or central government to do so in order to render the site suitable.

New funds announced

On 18 September, Housing Secretary James Brokenshire announced 2 new government funds to speed up the housebuilding process. Homes England will be able to use the funds to help the government deliver its promise of building 300,000 homes a year by the mid-2020s.

The government proposes that the funds should address problems such as land contamination, infrastructure requirements and complex land ownership that prevent homes being built "where they are needed most".

The £1.3bn Land Assembly Fund will be used to acquire land that needs work and prepare it for the market. The government says this will make it less risky for developers to invest in it and build homes. Outside of London, this work will be undertaken by Homes England.

The Small Sites Fund, which is worth £630m, aims to help public landowners and local authorities that are struggling to build on land in their area. Money will go towards getting the right infrastructure in places quicker where there are stalled sites. The government added that it would work with the Greater London Authority to help guarantee that the funds deliver additional homes in the capital.

Brokenshire said the government needed to act so that the homes the country requires are built. "The availability of this investment will help us intervene in the sort of sites that aren't yet ready to build on, or where developers have been put off.

"Developers can now get straight on with building homes, rather than overcoming the barriers to build. And in the same way we are also supporting councils that have land for housing, but need additional help to enable development."

Sir Edward Lister, chairman of Homes England, said: "Homes England is stepping in where the market isn't working, unlocking land and releasing sites to those developers that are committed to providing homes at pace. The £1.9bon… will mean we can invest in crucial infrastructure and help local authorities to get more homes built on public land."

Some thoughts

While we have been talking about brownfield development generally, the main pressure and requirement is for residential development. The permitted development allowances have assisted this, but there are still offices and other buildings that are not used. Figures compiled by Policy Exchange found that there are more than 500 hectares of empty or under-utilised industrial land across London alone, as well as a significant amount of vacant retail space in outer London. Can we not use some of this, at least temporarily, to resolve the problem?

Surely the VBC would help to regenerate declining High Streets? Why have vacant units and even upper parts not been developed more rigorously? The answer, of course is all tied up in ownership, leases and values. Long ago I proposed an answer to this to a major UK retailer who happened to have approximately 2,500 units across the UK, most on good High Street locations close to schools and surrounded by other shops with unused upper parts. While the concept was solid, the execution and legality were just too difficult and one for the, 'slightly too hard' cupboard. Retailers want to sell stuff and are not developers; and landlords have so far enjoyed the certainty of major names on the lease This may change with the recent embattled retail traders.

Although it may be a slightly dystopian view point akin to something from War of the Worlds: when will we start sensibly to live below ground? This will preserve the landscape; will do wonders for the heating bills and global warming and with advances in lighting and technology, is likely to be more and more appealing and achievable. Might be one we explore in another article...

DELIVERING DENSITY

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BNP Paribas Real Estate recently hosted a seminar for a range of public sector clients, developers and consultants, to discuss the topic of "Delivering Density", particularly in a residential context. While the seminar originally had a London focus, prompted by increases in housing delivery envisaged in the Draft New London Plan, this article is of wider interest, particularly for those authorities with a metropolitan asset base, or who are facing the challenges of housing delivery.

Introduction

The story of cities is in many ways a story of increasing density: making better use of a finite resource (land), the move from a rural to an urban economy with the associated specialisation of labour, and the ability of a more geographically concentrated population to support a diverse range of services and infrastructure.

"Good density will mark out the next generation of winning cities" (Rosemary Feenan, Executive Vice President, Research, QuadReal)

While the concept of density may appear self-explanatory, density can be calculated in a number of different ways. The Density Atlas, an online resource for comparing densities around the globe, identifies dwelling units per acre, population per acre, and floor area ratio as the 3 most commonly used measures of density. However, calculating density is not necessarily straightforward for a number of reasons:

- Size of land area: densities can differ considerably, depending upon whether data relates to a single land parcel, a block, individual districts, core city areas or wider metropolitan regions
- Gross or net: population may be divided by total geographical area (gross) or alternatively, certain land uses may be excluded from the geographical area denominator (net)
- Time of measurement: populations at night can be very different from those in the daytime. Density can measure permanent residents or include visitors and commuters.

Within UK practice, dwelling units (or habitable rooms) per acre/hectare is the most common measure of housing density.

Characteristics of density

Developing at greater density can be perceived as either a "good" or "bad" thing. Historically, some of London's most affluent and attractive areas have been developed at high density – think of the mansion blocks of Kensington and Chelsea, for example. However, phrases such as "town cramming" or "garden grabbing" certainly have negative connotations.

Whatever one's personal preferences, density is a topic which has generated much debate and looks set to continue to do so, particularly in the context of the perceived crisis of undersupply of housing.

In the London context and in other UK cities, increasing density as a tool

"Good" density	"Bad" density
Mixed use	Monotonous
Connected	Isolated
Planned	Unmanaged
Cohesive	Segregated
Liveable	Unliveable
Spacious	Crowded
Flexible design	Inflexible
Green	Ugly
Appropriate	Polluting
	Conspicuous

Source: Urban Land Institute – 'Density, Drivers, Dividends and Debates', June 2015

to promote housing delivery could potentially take a variety of forms:

- Higher densities in the urban core – for example high-rise near central London transport hubs: locations such as Vauxhall, Nine Elms and Battersea, the South Bank and Silvertown
- Suburban intensification – greater densification across outer London, increased from 20 units per hectare to say, 50 to 75 units per hectare, particularly around transport nodes, including new Crossrail stations
- Green belt development – limited release of low-quality land in the green belt, where densities are likely to be lower than in the urban core
- Regional polycentric approach – co-ordinated approach to the city region within a network of cities linked by orbital and radial transport.

Each of these options has its own particular issues, whether in terms of viability (such as the need to fund new infrastructure or site assembly), planning (a need to change policy, or make new allocations) or in terms of politics and public perception (alterations to the green belt and the fear of concreting over our green and pleasant land).

Planning context

From a planning perspective, what is driving the push towards greater density? The 2018 National Planning Policy Framework (NPPF) says that: *"Where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site …"* (NPPF para 123)

The guidance goes on to recommend the use of minimum density standards for city and town centres and other locations that are well served by public transport.

London's population is currently 8.9m and expected to rise to over 10.8m by 2044. This means that London will become Western Europe's first megacity. The city's housing need is calculated at between 64,500 to 72,400 dwellings p.a. to 2026.

A key obstacle is the constrained nature of the city and its surroundings (eg green belt), and recent history shows a deficit in supply versus demand (see histogram). The scale of this deficit is increasing.

In similar vein to the NPPF, the Draft New London Plan identifies a number of opportunities to optimise housing delivery, including the following which entail – either implicitly or explicitly - development at greater densities:

- Sites with existing or planned Public Transport Access levels of 3-6
- Mixed use redevelopment of car parks and low-density retail parks
- Intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses
- Certain types of employment sites.

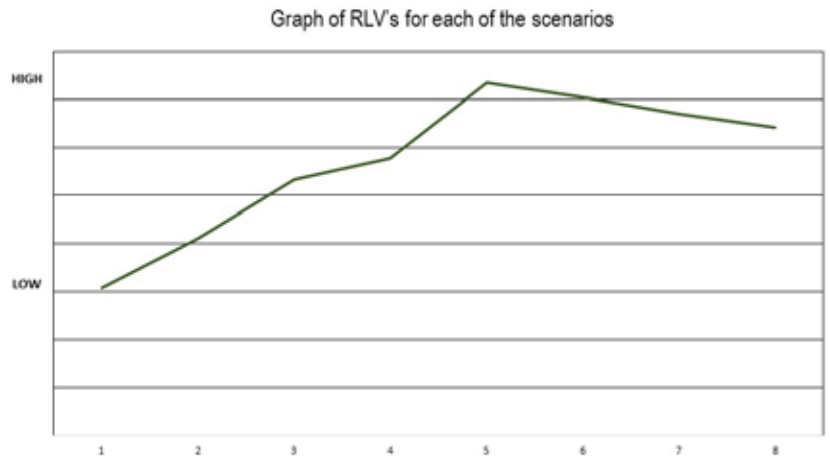
Surplus utilities and public sector-owned sites are also highlighted as opportunities.

Viability

The 2018 NPPF para 122(b) states that policies and decisions should support development that makes sufficient use of land, taking into account "local market conditions and viability".

The main drivers of viability when considering higher density schemes include the following:

- Taller residential buildings can potentially achieve premiums on sale values, although there are limits to this premium



- As buildings get taller construction costs increase. Taller buildings require, inter alia, changes to materials and construction methodology

- As buildings get taller they become less efficient ie there is a higher gross to net ratio, given the need to provide more services.

These factors mean that the relationship between higher density and increased residual land values is a complex one.

Better transport facilities drive opportunities to deliver higher densities as the improved accessibility helps to increase sales values and improve market perception. In the London context, current and future examples include the Northern Line extension (Vauxhall, Nine Elms and Battersea), proposed Bakerloo Line extension (Old Kent Road), Jubilee Line, and Crossrail. This uplift in value is increasingly being used as a source of funding for the infrastructure improvements themselves – witness the Mayoral CIL to help fund the delivery of Crossrail. However, land value capture is definitely a topic in its own right! [Ed – a topic considered at ACES' National Conference in September 2018].

In order to test the relationship between viability and density, BNP Paribas Real Estate appraised a hypothetical central London residential development. The object was to test a number of alternative typologies, with densities ranging from Scenario 1 (least dense) up to Scenario 8, (most dense).

While these were purely hypothetical scenarios, the outcomes are shown in the graph. While there is a correlation between density and residual land value, the relationship is not necessarily linear.

In a prime London location, capital values can be expected to rise with the height of the building, due to the nature of demand. However, outside prime areas, residential values may be subject to local capital value "ceilings", which mean that the increased costs of construction outweigh the achievable sales values, once a particular height is exceeded. Well-designed schemes may achieve higher sales values, but density is not inherently a panacea and greater densities will certainly not be appropriate in all locations. It may also present specific design and technical challenges on particular sites.

Concluding observations

The seminar produced an interesting debate, with a varied range of observations ranging from the practical to the theoretical:

- Transport hubs – do they act as drivers of value? Or is the value already inherent in what are typically more central locations? Or a mixture of both?

- Increasing densification can bring with it a range of issues. For example, 2-bedroom units can potentially be more financially efficient due to the proportionately lower CIL requirements; 3-bedroom units may be best located on the corners of residential blocks

- Increasing density can increase the number of single aspect units and may create issues in terms of daylight/sunlight at lower levels. Planners may need to accept a degree of flexibility on these issues if unit numbers are to be delivered (something the NPPF suggests may be appropriate). Some developments may need to act as "pioneers" in order to demonstrate what can be achieved at higher densities

- Public bodies will wish to consider the "total package" arising from high density developments. This may be more than just the quantum of development and percentage of affordable housing, but also the quality of the places created, public realm and open space

- In some locations increasing density is creating problems for social infrastructure, such as the ability of schools to keep pace with increasing demand for places

- Increased density/height is often associated with increased value, but this is not always the case

- When considering density at a larger scale, increased density does not necessarily mean greater height - clever design can create alternative solutions: witness those central London mansion blocks, or in a European context, apartment living in cities such as Paris and Barcelona, or recent developments such as Hammerby Sjöstad in Stockholm.

The issues associated with increasing density are varied and multi-faceted. Opinions will vary on the merits of higher density development, and of course the tragic events at Grenfell Tower potentially add a further dimension to the debate in terms of both social policy and building regulations. What seems certain is that density - and densification - will be a topic of continued relevance for the foreseeable future.

ESTATE RENEWAL – SECURING THE OPPORTUNITY

Virginia Blackman

Virginia is national head of GVA's Site Assembly and Compulsory Purchase team. Her collaborative, multi-disciplinary approach to each client engagement is rooted in a detailed understanding of the entire development process. Recent projects include the West Hendon Estate Regeneration, Vicarage Fields Barking, High Road West, Kings Landing Maidenhead, civic project Tunbridge Wells, and growth plans at Bristol City Airport. She has also advised a number of clients affected by the HS2 development at Euston; her recent client list includes London Borough of Haringey, Metropolitan Housing Association, Barratt, London & Newcastle, and Regus. Virginia is a member of the RICS Working Group on Compulsory Purchaser, an experienced expert witness, and a Registered Valuer. Virginia.Blackman@gva.co.uk

I listened to Virginia and Nicola Rigby of GVA, with Glyn Tully of Levitt Bernstein, make an excellent presentation at their "Espresso Briefing" hosted at their Manchester Offices in July. Virginia agreed to write this extremely practical summary of the lessons learned and lead us through the delivery process, based on their involvement in many regeneration projects.

Estate renewal has been around in a variety of forms for over 40 years, and many ACES members will have had some involvement in these types of projects. Drivers have included repairing construction flaws, improving socio-economic conditions, replacing poor quality time-expired housing, increasing housing supply, and better meeting housing needs in respect of size, tenure, etc.

Over the last 5 years, there has been an increased focus on the potential for estate renewal, together with new resources, interest and guidance from central government, such as the 2016 DCLG Guidance on Estate Renewal, or in London, the Mayor's guide. The delivery of good quality housing in the right places is now, once again, high on the political, as well as housing, agenda.

The challenges facing today's housing estates remain wide-ranging: social issues, physical stock condition, land use efficiency and economic circumstances. GVA, working with Levitt Bernstein, is trying to distil and share some of the fundamental lessons we have learned from leading and guiding more than 40 estate renewal projects over recent years across the UK.

Successful estate renewal needs to address a number of key questions. Clear, shared objectives and a vision of the future will provide impetus and focus.

1.Preparing for estate renewal

Answering a set of key questions will provide the essential foundation for a successful estate renewal. The push to "get on with it" can be powerful, but a strong preparation stage will help ensure long-term success and the faster delivery of new homes.

Why is the estate being looked at?

For many local authorities, housing estates can be an opportunity to achieve wider objectives. Social and economic performance can be bolstered, and physical regeneration extended beyond the estate itself. Large housing estates can act as both a physical and a social barrier to wider change at town and borough level, while smaller estates may present tactical opportunities. At the start of the process, it is important to establish and understand the principal reasons why estate renewal is appropriate and agree the main underlying objectives.

Are leaders on board?

It is imperative that key partners and stakeholders agree on what estate renewal should achieve. Lead and local council members and executive officers should be in agreement on the need for change. Clues can be found in wider planning policies and corporate strategies around housing delivery, social cohesion and improving the fabric of the built environment. This is not the time for detail, but it is essential to get these formal decisions approving further investigation of estate renewal potential.

Do the facts confirm the need?

Housing officers and maintenance teams will have detailed knowledge about particular estates. It is important to use their knowledge to prepare a headline audit of housing stock condition, retail, employment and community uses, levels of right-to-buy penetration and the balance of resident leaseholders. Key policy factors should be identified, while social and economic issues need to be analysed. A summary position statement will bring together different strands and provide focus on the key issues that estate renewal would address.

Are market conditions understood?

Assessing the market is critical to defining the viability of a scheme and the appropriate delivery route. This market includes both 'end users' ie. renters or buyers, as well as investors and developers.

In London, many outer London and inner south east areas reflect the inner London market and housing demand, and private residential development

may assist in paying for new affordable housing; this may also be mirrored in some areas across the country, but it will not be the case everywhere. The local pipeline of private housing development or upgrades to transport or a local shopping centre, bringing in new retailers or restaurants, will also be important considerations.

A high-level assessment of current market conditions and future prospects will indicate the potential for private sector investment. In parts of the country where private sale/rental market condition are less strong, it is just as important that viability is understood at the outset, and a plan made to resolve any viability gap.

Is the housing potential defined?

A high-level investigation into the development capacity of housing should take place. This may look at infill, targeted and comprehensive redevelopment options. The total housing numbers and the net gain can be outlined and set against existing housing and also the existing number of leaseholders, whether resident or absentee landlords.

Is deliverability likely?

At this stage, a high-level financial assessment or preliminary appraisal can suggest either the appeal to the private sector, the level of public sector investment required, or both. Often an estate renewal process that needs to meet public sector objectives cannot be entirely private sector financed. There will be a need to consider how the public sector can support the wider objectives.

Decision to proceed?

This baseline stage should enable a decision on whether to proceed to the strategy stage: the fundamental reasons for estate renewal should be known, the potential scope of the development should be understood and the fundamental viability and deliverability position should be clear.

Have you assembled the right team and the right leadership?

An appropriate project champion with a long-term view of the process will be essential to maintaining momentum and achieving delivery. Typically, effective project champions are senior officers at the council who have the capacity and skill-set to drive buy-in and support for the project across the organisation and beyond. They will be able to take the long-term, cross-team view necessary for delivery, and be able to build consensus.

A focused and multi-skilled team will also be required, and they will draw in the expertise needed and liaise across the rest of the organisation.

2. Setting strategy

With a decision made and resources in place, the strategy can be evolved and agreed. This will require multi-professional expertise and working in an iterative and creative process with the community and other stakeholders. The outcome will be an agreed strategy for the estate and the organisation as a whole.

How should a strategy/master plan be advanced and agreed?

A programme like this will need a clear strategy or master plan grounded in strong place making principles, with a clear vision of the place the regenerated estate will become. This will define development capacity and provide design and technical solutions. It should also play a critical role in involving the community.

The master plan must be a robust, flexible framework that can be adaptable over the long timeframes that are inevitable with large estate regeneration programmes.

Has the local community been appropriately engaged?

A key ingredient to the successful delivery of estate regeneration projects is consistent and full engagement with the local community and stakeholders, particularly where a project involves significant demolition and/or new housing. Early dialogue with residents is critical as is sensitivity to the age, cultural and ethnic mix of communities.

The resident "offer" for tenants, leaseholders and freeholders, both physical and financial, needs to be established as early in the process as possible.

A fundamental principle is that any option shown to residents and stakeholders must be tested and viable. This builds realism and credibility into the process, and means the delivery requirements can also be communicated.

How will the council enable regeneration?

Estate 'owners' have a number of tools and resources to enable estate renewal. It is essential to establish which are required and how they will be deployed:

- Compulsory purchase powers – it may be necessary to use both statutory powers, such as compulsory purchase and Ground 10A of the Housing Act re-provision for secure tenants, or landowner powers to end tenancies, to enable site assembly

- Ownership – do you wish to retain ownership of existing property or are you prepared to dispose of that property, or interests in that property, to enable delivery? Are there restrictions on disposal? How can disposal receipts be used?

- Finance – do you have any funds available, which can be used to deliver the scheme? Are you willing to take risks with that money in order to achieve greater control, or a share of returns? Are you willing to apply for and manage grants or other public sector funding to deliver the project?

- Resources – do you have the full complement of people with time and skills available or will you need external support?

Each of these decisions will impact the wider strategy and, while there is no right answer, now is the time to absorb the effect on the overall project.

Is renewal supported by planning policy?

Councils will need an aligned policy framework. An aligned core strategy may suffice, but the master plan process can also be modified to create a Supplementary Planning Document. If the local plan process is live, the master plan can serve as an evidence base for the new policy. The robustness of planning policy required may depend on the enabling actions necessary. Often the use of compulsory purchase will require stronger policy than that needed to obtain planning consent.

What is the appropriate approach to delivery?

There are a number of different delivery models, which should be considered when determining the strategy. These will be linked to the council's appetite for risk and the specific requirements of the estate. Notably, delivery models span from self-development models, which will be heavily led by the council, through to the selection of contractor partners, joint venture structures or an outright sale. In considering the optimal delivery route, access to capital, appetite for risk and required level of control over the project should be at the forefront of decisions.

Are the necessary skills available?

The master planning process will set the extent of intervention. An emerging delivery strategy will set out the requirements and route to delivery. Assembling a delivery team made up of both in-house and external personnel, with complementary expertise, are likely to be required. Self-delivery needs a greater range of skills and resources in-house. The selection of an external partner may require specialist advice to procure and manage that process.

The team should provide the skills to deliver planning, legal, viability, deliverability, communication and strategic commercial advice, and have specific experience of estate regeneration projects. A joined-up approach across the wider in-house and consultant teams is critical to the success of the project.

3. Delivering estate renewal

How will estate renewal be delivered?

Once a strategy or master plan is agreed and formally approved, the delivery process can begin. There is no off-the-shelf delivery approach; instead the specifics of the project and the desired outcome will guide the appropriate method.

What is the delivery structure?

Delivery routes can vary from self-delivery models with limited private sector input, to joint venture structures and wholesale disposals to the private sector. It may be necessary to partner with either a registered provider or a private sector body. The structure of the partnership will depend on the individual parties' existing interests and aspirations, and the nature of the delivery route selected.

How will planning consent be secured?

Obtaining a robust planning consent will be critical to ensuring the overall delivery of the scheme. Gaining expertise to support this planning process is a key consideration and will be linked to the delivery route selected, as well as the need for enabling powers and promises you have made to existing residents and occupiers.

How will the site be assembled?

For comprehensive estate renewal, site assembly is critical to ensure scheme delivery. It is very difficult to secure large sites with multiple owners and occupiers on the basis of negotiation alone. Using statutory powers in parallel with pro-active negotiation will be more effective.

Third party ownerships, resident leaseholders, temporary occupants and secure and non-secure tenants all have very different needs and concerns, which should be recognised through the site assembly strategy. You will need to consider how to manage and integrate the proposed phasing of project delivery, the need to rehouse existing residents, and the need to maintain the existing community. You will also need to assess the impact of all this on both budget and cash-flow.

What will happen to the existing residents?

Existing residents may be nervous of what might happen. Understandably, they are likely to have concerns around the process and will want to know what benefits it will deliver for them.

Now is the time to clarify to residents details of any offers over and above statutory minimums. For example, this could include a commitment that secure tenants will remain on the estate with 'one move only' required, or be able to offer shared ownership options for third party resident owners, to allow continuation of home ownership in the area.

Estate renewal projects are long term, and existing residents and businesses will feel the impact of construction and disruption throughout a project. It needs to be recognised from the outset that projects can span several years. During this time, key services must remain on the estate and be easily accessible.

How will the new estate be managed in the long term?

Estate renewal projects should deliver long-term benefits to the existing residents and wider community. We have put significant emphasis on preparing for the project, and how the initial construction should be delivered. However, if the project ends on the day the final resident moves in, it is likely to fail. From the beginning, the long-term future and legacy of the new neighbourhood will need to be considered.

Existing residents are often concerned about increases to service charge payments and the day to day cost of living. These concerns should be recognised and managed carefully. It is likely that stock quality will increase through the regeneration process and the impact on long-term fuel costs, energy efficiency and major works expenditure should be highlighted. The management of new public realm is expensive; management should be carefully considered as the perceived

privatisation of public space is a contentious issue.

Conclusion

Building on the historic experience of estate renewal, we are now building a generation of council officers and external consultants who have useful experience of today's estate renewal projects. Our aim is to gather some of the lessons learnt from recent schemes, and ensure that these assist new schemes. Estate renewal offers the opportunity to leverage the value of public assets, to secure private investment in new high-quality neighbourhoods, integrated into the life and fabric of our communities.

Ed - Virginia and her team has/is presenting on this subject to ACES members at GVA "Espresso Briefings for CPD", across the country this year (London 11 May; Manchester 20 July; Bristol 19 October; Birmingham 8 November, are so far booked in).

NEW WAYS OF RAISING MONEY USING PROPERTY AND INFRASTRUCTURE ASSETS IN THE 'PERMA-AUSTERITY' AGE

Helen Randall and Paul McDermott

Helen is a partner at law firm Trowers & Hamlins LLP and she is a leading public sector commercial specialist. She has over 25 years' experience of establishing successful local authority companies for regeneration, development, investment and trading, starting with her work in-house on Kings Cross and West Euston regeneration companies, subsequently advising on the establishment of Leeds City Council's EASEL regeneration JVCo; Swindon Commercial Services Ltd; 7 Hertfordshire DC's building control company Broste Rivers Ltd; the TriBorough's 3BM; Dorset's Tri Curo; Babergh & Mid Suffolk's property investment companies; Breckland and Hambleton's LABV companies; and LB Sutton and Institute of Cancer Research's London Cancer Hub. She also acts for major developers, registered providers, and development funders. hrandall@trowers.com

Paul is a Partner in our Housing & Regeneration Department and advises both public and private sector clients on outsourcing, shared services, regeneration, care, joint ventures, major accommodation and infrastructure projects, and the legal aspects of local authority investment and finance.

Paul's experience in the sector encompasses working in-house for Islington and Camden Councils where he first developed his specialisms in public procurement, State Aid, local authority charging and trading, governance and vires. Since 2008 he has applied this experience to advising local authorities on the innovative use of powers and investment to increase revenue and enable public intervention. This has included the public rescue of 2 retail developments and a number of joint ventures. He recently presented to the CIPFA national conference on innovative uses of law for income generation and savings. pmcdermott@trowers.com

Helen and Paul outline 2 models of raising finance which might assist cash-strapped local authorities which might want to invest in property development to increase income.

Balancing the budget

The depressing news that it is not just Northamptonshire, but many other local authorities who are facing the prospect of not being able to set a balanced budget. This means we all have to look at how local authorities will be able to survive the cuts and deliver essential services in the context of ever-increasing public demands.

None of the recent political party

conferences have acknowledged that Joe Public cannot "have his cake and eat it" ie we cannot expect to pay low taxes and enjoy full public services because the maths doesn't work anymore.

So since our demographics mean public demands for children's services and care are going to increase, local authorities will have to raise significant money themselves to survive. Property development is one of the main ways in which local authorities may be able to generate enough funds to deliver balanced budgets in the future, in the light of ever-increasing demands on services and ever-diminishing revenue.

Successful development also generates increased business rates and Council Tax receipts, as well as creating jobs which help the local economy. However, nowadays not so many local authorities can generate enough capital receipts from disposals or have sufficient reserves to fund significant new assets or infrastructure.

Models to fund development

So, it is worth looking at models which enable a public authority to fund the construction of property assets and infrastructure beyond the traditional route of borrowing from the Public Works Loan Board (PWLB).

Two such models are "income strip" and "ethical investment". Both have already been deployed in the UK by public authorities. It is the strength of covenant of the public sector bodies which can never go insolvent, because of its underpinning tax base, which are fundamental to their viability.

These 2 models can be used to build infrastructure, public facilities, business and science parks, residential and mixed use schemes, even retail, provided it will survive the e-tail revolution.

Income strip

This involves a fund purchasing the land interest and leasing it on to the public authority after a developer has built or refurbished the asset. The authority is the fund's tenant. Unlike a normal lease, no premium is paid. Instead, the public sector rent is index-linked, usually with a cap and collar. This enables the fund to pay returns (typically annuities) to their investors. The public authority then on-lets the asset to tenants and charges rents. A typical term is 30 to 40 years and at the end, the public authority can have an option to buy the freehold.

Ethical investment

The ethical investment model was used by the Ministry of Housing and Local Government and Communities (then DCLG) to finance its building, using an Islamic finance insurance product known as a Sukuk. Islamic finance can apparently sometimes be cheaper than a PWLB loan and has at its core ethical principles, which mean that the investment must be clear and transparent and aid the advancement and cohesion of society. The structure can involve a leaseback and assets being held on trust. The DCLG product was so popular in the finance market that it was apparently oversubscribed. This model is being pioneered in local authorities by Rosette Bank.

Considerations

These structures inevitably require careful thought as it is a long-term commitment, so local authorities should look before they leap. Typical issues to consider include which legal powers to deploy, satisfying the fiduciary duty to obtain value for money, government guidance on investment, and the authority's own investment strategy, market cycles, capital and revenue risk, and ensuring compliance with public procurement and State Aid law. However, these are all issues which in our experience can be resolved, provided you seek appropriate advice.

LOWE GUARDIANS UPDATE

Tim Lowe

Tim is a 29-year old entrepreneur who is passionate about utilising vacant space to provide quality and affordable housing for today's 'generation rent'. Tim has worked with developers, investors, funds and public services on numerous vacant sites to provide property owners with an efficient and secure service for their vacant properties. At the same time, this service provides London's key workers and creatives with affordable accommodation.

Prior to setting up on his own, Tim worked at Knight Frank's Private Rented Sector team where he conducted a comprehensive assessment with the Estates Gazette to discover if any truly affordable solutions existed for London's young workers today. Labelling the project 'Lowe Cost Living', it involved searching for (and ultimately living in) properties at around £500 a month in central London. tim@loweguardians.com and www.loweguardians.com

This press release outlines the expansion of Lowe Guardians over the last 2 years, and highlights some recent imaginative conversions. Featured in previous editions of the Terrier, Lowe has now ventured out of the capital to other cities in southern England.

Expansion plans for affordable flats

London's guardianship company, LOWE Guardians is providing affordable housing for London's young professionals, creatives and key workers by transforming vacant buildings into habitable spaces and in doing so, revolutionising the way we consider guardianship while at the same time, making central city living once again accessible for the young professional.

In the last 2 years, the company has expanded and is now present in over 40 buildings across London boroughs - Ealing, the Royal Borough of Kensington and Chelsea, Harrow, Southwark, Lewisham, Greenwich, Enfield, Highbury and Islington, Wandsworth, Barnet, Westminster and Tower Hamlets - and has expanded into key out-of-London cities - Brighton and Winchester.

Over the next 5 years, Lowe plans to expand further across the UK to other areas of significant growth with a swelling younger generation, for example, Birmingham, the youngest city in Europe. With more than 40% of its population under the age of 25, it currently has desperate need to retain its key workers, young professionals and graduates.

Lowe has grown its team from one employee to 7 and its residents from 65 to nearly 400. It plans to continue to expand across the UK's 610,000 vacant buildings (ref: Ministry of Housing) to provide genuinely affordable housing.

Key worker focus

Lowe's focus on key workers began as a small company initiative. However, after seeing first hand how the housing crisis took particular financial toll on the workers, Tim saw no other way than to prioritise them as residents. The term key worker is applicable to those giving back to the community through their profession, for example, nurses, teachers; council workers and engineers.

This focus on key workers is anchored in the fact that, according to the 2011 Halifax Key Worker Housing Review, while 54% of London's 'blue light' emergency service workers do not live in London, there are approximately 4,736,000 sq. ft. of public sector land and buildings that are vacant in London. To combat this, Lowe utilises vacant public sector buildings to provide the key workers with an affordable rental solution close to their workplace. This also provides local authorities with cost effective solutions to managing their vacant buildings.

Tim commented: *"When we first began Lowe Guardians, there was little legal protection for the resident or the property owner and both were often left dissatisfied with their experiences. To combat this, we co-wrote a white paper that challenges and explores the effect of the housing crisis on London's key workers and also co-founded the Property Guardian Providers' Association which advocates and supports the health and safety of the residents and the legal status of security for landlords. We believe that, if we want to grow as a company, we need to provide the best service to keep both parties benefiting from the arrangement."*

The benefits of low-cost accommodation are clear for the occupier, but benefits for the site owner include lower insurance premiums, free security from squatters or intruders, and the assurance that each building is provided with regular cleaning and maintenance by the residents. To ensure that the properties are looked after, each potential resident undergoes background checks and face to face interviews.

The company also has an understanding with the Valuation Office that when they place guardians into a commercial

property, they are able to reclassify the empty business rates into council tax. They have a 100% success rate of achieving this and have saved clients up to £370,000 p.a. This has already attracted several major clients, including national building societies, property developers, and councils.

Community focus

Lowe differs from other guardian companies by its focus on the community of their residents. They host regular social events including barbeques and film nights and have also instigated a Skill Swap network across a few properties, in which residents run classes for other residents. The residents are paid for their time in hosting the classes, with costs subsided by Lowe. These have included £2 yoga classes, silver stacking ring workshops for £20, foreign language lessons, and fitness programmes. As the Lowe community grows, it aims to have a quarterly series of programmed events running across its entire portfolio of properties.

"It's important for us to look at the bigger picture. This isn't a case of simply finding accommodation for key workers: it's also about creating communities among residents in areas of London where a sense of community is lacking. We've found that in boroughs such as Highbury and Islington and Kensington and Chelsea, the communities are strictly divided, but we're trying to bring people together through community events".

A typical property comes partly furnished, is often en-suite and rent can come in at just £350 per month. As expected, rent is dependent on the size and location of the property. Key to the properties are the spacious communal areas. These are often an open plan kitchen and living space, but in some properties, such as the forthcoming Greenwhich Police Station development, there are multiple communal areas for cooking, dining and living. Every space has fully functioning kitchens, showering and washing facilities and, in larger properties, Lowe also provides a cleaner and WiFi.

Case studies

Battersea

Lowe partnered with Studio Bark to create 'The Shed', an environmentally friendly pop-up room that sits inside larger vacant spaces. It only takes one day to build, is constructed from UK-sourced materials and can be transferred across sites to minimise waste.

This model has the potential to inspire the way we think about effective use of space, particularly within the guardianship industry. The model could eventually help alleviate homelessness in cities, in refugee crises, and as a result of natural disasters.

Crossland Place Warehouse, Battersea

Crosland Place Warehouse in Battersea has been converted into a 6-bedroom property with communal features, including a spacious living room, garden and off-street parking. Despite its prime location, just 6 minutes' walk away from Clapham Common, renting a room in Crosland Place Warehouse costs just £600 a month, including bills and WiFi - far less than the average rent for similar rooms in the area.

The Crosland Place Warehouse epitomises Lowe Guardians' mission. It's in a location which is becoming more and more popular for young professionals, but is also becoming increasingly unaffordable. A room in Battersea typically costs between £750 and £850 a month to rent, which is simply too expensive for a lot of young Londoners. Crosland Place allows guardians to have the best of both worlds: an affordable room in a striking property, in an area popular with their friends and peers.

Artesian Wells

Mist on the Rocks

The structure of the communal area is very unusual - a double height triangular roof with long windows, which allows the room to be flooded with natural light, creating a feeling of openness that is not commonplace in a warehouse. There are pool, ping pong and air hockey tables!

Three former nightclubs and a pub

Lowe's latest project is renovating 3 former nightclubs and a former pub in inner London into a collection of affordable yet stylish pads: Artesian Wells, Mist on the Rocks and The Lost Society in Clapham, and The Pavilion in Battersea. They provide living space for 28 guardians; rents are £400-£550 per month including bills, with large communal spaces and authentic features such as bars and stages!

The choice to transform these redundant buildings into living 'pads' helps balance affordable housing with a trendy market. Each property has a unique history, and this is a way of preserving that, while offering a housing solution to London's key workers.

SURVEYING THE NEXT GENERATION

Daniella Barrow

Daniella is Operations Director at NPS Leeds. She is Immediate Past President of ACES and sits on ACES' Council.

Daniella gives a detailed account of options for attracting new blood into your property teams, particularly through the range of RICS trailblazer apprenticeships and availability of government financial assistance.

The skills gap

ACES has been aware for a while that our public sector members have been struggling to recruit surveyors into their teams. To widen the accessibility to all to find job roles, ACES recently launched its jobs page on the website. It may seem, however, that we perhaps should be looking in the lost and found section of the internet to find surveyors, as there does seem to be a shortage in the industry!

Where are our future team members going to come from? There is a skills gap that is causing issues in the profession. In March this year, the RICS Construction and Infrastructure Market Survey saw 54% of respondents seeing shortages of construction professionals in the industry overall. Approximately 30% of

the surveying profession are aged over 50. The RICS states that the sector is at a 'skills cliff edge' with numbers of new entrants failing to offset those retiring. Upskilling the existing workforce to utilise new technologies, to increased productivity, and retain expertise will help to soften the impact but this will not resolve the underlying issues.

Therefore we need to fill the gap and ensure that there is a good number of new people entering the profession.

Delivering property and construction post Brexit will also add to the challenge (see the RICS note to the All-Party Parliamentary Group for Excellence in the Built Environment – 'Call for evidence - Enquiry into the impact of Brexit on future skills needs in the construction industry and the built environment professions' January 2017).

In addition, with the various states of austerity that we see within our public sector organisations, we need proactively to address resources to ensure that we have access to up and coming professionals to work with our seasoned professionals, to ensure a balanced approach to our staffing structures.

Access options to the profession

As a parent to twin teenagers that are themselves looking to sit A' levels next year and then venture out onto a new pathway that is the right for them, how do we attract those young people to the surveying profession?

The RICS has been engaging with schools this year, running "inspire" workshops and earlier this year targeted 40 schools and engaged with 9,000 young people so they could think about surveying as a future career choice. This was facilitated with activities that would motivate and interest them and not the traditional careers stand with flyers etc.

For our profession to be reflective of a 21st Century society, we do need to attract people from a more diverse range of backgrounds. With the introduction of tuition fees and the traditional university route into professions, these may now be prohibitive to students from less affluent backgrounds and therefore we may be limiting the pool of opportunity for which to get our future surveyors.

The RICS has recognised that in order to thrive in the future, it must address encouraging new people to the construction and property profession and also ensure that the recruitment widely reflects society, to ensure that we have a balanced future industry.

The new trailblazer apprenticeships include surveying technicians and chartered surveying apprenticeships working in partnership with employers and the Chartered Surveying Training Trust. These apprenticeships lead to RICS professional qualifications.

With over 2.1 million people starting an apprenticeship since 2010 generally, businesses are clearly seeing the benefits that employing an apprentice can bring.

The apprenticeships have changed somewhat since the old Youth Training Schemes and have structure and substance to the courses; with the onset of minimum wage, are fairer to the employee.

What is an apprenticeship?

An apprenticeship combines practical, on-the-job experience with nationally recognised qualifications, to equip young adults and adult learners with the skills for a successful career, while earning a salary. It is a genuine alternative to traditional full-time university options.

Trailblazer apprenticeships are available to anyone over the age of 16 and living in England. Apprenticeship schemes differ in Scotland, Wales and Northern Ireland.

To qualify for government funding, apprenticeships must select and follow an Apprenticeship Standard and assessment plan. These standards show what an apprentice will be doing and the skills required of them, by job role. All approved standards and assessment plans have been developed by employer groups alongside the RICS and are known as 'trailblazers'.

There are many standards to choose from; details of these and others in land, real estate, construction and infrastructure can be found on the government's website.

Apprenticeship levels

There are various levels of apprenticeship:

- Level 2: Intermediate – equivalent to 5 GCSE passes at grades A* to C
- Level 3: Advanced – equivalent to 2 A level passes
- Level 4 and 5: Higher - HNC/D or a Foundation degree
- Level 6 and 7: Degree – Bachelor's or Master's degree.

Surveying apprenticeships with an RICS qualification

A Level 3 Surveying Technician apprenticeship and a Level 6 Chartered Surveyor degree apprenticeships have been approved by the government and are available to use (see diagram on page 44).

The RICS Associate Assessment is the end point assessment for the Surveying Technician apprenticeship and the Assessment of Professional Competence (APC) is the end point assessment for the Chartered Surveyor degree apprenticeship.

These apprenticeships cover the following areas of practice:

- Building surveying
- Commercial property
- Land (level 3 only)
- Minerals and waste management (level 6 only)
- Planning and development
- Project management
- Residential property

- Rural (level 6 only)
- Valuation
- Quantity surveying.

Responsibilities of employers

As an employer you would be responsible for providing an induction to your organisation and providing on-the-job training as well.

Pay and incentives

An apprentice will need to be paid at least the Apprenticeship National Minimum Wage. The current minimum wage (2016) for an apprentice is £3.40 per hour. This rate applies to apprentices under 19 and those aged 19 or over who are in their first year. If you are employing an apprentice aged 19 or over who has completed his or her first year, then you must pay at least the minimum wage rate for their age. The latest rates can be found on the government's website.

Any employee incentives will need to be the same as those offered to other employees. The minimum hours of employment should be 30 hours per week. By exception, the absolute minimum can be 16 hours, but the duration of the apprenticeship should be extended.

You would also be responsible for ensuring compliance with the 'Working Time Regulations' with regard to rest breaks and paid holiday, as well as the usual 'Health and Safety' obligations.

Apprenticeship Agreement

All apprentices must have an Apprenticeship Agreement between them and their employer. The agreement should include:

- How long the apprenticeship is for
- The training you'll provide
- Their working conditions
- The qualifications they are working towards.

You can write your own agreement or use the government's Apprenticeship Agreement template and the RICS APC Structured Training Agreements (STA) for best practice (although no longer mandatory to have the STA, your RICS regional training adviser can advise on best practice).

Training and development

All apprenticeships include elements of hands-on, practical experience and formal training. The surveying apprenticeships have 3 strands of training to undertake at the same time; on the job – as an employer you will provide training and support for soft skills. Working with a mentor and learning how to do the day job will be where apprentices need the most training.

Educational qualification

As an employer, you will choose a college, training provider or university to deliver any formal training towards a recognised educational qualification. This training must make up 20% of the apprentice's time e.g. one day a week or a week every month. Information on training providers will be available on the Digital Apprenticeship Service. To date, the University of Northumbria has over 150 apprentices undertaking surveying qualifications and this has led to a wide stretch of diversity in the backgrounds of the students.

Professional qualification - training plans should be produced outlining dedicated support to make sure apprenticeships are meeting the requirements of RICS professional qualifications.

Funding

Apprenticeship levy

If your organisation's salary bill is greater than £3m then you are required to pay the levy, which is 0.5% of their salary bill. Levy payments will be paid to HMRC via PAYE. Councils and public sector bodies will generally be captured by the Apprenticeship Levy.

If your organisation does not have a salary bill of over £3m, you are a non-levy paying employer but the government will co-fund their apprenticeship training provision.

Levy-paying employers will have £15,000 to offset against the levy each year. From 1 May 2017 employers in England will be able to use the levy to pay towards the cost of training, assessment and certification of approved apprenticeships.

To be eligible for funding, the individual must either be training to a higher level of qualification or he or she can re-train to an equivalent or lower level, providing the apprenticeship they are undertaking is in a different area to previous qualifications and occupations. Currently the levy does not recognise the Level 7 conversion degrees which are undertaken to join the property industry.

Only apprentices whose workplace (where they spend 50% or more of their time) is in England will be funded under this system. If you are recruiting an apprentice in Scotland, Wales and Northern Ireland then you need to research each country's funding system.

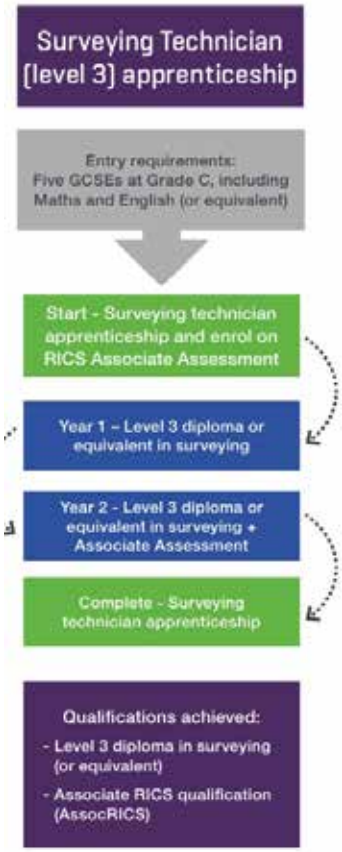
Any levy funds expire after 24 months if they have not been used to pay for the costs of an apprentice.

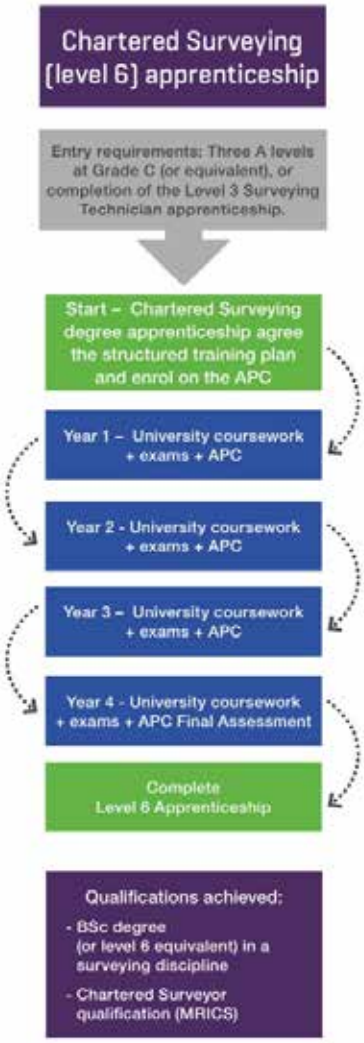
A one-off incentive payment of £1,000 will be available to all employers who take on 16-18 year olds or 19-24s previously in care, or who have an Education and Health Care Plan.

Employers can choose their educational provider and negotiate on fees. Support for this will be available on the Digital Apprenticeship Service.

Levy paying employers

- Levy paying employers will benefit from a further 10% government top-up on their levy credit (the amount they have paid into the levy), so the levy will cover 100% for these apprentices
- Levy payers who do not have enough levy credit can access 90% government funding, but will also be expected to co-invest 10%





- From January 2017 levy-paying employers will need to register on the Digital Apprenticeship Service to access their levy credit, which will pay for the training and assessments

The funding bands for RICS surveying apprenticeships are:

- Surveying Technician Level 3 & AssocRICS £9,000
- Chartered Surveyor Level 6 & MRICS £27,000.

All employers (levy paying or not) will need to meet in full any costs above the funding band limit for any apprenticeship.

Running an apprenticeship scheme

As an employer you can decide how to run your apprenticeship scheme.

The RICS has gathered advice from employers already running schemes:

1. Make sure you have organisational buy-in. Sell the benefits to be gained from employing an apprentice but also recognise the impact and opportunities it could have on existing staff

2. Get the right people in place:

   a. Up-skill line managers with coaching skills to ensure they can provide the right level of support

   b. Assign a mentor to provide additional support

3. Provide a thorough induction programme. Remember, if you are employing people in their first jobs, it will be really important to establish expected working hours, dress code, breaks, working conditions, as well as health and safety

4. Align your programme with the requirements of the Apprenticeship Standard, assessment plan and the RICS qualification assessment requirements, using the RICS Structured Training Agreement as a best practice guide

   If you are following the Surveying Technician or Chartered Surveying apprenticeship then it is important that your apprentice gets the right amount of experience to meet all the technical and mandatory competencies required for RICS assessment, as laid out in the RICS pathway guides

5. Give your apprentices real responsibilities and plenty of work to do in line with what they are learning and capable of doing. Set challenges to help develop their own thinking and provide constructive feedback on the work they do

6. Set clear goals and objectives and manage their performance through regular feedback and reviews

7. Make sure line managers and mentors are approachable. Expect lots of questions.

Recruiting an apprentice

Vacancies can be advertised for free on the government's Apprenticeship Vacancies website run by the National Apprenticeships Service. However, employers may choose to advertise their apprenticeship vacancies independently. You are able to use the "RICS Recruit" website to attract potential apprenticeships.

In addition, the government's website has apprentice recruitment guides, including interview and CV feedback tools.

Conclusions

If you haven't thought about an apprentice before, now is the time to be looking to the future and thinking about this for the new financial year. Growing your own staff will help to retain them and reduce your recruitment costs.

80% of apprentice employers report a significant improvement in staff loyalty and retention.

It will help you develop the skills you need as an organisation and help you to build the team that you need. Research also shows that recruiting apprentices improves wider productivity, employee satisfaction and engagement as the diversity in the team increases.

In a 2014 article in the Independent "Build yourself a brighter future" Sean Tompkins, Chief Executive of the RICS said: "Chartered surveyors will be critical to shaping this new world but these new challenges require a new level of thought diversity, which means building a more diverse profession."

At present the chartered surveying profession is largely white, male and middle class. In the UK just 13% of chartered surveyors are female and while that rises to 28% among students and trainees, it still leaves chartered surveying trailing behind professions like law, where 47% of solicitors are female, and accountancy, where 44% of full-time accountants are women.

"Organisations within the industry recognise that greater diversity of thought is likely to be their biggest business advantage in the future. One of the problems is that influencers, such as teachers, parents and careers advisors are not aware of the broad range of surveying careers. They think it is limited to the construction industry and they tend only to suggest that to boys."

As the CEO of the world's largest professional body which sets and enforces standards across land, property, infrastructure and construction, Sean believes that the industry must engage with schools to foster enthusiasm among young people.

"Young people need to know that chartered surveyors can literally help shape the future, and that it is an international career, because the RICS designation is recognised globally".

RICS is working to shape the industry's visibility, from school leavers right through to encouraging mature workers to retrain as surveyors. Traditional routes are still available for candidates wanting to become surveyors, but there are other routes that allow students to find a different way into the profession and as employers we should be aware of the resources we have to shape our future teams for delivery.

There are plenty of resources on-line including the RICS website:

https://www.rics.org/uk/careers/how-do-i-become-a-surveyor/apprenticeships/

COMPULSORY PURCHASE – THE NEED FOR REFORM

Jonathan Scott-Smith BSc MRAU FRICS FAAV

Jonathan is a rural practice surveyor who started his career in estate management before beginning to specialise in compulsory purchase and compensation in the early 1990s. He has acted on behalf of the Highways Agency, Network Rail and several local authorities. He now jointly heads the Knight Frank compensation department and spends most of his time representing claimants affected by HS2 and other schemes. jonathan.scott-smith@knightfrank.com

Jonathan outlines some of the issues evidenced from his recent experience of acquisition and compensation cases associated with HS2, and offers up his personal opinion of what needs to be done to make the whole process more equitable.

HS2 experiences and the need for reform

In July last year Secretary of State for Transport Chris Grayling introduced his publication 'High Speed Two – From Concept to Reality' in which he outlined progress in the delivery of the 3 phases of this controversial scheme, and repeatedly promised that claimants would be treated with fairness, respect and compassion. Sadly, things are turning out rather differently, with HS2 acknowledging that negotiations have already become adversarial. A recent National Audit Office report confirmed that the initial property compensation estimate was far too low and is still uncertain, as well as identifying significant problems with delayed payments. The perception among many claimants' agents is that HS2 is taking a hard-line application of the so-called 'compensation code' as a means of keeping within an inadequate budget.

This situation provides further evidence of a need for a thorough review of the way in which powers of acquisition are obtained and exercised, and the resultant compensation determined.

I would just say for the benefit of this

publication that during many previous years of acting mainly on behalf of local authorities, Network Rail and what was then known as the Highways Agency, things have generally been a lot easier.

The need for comprehensive reform of the legislation and processes has long been recognised. The world has changed considerably since The Land Clauses Consolidation Act of 1845, elements of which have been carried forward into current legislation. Successive governments have failed to grasp the nettle and have instead tinkered around the edges, not always successfully.

The former Department for the Environment, Transport and the Regions established the Compulsory Purchase Policy Review Advisory Group, which reported in July 2000. It stated that existing law was an 'unwieldy and lumbering creature'; it made recommendations for improvements, which included instructing the Law Commission to prepare new legislation to amend the procedures and provide a more clearly defined compensation code. Their 'Towards and Compulsory Purchase Code' reports were published in 2002, but little progress has been made. In 2012, the CLA published its report 'Fairplay CLA Vision for Reform of the Compulsory Purchase System', addressing the same issues.

The problems

So what are the problems, and what needs to be done to protect claimants without compromising the ability of acquiring authorities to deliver their schemes? Opinions vary as to the detail, but everyone appears to agree with the overall concepts of improved clarity and fairness.

One could be mistaken in seeing the code as entirely adequate. Landowners and occupiers are paid the market value of the interests that are taken, any loss in value to what is left, and other reasonable costs incurred in being displaced. The aim is to ensure that claimants receive neither too little nor too much compensation, with a small top up given by statutory Loss payments to reflect the compulsory nature of the acquisitions. These concepts are well described in textbook cases including Horn v Sunderland (1941) and Director of Buildings and Lands v Shun Fung Ironworks (1995).

The problem is in the detail. The Law Commission refers to the existing legislation as being 'outdated, obsolete and framed in a language which is archaic and obscure'. Add to this a myriad of sometimes conflicting and uncertain case law and we have a recipe for problems. In most cases, these issues are overcome by professionals working together to agree the fair compensation claimants are entitled to, but difficulties arise when an acquiring authority takes an excessively strict approach to the code, the parties cannot agree on what the legislation requires, or when compensation cannot be agreed for other reasons. The balance of power lies with the acquiring authority, as a reference to the Upper Tribunal (Lands Chamber) is an expensive and lengthy process. We are now expected to try Alternative Dispute Resolution (ADR) before taking the nuclear route, but even ADR can be a daunting prospect for some claimants, particularly if the dispute is over a small sum. It's a David and Goliath situation, with Goliath having more power than in the biblical version.

The RICS has produced a Professional Statement which provides mandatory guidance for professionals acting on behalf of claimants or acquiring authorities, but it is directed at the agent/client relationship and it may not be clear how it applies to acquiring authorities' in-house agents. The Compulsory Purchase Association has drafted a Land Compensation Claims Protocol, the Central Association of Agricultural Valuers provides a Compensation Claims guide; earlier this year MHCLG revised its Guidance on Compulsory Purchase and the Crichel Down Rules, all useful publications but do they go far enough?

Claimants are entitled to be paid the market value of the interest that is acquired, together with any loss in market value of any retained land. But what about the office tenant with the short balance of an unprotected tenancy, with no market value? Should this be compensated as a disturbance payment, under rule six rather than rule two? If the profit rent is based on the 'value of land' this appears to be precluded, and the claimant may suffer what might be a significant uncompensated loss, in contravention of the basic principle of financial equivalence so well set out by Lord Nicholls in the Shun Fung case.

Statutory Loss payments recognise the compulsory nature of the acquisition. Home Loss is paid at 10% of the value of the property, but only up to a maximum of £61,000. Other owners receive 7.5% Basic Loss, but only up to a maximum of £75,000. But is this percentage applied to the whole claim, the land taken plus injurious affection and severance, or only the land that has been taken? The Act is not clear. If you assume the latter but use a 'before and after' approach to calculate the compensation, how do you then calculate Basic Loss? Occupiers Loss is only 2.5%, up to £25,000, and depending on the method used to calculate, it may suffer the same problems as Basic Loss. It has often been suggested that the occupier suffers more disruption than the owner and that the percentages should be reversed, but it would be simpler to increase the percentage and remove the upper limit.

Claimants are expected to mitigate their disturbance losses, but for how far back? If they attempt to do so as soon as they become aware of a scheme, they may suffer if the scheme is delayed or cancelled. They are also prevented from creating new interests with a view to increasing their compensation, but again the law appears unclear as to how far back the acquiring authority can look. Anything pre-Notice to Treat appears safe, but it would surely not be difficult to clarify the law on this point?

The acquiring authority is required to make an advance payment based on 90% of its assessment of the total claim, within a timescale of 3 months, recently reduced to 2 months. There is little practical action the claimant can do if the acquiring authority ignores the timescale or makes an advance which is clearly too little.

Claimants forced to move house or

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business often have to move into whatever is available, often within a very short timescale. They may have little alternative but to buy or rent a more expensive property, and fund the additional costs, including a greater Stamp Duty Land Tax liability, themselves. The code treats this as 'value for money' but in many cases there is no value at all.

A highway authority or utility company may have powers of entry for survey purposes, but organisations such as Network Rail may not. S172 of the Housing and Planning Act 2016 now provides that 'a person authorised in writing by an acquiring authority may enter and survey or value land in connection with a proposal to acquire an interest in or a right over land' and those powers apply 'to the land which is the subject of the proposal or to other land'. But how far does 'other land' extend – can it be anywhere in connection with the project, or is it restricted to other land in the same ownership? And are these powers lost once the land has been bought? It is disappointing that this new legislation is not clear.

Ideas for improvement

So what are my ideas? These are my own views and may not be shared by everyone:

1. A complete new set of legislation which clarifies and improves upon the current rules, without changing the basic principles, to ensure that financial equivalence is available to everyone, and without incurring costs trying to agree what the legislation actually means

2. A consistent procedure for obtaining compulsory powers to acquire land or rights, across all types of scheme. Development Consent Orders [Ed -Larger projects of certain types and above certain size thresholds gain planning permission and land acquisition powers via a DCO application to the Planning Inspectorate] could be left largely as they are but anything else, including utility works, should be dealt with on a single unified basis

3. A mandatory code of practice covering all organisations with compulsory powers. The acquiring authority would have to demonstrate reasonable attempts to negotiate with affected parties and that the use of powers is being sought only as a last resort. Advice received by acquiring authorities on the validity or merits of claims would be subject to disclosure. Professionals on both sides would have to work together to resolve their differences and one party could not simply ignore the evidence or attempts to negotiate, without penalty. Agents acting on both sides, as consultants or in-house, would be bound by the same rules of conduct

4. The acquiring authority's representatives should be required to discuss advance payment figures with the claimants or their agents, and explain and attempt to agree the initial figure, which must be paid on or before entry, based on the information provided by the claimant. Interest at a penal rate should be applied to all late payments and otherwise at a market rate, from the date of entry until the compensation is settled and paid

5. Loss payments all be set at 10% and the upper limits removed

6. All acquiring authorities should be granted survey powers in respect of any proposed scheme, but would be required to pay according to a set scale. Non-intrusive surveys could be paid per day, boreholes and other intrusive works at a set amount each, and leaving monitoring equipment on site, paid on a sliding scale. The figures would be reviewed on a set timescale, say every 5 years. Crop loss etc. to be paid in addition

7. Similar powers to be granted, and payments made, for access and maintenance of existing infrastructure

8. The rateable value limits on blight applications removed.

I'm not suggesting that this would all be easy, but the problems will remain until something is done, and the sooner something is done, the better for everyone.

The Terrier

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Landscape Institute
Inspiring great places

VALUING THE WORLD AT OUR FEET

Daniel Cook

Dan is chief executive of the Landscape Institute (LI), the professional body for landscape practitioners. He leads and supports the LI Employee team to help ensure that the landscape profession is relevant, makes more impact and grows. He provides strategic advice, insight and support to the LI Board and Leadership team on a range of matters. He is responsible for the management and operations of the LI to fulfil its obligations under its Royal Charter, to work to the benefit of people, place and nature.

Dan is currently focused on the delivery of the new LI strategy. Priorities include helping the profession to broaden, update its standards and be more inclusive, as it seeks to include more people from diverse backgrounds to choose landscape as careers. In 2017, he joined the World Cities Summit Young Leaders' Forum. ceo@landscapeinstitute.org

Dan raises some interesting arguments about how we should be valuing our landscapes. Can a value really be put on them? Case studies outlined at Barnet LBC and Mersey Forest try to do so.

Context

The land we stand on is often taken for granted. Either too beautiful to merit a price, or too mundane to attract a value, the debate about what landscape, both urban and rural is worth, has often been avoided. Times are now changing, as a recent conference organised by the Landscape Institute demonstrated.

Valuing landscape

Although there are established methodologies to value real estate - putting a price on fine art, or estimating the benefits of an arts project for the purpose of making a funding application - this approach when applied to landscape, or any aspect of the natural world often provokes a fierce reaction. Writing in the Guardian, George Monbiot states: *"The natural capital agenda is the definitive expression of our disengagement from the living world. First, we lose our wildlife and natural wonders. Then we lose our connections with what remains of life on earth. Then we lose the words that described what we once knew. Then we call it capital and give it a price. This approach is morally wrong, intellectually vacuous, emotionally alienating and self-defeating."* George Monbiot, Guardian 15th May 2018.

From restoring the Durham heritage coastline in which coalfields were carefully returned to a pre-industrial setting; creating the Olympic Park on land polluted by gas storage; turning a car parking space into a pocket park; in all these, landscape practitioners understand the value and the impact of their work in designing, planning and managing landscapes. And they know the intrinsic value of their contribution to making places accessible, beautiful and functional. However, neither they nor their clients have attempted either to impose a value or to engage in an agreed valuing system which might be shared with others. It is only recently that there has been an attempt to develop methods of valuing, to find points of comparison with other professional disciplines, and to put a price on this most significant of activities.

The LI has been examining this topic in detail and in September 2018, ran a conference *Valuing Landscape, Connecting People, Place and Nature*, looking specifically at how we value landscape, how our approach compares with other disciplines, and how this agenda might be developed.

There is urgency to address this issue. This summer, our lives have felt increasingly under threat as our cities overheated, flash floods wreaked havoc, forest fires blazed out of control and climate change moves on apace after months of increasingly unusual weather patterns across the world. Population growth, provision of housing, increasing urbanisation, social inequality, increasing obesity levels, digital and technological innovation, food and water security, and climate change, do not respect national or professional boundaries; and have all forced governments and business leaders to realise that new policy responses are needed. As a result of this, we are seeing ever bolder ideas for enhancing and making the most of nature:

- Greater provision of urban forests, national parks and 'sponge' cities approaches to better manage water across China
- Singapore introducing strong regulation to increase resilience and greening of their city nation including 'LUSH' guidelines for residential and commercial development
- The Welsh Government introducing a new Wellbeing of Future Generations Act (Wales) 2015, which requires government agencies to work together to allocate funding and monitor progress
- The Scottish Government strongly supporting the concept of natural capital by hosting every 2 years the global Natural Capital Forum
- A new 25 Year Environment Plan in the UK will mean that the sector will need to know how to design, plan and manage how to achieve net environmental gain.

Daniel Cook with Dr Cheong Koon Hean, Housing and Development Board at the IFLA World Congress, Singapore

In addition to this, revisions to the new National Planning Policy Framework for England include increased attention to important landscape issues like sustainable drainage (SuDS).

These demands all represent major opportunities for the landscape profession to use its skills to be at the heart of delivering solutions and interventions in design, planning, delivery, management and science.

At a recent conference organised by the International Federation of Landscape Architects (IFLA) in Singapore, the key message from the international panel was: "the landscape profession must do more to measure, quantify and value the many contributions that landscape can bring to society."

Natural capital

At the heart of the debate on value in the UK is the work led by the Natural Capital Committee (NCC) on natural capital. The NCC advises the government on natural capital, such as forests, rivers, minerals and oceans. The natural capital concept involves understanding the environment in terms of the value and benefits it provides to people. The NCC has defined natural capital as:

"The elements of nature that directly and indirectly produce value or benefits to people, including ecosystems, species, fresh water, land, minerals, the air and oceans, as well as natural processes and functions." (NCC 2014)

Natural capital should not be considered as a set of isolated features. Work within the UK National Ecosystem Assessment emphasised that natural capital is a configuration of features working together to deliver value (Dickie et al. 2014). For instance, water features, vegetation and landform need to be considered together when delivering the aesthetic qualities of a landscape valued by people. The concept of green infrastructure is closely related to natural capital. It focuses on the spatial configuration of natural features that provide value.

The accountancy profession uses standardised methods to ensure that information about economic activity is systematically collated, analysed, updated and made available to support financial and management decisions. The incorporation of the environment – natural capital – into accounting is a rapidly evolving area. However, it should not be left to accountants alone to calibrate the value of landscape when there are now so many landscape practitioners with the knowledge and experience to do this.

LI conference, September 2018

At the LI's conference on Valuing Landscape, comparisons were made with other forms of activity where valuation was required. Sarah Weir, CEO of the Design Council talked about the way in which arts projects, especially those linked to the landscape, created an intangible but massively important asset. Examples that she illustrated included The Angel of the North, much derided at concept stage, but hugely popular now; the Yorkshire Sculpture Park; Northala Fields in west London, now a very well used public space; the Olympic Park, which has succeeded not only in hosting the 2012 games but has also transformed into a major asset for the local community; and the much loved, albeit temporary, Dalston Eastern Curve in Hackney, created in a disused railway siding. All of these, she argued, have created astonishing value, especially for their immediate communities.

Ursula Hartenberger, Global Head of Sustainability, RICS Brussels, made specific comparisons with the way in which chartered surveyors value assets, but focussed on her role in valuing sustainability. *"Integrating sustainability into the valuation practice is not rocket science! It is about applying quantitative evidence and qualitative judgement to new value-influencing features and improving market efficiency by providing accurate information to the market place."*

Ian Hodge, Professor of Rural Economy, Department of Land Economy at the University of Cambridge, raised the issue of how we use money as a unit of measurement to ascribe value. He asked how we derive value from individual preferences, and how we demonstrate willingness to pay for a benefit. A key question is: what is someone willing to forego in order to gain a benefit? He also challenged the audience to consider if we think of landscape in terms of the benefits we get from it? Perhaps his most important question was: do decision-makers respond more to numbers than a reasoned argument?

A recording of highlights of the LI conference is available to view on www.landscapeinstitute.org.

Barnet LBC's approach

The approach outlined by conference speakers echoes initiatives being taken across the UK. The London Borough of Barnet has commissioned a Corporate Natural Capital Account, which explains: *"Barnet, an outer north London borough, has always been characterised as a green and leafy borough of low-density housing interspersed with public parks and river valleys. Barnet's population is set to increase significantly over the next 20 years, placing increased pressure on the borough's green infrastructure assets. At the same time, the council is facing significant budgetary pressures. The creation of a Corporate Natural Capital Account (CNCA) for Barnet provides the council with an evidence base to quantify the economic, social and environmental benefits accruing from its green infrastructure assets.*

The London Borough of Barnet is the first London Borough to produce a borough-wide CNCA for 200 of its parks and open spaces. The account has been developed using the quality and value assessment data of these spaces assembled for the borough's Parks and Open Spaces Strategy (2016-26), which was adopted in May 2016. This account shows the enormous value of these open spaces for the wellbeing of residents of Barnet. The total value of benefits from them is estimated at more than £1bn over the next 25 years. The costs of maintaining these open spaces are estimated at £72m over the same period – less than a tenth of the benefits they provide." Landscape practitioners and environmental economists had led the development of this work.

Mersey Forest

Another inspiring and well-established example is Mersey Forest, whose concept is that well designed, planned and managed green infrastructure can bring a wide range of benefits to local communities and places, and can underpin sustainable economic growth. Identifying the key benefits associated with a green asset, demonstrating how a green infrastructure proposal can add value to a broader development project, or choosing between different green infrastructure approaches are not easily done.

The various councils and other organisations involved have developed a green infrastructure valuation toolkit to help local stakeholders make good decisions about the value of different options for change. It provides a simple framework that can help identify and broadly assess the benefits of proposed green investments and existing green assets – whether those benefits directly contribute to a local economy, or provide wider non-market returns for society and the environment. It provides insight in key evidence and concepts from a wide range of sectors, including economic development and regeneration, public health, and nature conservation, providing a strong platform for improved mutual understanding and cooperation.

What Mersey Forest shows is where value for society can be measured across landscape and green infrastructure, especially in the areas of climate change adaptation and mitigation, water management and flood alleviation, place and communities, health and wellbeing, land and property values, productivity, tourism, recreation, leisure and land management.

Other initiatives

Other professional bodies have been looking at systems of valuation for many years:

- RICS - Since the 1980s RICS has been creating a principles-based approach to valuation to diverse types of assets. From land to residential to commercial to plant and

machinery, they have produced standards to ensure that the profession provides similar valuations for assets with intangible qualities such as arts and antiques, as well as business valuation

- The Chartered Institute of Ecology and Environmental Management, the Institute for Environmental Measurement and Assessment, and the Construction Industry Research and Information Association, are all collaborating in a new initiative looking at the principles for net essential gain linked to biodiversity.

The Landscape Institute and its members have done much to quantify the interventions of the wider landscape profession, especially in the areas of landscape character, landscape and visual impact assessment, and a green infrastructure partnership evidence database.

There will always be some attributes that cannot be assigned a value, but this does not mean that they have no relevance or are worth nothing. Increasingly, there is an interest in measuring the impact of resilience measures in water management, tranquillity, soundscape and many other intangible attributes of landscape and place.

Conclusions

There is an important safeguarding and public interest role that the landscape profession needs to play in:

- Identifying the material aspects that must be included when measuring ecosystems services, net gain or natural capital

- Developing techniques for the measurement of important intangible attributes of landscape and place.

This is a hugely important time for the landscape profession, as it plays an increasingly significant role in tackling a range of environmental and social challenges. The development of methodologies to quantify that engagement is just the beginning of a vital important process.

Increasingly, there is not only an understanding of the value of landscape and other natural resources, but local authorities, surveyors and some developers are recognising the value of both calibrating and calculating this important resource. Practitioners are in a position to maximise the benefit of these insights for their clients.

The LI looks forward to working with other professionals to meet these challenges.

Other website references:

https://www.tcpa.org.uk/green-infrastructure-research-database

https://naturalcapitalcoalition.org/london-borough-of-barnet-corporate-natural-capital-account/

https://www.merseyforest.org.uk

Davina Goodchild, Chief Executive of LionHeart gave a short speech at ACES' National Conference gala dinner, where she outlined the work of LionHeart and made a plea for volunteers to come forward. That request is repeated here.

LIONHEART VOLUNTEER TRUSTEES AND CO-OPTED COMMITTEE MEMBERS WANTED!

Davina Goodchild

Are you a strategic thinker with the experience and motivation to help lead an organisation in its next exciting steps?

Do you want to build your CV and use your skillset to make a difference and support RICS professionals and their families?

LionHeart is looking for ambitious, experienced and committed people to join its board of trustees and sub-committees.

- Do you want to join an organisation that is making an impact?
- Do you enjoy working with others in a committed and challenging team?
- Do you have strong analytical skills and objectivity?
- Are you good at collaboration and decision-making?
- Are you pragmatic yet ambitious?

We have a great and committed bunch of volunteer trustees, who play a vital role in helping LionHeart develop its charitable aims and have the satisfaction of knowing they are helping their fellow professionals [Ed – James Grierson, Fellow of ACES, commented on the 'revelation' he has experienced by becoming a trustee in 2014. See Davina's article in 2016/17 Winter Terrier].

During this round of recruitment, we are particularly interested to hear from candidates who have experience of financial management and a great eye for detail. This is with a view to taking over the role of treasurer from 2019, when our current treasurer is due to retire.

As well as trustees, we are looking to recruit co-opted members onto our audit and risk sub-committee.

Increasing our diversity across all levels of the organisation is important to us, so we would encourage applications from all ages and backgrounds.

If you are interested please send your CV and a supporting statement to governance@lionheart.org.uk explaining which role you are applying for and why, and what you could bring to the role.

To discuss any of the roles in more detail, please email CEO@lionheart.org.uk

For full details please visit https://www.lionheart.org.uk/current-staff-vacancies

Applications close on 30 November.

AN INTRODUCTION TO EFFECTIVE LEADERSHIP

Anthony Bamford MBA MRICS MBIFM MCMI

Tony is Vice Chairman of the Welsh Branch of ACES. Earlier in the year he successfully concluded his CMI L7 Diploma in Strategic Management and Leadership and became a Member of the Chartered Management Institute. He also has diplomas in Valuation Surveying and (ILM L5) Management Studies. He has been working on potential academic conference papers and other academic projects over the summer. tonybamford.tb@gmail.com

Tony outlines characteristics of leadership, concluding that the strategic roles of ACES' members in today's models of provision of services requires an understanding and application of leadership skills.

Background

This article on leadership complements my recent article on management in the last edition (2018 Summer Terrier). As in the earlier article, both references and a bibliography are provided. I hope that these will be practically useful to readers and their colleagues.

Many people think the purpose of a leader is to be visionary. However, as starkly stated in one well-known leadership book, there is a lot more to this role than having visions. There are plenty of asylum inmates who have visions (Owen 2005)! Due to the strong links with strategy and transformation and change, some associated bibliographies are provided at the end.

Introduction

Leadership is about creating and developing the potential of individuals, teams, organisations and society. An essential factor in leadership is to create this space and have the capability and emotional intelligence to achieve this. As Agyris (1998) makes clear, this is not always possible. Maxwell (1998) also draws attention to the problem of a "lid" which holds down the rest of the organisation from reaching its true potential.

Analysis

Leadership fascinates both the academic world and society generally across business (HBR On Leadership, 2011), the military, and sport (Ferguson 2015). However, the business sphere is of greatest relevance here. Leadership is closely aligned to change and communication. Yet there is no solid delineation between leadership and management, as the references and bibliography of the earlier management article demonstrate. Kotter (HBR On Leadership 2011) makes it clear that leadership and management are 2 distinctive and complementary systems of action (please note distinctive- not distinct). There is a "traditional" approach to leadership, which has been to consider the key traits of effective leaders and then try to replicate them (Kotter). It is noticeable in one of the most detailed early studies, they were referred to as general managers - even at the CEO level (Kotter 1982) emphasising the growth of the leadership descriptor and role over the last 25 years.

Ibarra (2015) sets an important independent direction for setting out on "our personal journeys" (Ibarra, 2015, p3). As long ago as 1990, leadership throughout organisations will be required, despite the general assumption that chief executives and the most senior members of organisations do the leading (Handy, 1990).

Leadership style

In the previous article looking at management, some of the weaknesses identified by Rooke and Torbert (2005) were identified. Other more effective leadership, in ascending order, can be provided by the Achiever, Individualist and the Strategist. The strategist is identified as being able to achieve both short and long-term objectives and crucially not having any significant weaknesses, unlike the first 2 categories. Importantly, this paper, which can be found as a free PDF, includes guidance on changing and developing one's action logic and consequently becoming a more capable leader and change agent.

Creating and developing working relationships

Through development in this context and others, a deeper and more creative working relationship with those in the organisation and with stakeholders can develop. As all organisations look to work in greater partnership or leverage skills and resources, through consultants and contractors, these soft skills are a prerequisite for high performance. These soft skills are complemented by effective frameworks, such as the Balanced Score Card (Kaplan and Norton, 1996) and performance indicators, particularly if the latter are used through a benchmarking scheme or network.

Partnership working

An essential part of contemporary leadership is working across organisations and partnerships. This may be through multiple stakeholders, or a supply chain arrangement or another framework. This emphasises the breadth to which these now exist. Frameworks such as OGCs managing programmes can be helpful in some of these instances and circumstances, which is the higher-level companion to the PRINCE 2 framework [Ed – see article on the Crown Commercial Service in this edition of the Terrier].

Dealing with stakeholders

This important leadership area has become increasingly crucial with multi-partner and organisation working. Rooke and Torbert's ultimate level is the Alchemist who leads society-wide change. Nelson Mandela or FD Roosevelt might be appropriate examples at an international level, for instance. They use Nelson Mandela's famous wearing of the Springbok shirt at a match as an example of drawing together 2 previously incompatible parties.

Leadership effects

Although occasionally hyperbole creeps in, many of us will have encountered individuals with incredible stature. For instance, I worked for a period with a chief executive who had been knighted for services to local government, and who dealt with matters in the asset area with great skill and ease. Some years later doing similar work and dealing with someone in a similar position, this only reinforced the admiration for and awareness of that earlier individual's great ability, including wearing difficult issues significantly more lightly.

Conclusion

Leadership is an evergreen topic and continues to fascinate academics and aficionados alike. It is important to remember that leadership and associated skills must be used positively; considerable benefit can be achieved. While effective leaders will maximise any "position power", leadership is not necessarily provided by the role of a particular title, position, or office.

It is important that proper leadership is provided by professionals undertaking asset management, regeneration and associated work. The creation of strategic roles across property, assets and FM has developed, offering professionals the opportunity to engage more strategically within and across organisations. It is important that ACES' members and chartered surveyors take this leadership opportunity when these frameworks develop, since with the high level of knowledge and skill sets we have, there is an important role to be played in the future of the public sector.

Hopefully this, and my previous article on management, will provide some pointers and resources for considering both areas. The CMI website also offers free information sheets on a range of relevant topics such as strategy and transformation and change.

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LEGAL SNIPPETS

Below are extracts from Mills & Reeve "Property Matters" which are of relevance to public sector property professionals. My thanks to Mills & Reeve for letting me reproduce them. Mills & Reeve Property Matters www.property-matters-law.co.uk

High street or online shopping? What does it mean for landlords?

How you do you answer that question? Some would say it's simple, just look at the way you're consuming media right now. You're probably reading this post on your phone, after finding this link through a social media site such as Facebook or LinkedIn.

If that is the case, and social media is the next best thing since sliced bread – why are companies such as Tesco Direct having to pull the plug on their online platform and other brands such as GAP are putting down roots, committing themselves to a 10-year lease of a huge 10,000 sq.ft. store in Manchester Arndale?

With so many fingers pointing at the collapse of High Street favourites being down to the big scary online retail world, can anyone really say for sure what is to come next for retailers, be it on the high street and online? And in the next breath: what does that mean for landlords? Should they be more willing to accept shorter leases with more options to break? Are there other, more innovative ways to address this issue?

With the future market so unpredictable, I think landlords will have to be more flexible when negotiating lease terms, and be open to the idea of tenants sharing their space. This is something we are already starting to see with companies such as Lipsy and Next sharing retail space, or with retailers bringing in services from the 'experience economy' under one roof, such as a Costa coffee within Primark.

The option to sublet or share part of the premises, without the lengthy and costly legal process of obtaining the landlord's consent, may therefore become a fundamental bargaining tool for nervous potential tenants.

Can electronic signatures be accepted in real estate transactions?

It is often a source of frustration when trying to complete a deal that wet ink signatures will often be required. In an age where we are used to emails and facetime, it sometimes feels very archaic and slow to have to wait for an original signed document to arrive.

The Law Commission is now addressing this point in a consultation paper. The provisional conclusion is that it is already acceptable to have an electronic signature, provided 'an authenticating intention can be demonstrated'. While this doesn't place the authenticity of an electronic signature beyond all doubt, it seems unlikely that this issue is going to be clarified further by legislation any time soon.

In addition, although we have long accepted a pdf of a scanned signed contract, the Law Commission also goes on to say that its conclusion applies equally to deeds. However, deeds (whether signed electronically or by a wet ink signature) require witnesses to be present at the time of signing and the Law Commission expressed doubt that 'present' included being on a video conference or shared online platform. Establishing if a witness was physically present, therefore, to witness an electronic signature may prove problematic if the deed's validity is later questioned. So one ought to proceed cautiously when signing a deed electronically.

There is an additional complication for transactions registerable at the Land Registry as it has not changed its requirement for wet ink deeds. Although originals are no longer sent, any application is made on the basis that the applicant holds the original completed document and it is not clear that the Land Registry would recognise a scanned pdf or other electronic signature as such.

Following the Dreamvar case [Dreamvar (UK) Ltd v Mishcon de Reya & Mary Monson (2017)], the real estate legal world is on high alert for instances of fraud and it will be interesting to see if this is highlighted in the responses to the consultation. While not wishing to be stuck in the past, it does seem that there is high potential for fraud where pdf scanned deeds are used, or electronic signatures relied upon. This may change when there are more sophisticated and reliable methods of obtaining electronic signatures – potentially achievable using blockchain - but such a significant change to a usually slow-moving industry (and the Land Registry itself) is likely to take time.

Branches News

CHARLES COATS, ACES RURAL

After a period in the doldrums the branch is back, refreshed and reinvigorated with a new snappier name - ACES Rural. Charles Coats has been asked to act as manager of the branch, acting as de facto secretary, treasurer, meeting coordinator and all things in between.

We are continuing our traditional practice of meeting twice a year, rotating venues regionally to provide all members with the chance to attend

at least once each year. Membership is vibrant, and meeting attendance is invariably healthy. Over the past year, 2 meetings have taken place: at the National Agriculture Centre Stoneleigh last October, and more recently last March at Waterend Farm, Coaley in Gloucestershire, a meeting venue established on a Gloucestershire County Council farm. Unfortunately, that meeting fell foul of the heavy snow the previous night, and only 9 hardy souls were able to brave the elements and attend. Nevertheless, proving the old adage of quality not quantity, a lively, productive discussion on a wide range of topical issues took place. The next meeting is set to take place in October at Girton College, Cambridge, a venue the branch last visited back in 2010.

The branch is open to membership from all councils across England and Wales involved in either the management of council farms estates or engaged in rural estate management work generally. We would strongly encourage those councils currently not members to join at what is potentially an exciting time for county farms nationally. The branch is currently heavily engaged in in-depth dialogue with senior officials at DEFRA, exploring imaginative ways in which central government can play a more positive and active role in promoting meaningful opportunities for new entrants to the farming industry. Councils, of course, play a pivotal and vital role in this respect and, Brexit willing, we have modest confidence of productive progress on this agenda over the coming year [Ed – Charles has agreed to update readers in The Terrier].

SARA CAMERON, EASTERN BRANCH Meeting 21 September 2018

Eastern branch held its branch CPD meeting at Downing College, Cambridge, attended by around 50 people from both Eastern branch and a selection of additional ACES' members and guests, who had stayed overnight from the National Conference [Ed – see conference write-up in this edition of the Terrier].

The Chairman, Brian Prettyman, minimised branch business, in order to maximise time on the 3 presentations and interactive workshop.

Prior to the meeting, attendees were treated to a demonstration of drone technology. Although the day was blustery, Downing College gave permission to NPS to fly in the vicinity of the Howard Building, where attendees assembled in the quadrangle garden.

Jacob Kut, Senior Director and Cecilia Fellows, Associate at GVA Property Consultancy

This presentation reviewed the context of the new National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), what has changed, implications for viability and housing delivery.

As we had already heard at the National ACES conference, viability has increased in importance and is not going away. Recent revisions to the NPPF and associated PPG represents the most significant changes to how viability should be addressed since the original NPPF was published in 2012.

The NPPF must be taken into account by local authorities when preparing development plans and there is a presumption in favour of sustainable development, meaning that there is an economic, social and environmental objective. The PPG sets out the key principles in understanding viability in plan-making and decision taking.

Where up to date policies have set out the contribution expected from development, planning applications that then comply should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at application stage (likely where the development plan is outstanding).

All viability assessments including any undertaken at plan-making stage should reflect the recommended approach in national planning guidance, including standardised inputs and should be made publicly available. The new NPPF thereby gives greater emphasis on resolving affordable housing issues at a pre-application stage.

Chris Marsh, Managing Director at Sustainable Property Consultants

This presentation reviewed the principles of development viability. He confirmed the drivers for local planning authorities as:

- Underpinning and justifying policy positions
- Maximising affordable housing
- Maximising s106 and CIL contributions
- Defining land values
- Defending adopted policies against challenges.

In the context of policy development, appraisals are increasingly critical to test policy in terms of financial viability before adoption of local plans.

Chris reviewed site-specific testing and the basics of the residual valuations method in appraising viability before more detailed discounted cash flows ultimately determine bid values. Chris reiterated the principle of EUV+ that had been explained at the ACES National Conference by Gilian MacInnes, and by Jacob Kut in the previous presentation. The residual value must exceed EUV+ and where adjustments are made on the level of affordable housing and for policy compliance, the gap between the residual land value and EUV+ reduces and effects viability of the scheme.

Chris then talked through 3 appraisal scenarios before introducing the interactive workshop for delegates to identify conversion, refurbishment and redevelopment options and best bids for premises currently on the market at 7-9 Hills Road, Cambridge. Those premises were vacant offices and underground car parking, set in an underused site in central Cambridge. The appraisals and assumptions used were discussed, and showed just how much variety of final value could result using this method, and indicated that more detailed cash flow methodology would be needed for serious bidders for the land.

Cesar Hoyos Franco, Land Surveyor at NPS Property Consultants

This presentation reviewed and introduced delegates to the use of drones and related technology in land surveying, focusing on aerial photogrammetry. Photogrammetry is the science of getting measurements from images. The use of this technique not only allows the reduction of risks associated with surveys, but increases efficiencies by reducing the time on site and reduces repeat visits for different purposes, as all data is captured at one flight for multiple purposes.

How the use of a drone can help on building information modelling (BIM):

- Site inspection and land surveying before construction begins
- Pointcloud scanning to aid BIM
- Aerial photography at different stages of construction for marketing campaigns
- Monitoring site activity
- Conducting structural inspections to ensure safety.

This was a largely visual presentation and the slides and videos showed the difference in quality between orthophotos [an aerial photograph that has been geometrically corrected or 'ortho-rectified', such that the scale of the photograph is uniform and utilised in the same manner as a map], and say, Google earth; how easily you can switch to different image layers from 3d renders, to thermal maps, and everything in between.

Examples of coastal erosion monitoring, roof inspections, and aerial photos for marketing particulars were shown to delegates, showing the range of uses that can be delivered from one site visit for an aerial survey.

The meeting closed at 15.30 and provided 6 hours formal CPD. The next branch meeting will be held on 30 November 2018 at the offices of GVA Property Consultancy in London.

RICHARD ALLEN, HEART OF ENGLAND

Our Estate is at the Heart of everything we do is the opening sentence to the vision in the new Government Estate Strategy July 2018. It was also the encouraging positive message for public sector property professionals imparted at the July Branch meeting hosted by Colin Packman, Regional Manager, Central Region, Client Solutions and Government Property Agency (GPA) and held at Apex Court, Nottingham.

Colin had arranged a number of presentations on central government property initiatives and explained that Apex Court, comprising around 2500 sq.m, was the former East Midlands Development Agency (EMDA) offices. They had been acquired by the Cabinet Office for a regional government office hub. Departments accommodated in the building include: Cabinet Office, Homes England, Department of International Trade, Gangmasters and Labour Abuse Authority, Insolvency Service, ACAS, Treasury, Rural Payments Agency and GPA.

On a limited budget and reusing all the old EMDA furniture, the approach adopted had been to put the administrative staff of these various departments into the building and then encourage them to work together, to drive down costs. He also explained how other government departments and arm's length organisations are being more innovative in how they use their property assets, previously seen as a free resource, and that co-location between departments, local authorities and other partners is now the norm [Ed – see article on the Swansea agile working project in this edition of the Terrier].

Colin next introduced and set out the role of the new GPA, an executive agency of the Cabinet Office set up to deliver a more commercial approach to property - reducing operating costs, increasing disposals, and driving

greater value across departments. Although departments will continue to be responsible for their own property, they will in future be required to pay a rent based on market value, rather than just the cost of running each building in proportion to the space occupants occupy [Ed – see article by Murray Quinney on the GPA in 2018 Summer Terrier].

Janice Smith, Cabinet Office, spoke on the Government Property Profession which promotes professionalism and ensures that property expertise informs policy and decision-making at the most senior levels in government. The government has around 2,000 property professionals; two thirds are members of the RICS and the VOA is the largest employer. She gave an overview to date of actions undertaken to improve skills, capability and recruit the best talent. The biggest problem in recruiting and retaining staff was salary levels, compared with the private sector. These actions covered establishing standards and competency frameworks for performance, creating an online portal to share best practice and training opportunities, and developing with the private sector surveying and facilities management apprenticeships.

Helen Mitchell, Assistant Director, Local Growth Group introduced the aims of the Midlands Engine. They are to make the Midlands a powerful engine for growth by promoting opportunities in the Midlands, such as the Commonwealth Games in Birmingham and HS2, as well as existing business strengths. There was then an open discussion on how property can support these aims.

Susan Betts, Regional Programme Manager, One Public Estate (OPE) gave an update on OPE now covering 319 local authorities in 76 partnerships, 13 main government departments and 400 plus projects. OPE projects have already delivered 340 new homes and released land for 2,900 more and the programme is on course to raise £615m in capital receipts and deliver running cost savings of over £158m by 2020. OPE has been successful by developing a new way of coordinated working based on understanding the estate, securing senior buy-in, developing OPE as an honest broker, acting flexibly in response to local and national priorities, learning through peer networking, and exploring new opportunities. She then presented 3 case studies: Greater Lincolnshire's Bluelight Wider Estates programme, Homes for NHS Staff Pilot and Rutland County Council's releasing MoD surplus land.

In the main meeting after lunch the Treasurer reported that the Birmingham CPD Event held jointly with the former Government Property Unit (GPU) had made a small profit of £108.96 thanks to the GPU paying for the buffet lunch. Feedback received had shown that the event had been very successful, with attendance of over 60 delegates. It was agreed that the event should be held again, but at the end of February after half term, with increased workshop content to encourage more networking.

There were discussions on the very recently published Government Estate Strategy; implications of the new Minimum Energy Efficiency Standards; the definition of infrastructure in the Homes England Housing Infrastructure Fund; and on how to ensure homes developed and sold for key worker accommodation continue in that use.

The meeting provided 3.5 hours of formal CPD.

The next meeting will be the Branch AGM on Thursday 8 November 2018. It will be hosted by GVA at their offices in Birmingham, following their inaugural public sector "Espresso Briefing" session, where they will be talking about estate regeneration. The event is being supported and endorsed by ACES. There will also be a presentation on Minimum Energy Efficiency Standards. It will be a 2-hour event starting at 10.00 am rather than a breakfast briefing, with the Branch AGM and ordinary meeting following on from 12.00 noon.

Finally, thanks to Peter Burt who has now found it necessary to stand down as Branch Secretary. Peter neither lives nor works in the Heart of England Branch area, but he agreed to take on the role when no-one else came forward at the Branch AGM in 2016. Alison Hext of Place Partnership, has now taken over the position, who I am sure with her long-time membership and experience of ACES, will be an excellent appointment for the branch.

David has prepared an insight into the taxing of land values – very topical and relevant to many of the Terrier's readers, and as David explains "it began a debate about the constitutional role of the Upper House that continues to this day." Read on….

SURVEYING TALK

Dr David Garnett

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

Language, planning and politics

Imprecise use of language can lead to confusion. Some time ago I heard about a town councillor who complained that he had been misquoted in the previous week's edition of the local newspaper. He pointed out that he had not said that his town was a "dead town" – but that "it was nicely laid out". This story, of course, may be apocryphal but if true, it would constitute a fairly harmless, albeit mischievous, misquote. Some misuse of language is much more significant.

Language is not neutral. Words and phrases can be recruited to support a political cause or to undermine objective thinking. During the increasingly violent protests against the war in Vietnam, the obfuscating phrase "collateral damage" was famously recruited to the US administration's vocabulary in an attempt to maintain public support for continuing the war. It fooled virtually nobody as most Americans knew only too well that it was a weasel phrase replacing the more starkly honest "civilian casualties" - and the protests continued.

In our own time, politically charged phrases are constantly dropped into public debates about contentious issues. To give but one clear example, it is noticeable that those campaigning for Britain's withdrawal from the European Union tend to refer to Europe's expert administrators as "faceless unelected bureaucrats" while labelling their British counterparts as "civil servants".

The potential for employing words and phrases to distort political dialogue was brought home to me some years back while giving a lecture on 'planning gain' to day-release students studying planning and land management. I had barely begun my talk when a young student who worked for a local authority suggested that I was "out of date" as it is now called contractor's contribution. This intervention gave me an opportunity to explain why contractor's contribution is a misnomer. The rationale for calling it planning gain is because the uplift has nothing to do with the efforts of contractors but arises from the granting of planning permission (usually coupled with public investment in the vicinity). The contractor has done nothing to warrant what is usually a significant increase in land value. As Kate Barker argued in her recent book, *Housing: Where's the plan?* "the scale of the windfall makes this an issue that demands attention". Around Cambridge for example, agricultural land with no planning permission was recently valued at around £18,500 a hectare, compared with £2,900,000 for residential land.

Historically, the taxing of land values is more significant than might be imagined. This significance goes beyond matters of fiscal reform. It has not only played a key part in determining the nature of local infrastructures; it has helped to determine the number of social housing units that are built, and it has influenced the extent to which commercial building constructors have been prepared to invest. Perhaps, most surprising of all – it has changed the constitutional relationship between the 2 Houses of Parliament and in so doing, it began a debate about the constitutional role of the Upper House that continues to this day.

More than just a tax

Attitudes towards the imposition of a land tax have always stirred emotions. The case for such a levy was strongly

advocated by the socialist thinker and pamphleteer Henry George in his famous book *Progress and Poverty* (1911). George argued that land prices rose as a result of town and community development. As settlements grow, urban land prices tend to rise in line with the rising demand for development land close to the central districts, and the landowner is thus able to make a profit on these appreciating land values. George's argument was that because these increases in value are the result of urban growth (and have nothing to do with the work or investment of the landowner), the community should be able to take back all or most of this surplus value in the form of a levy. By taxing land in this way, he argued, we can reduce income tax, which really is a tax on work, effort and enterprise. This is an influential idea that has been acted upon by left-leaning politicians such as Lloyd George and Harold Wilson – both of whom had read Henry George and both of whom introduced a form of land tax.

As Chancellor of the Exchequer, David Lloyd George introduced a land tax in his famous 'Peoples' Budget' of 1909. In the build-up to the First World War, Britain was under pressure to rearm and, in particular, match the German programme of battleship building. Asquith's government had also pledged to increase social welfare provision. All of this required a significant increase in the level of public spending. Among other responses, Lloyd George's fiscal changes proposed taxing all unearned increments on both the sale of land and increases in land values. In the political storm that ensued, the Prime Minister supported his Chancellor's reforms by lambasting the "obsessive greed" of the aristocracy and the other landed interests who he argued, were working through their representatives in the Lords to reject the budget. After 2 general elections in which the proposed land tax and the role of the Lords featured strongly, the 2 Houses of Parliament became deadlocked. The constitutional crisis was only resolved when Asquith insisted that the King threaten to create enough new peers to guarantee the passing of the Finance Bill. Under the threat to sweep away the built-in Conservative majority in the Upper House, their lordships gave way and eventually allowed the passing of the 1911 Parliament Act that has ever since curtailed the powers of the House of Lords to reject or hold up legislation relating to fiscal matters.

More than 100 years after the passing of the Parliament Act, the argument about the efficacy of a land tax continues. In the 2018 Summer Terrier, Anthony Lee, commenting on the Draft National Policy Planning Framework, outlined how the current planning system is expected to mediate the continuing tensions between community needs and the commercial viability of private development projects. The uncertainty generated by the conflicting interests in the development planning procedures still continues and has not been resolved by the publication of the RICS's guidance on viability testing. The long-established historic debate about how to protect community interests while not discouraging much needed investment carries on.

A rose by any other name

The starting point of any proposed changes must be clarity about what it is of which we talk. What is being considered is the appropriate distribution of a community-generated uplift in land values. Call it what you will – development land tax, s106 agreement, community infrastructure levy, or contractors' contribution – it is what it is: "planning gain".

JANUARY 2009: THE FEE GENERATION GAME

Dave Pogson

For 50 years until retirement Dave practised as a surveyor in Lancashire and Cumbria, becoming a Fellow of the RICS and working for the Department of the Environment, Lancashire County Council, South Lakeland District Council and the NPS Group. During that time, he wrote articles on surveying topics and work experiences which allowed him to introduce some controversy, humour and the odd bit of fiction. https://davidlewispogson.wordpress.com

The Selwyn series is written specifically for the Terrier. Each story is a self-contained episode in the life of an early-retired council property manager from 2002 to the present day and beyond as he continues to maintain occasional contact with his former colleagues from the fictional Herdwick District Council. The characters often present controversial and outspoken opinions on local and central government policy and practice. The stories are fictitious and occasional historical background details may have been changed to fit the chronology. The views expressed are those of the author, not those of ACES. The first story was published in 2017/18 Winter Terrier.

The valley was silent apart from the crunch of fresh snow under her boots. January 2009 had started with heavy falls on the fells. As she rounded the bend in the track she saw Selwyn for the first time and burst out laughing. Selwyn held the 5-barred gate open for her. Two long-horned cattle that were grazing on the fresh bales of hay dumped at the side of the track ignored the noise and carried on chewing. The slopes of the Shepdale Horseshoe rose up around them on 3 sides. Its white blanket was broken only where the weak winter mid-morning sun, hanging just above the horizon to the south of them, created shadows behind the criss-cross of limestone walls that inscribed the fell sides.

'Good morning. Why are you laughing at me?'

'Well, you're certainly dressed for these conditions – boots, thick socks, gloves, waterproof coat and woolly hat - but the leather briefcase – it's just so out-of-place in this setting.'

'I couldn't find my rucksack when I set out this morning.'

'Did you bring those bales of hay up in it?'

'No, the farmer probably brought those up in his Land Rover.'

'Can I ask, what are you doing up here … with a briefcase?'

'You probably saw Reservoir Cottage when you were further up the valley? I've got a business appointment there. I couldn't drive up the track in the snow, so I parked my car at the farm and I'm walking the rest of the way.'

'Yes, I saw some people up there earlier. It's a nice day for a walk. Enjoy the rest of it.'

She passed through the gate, closed it behind her and then paused.

'I know you, don't I? Or at least I think that I recognise you. Hold on a minute please.'

She pulled a mobile phone out of her coat pocket and began prodding and swiping at it.

'You're Selwyn, widower, retired chartered surveyor.'

'How do you know that?'

'I came up for a farm-themed family wedding on Saturday, stopped in one of the guest houses and decided to extend my stay for a few days after all the others had gone. Bernard, the farmer, threw in a free trial of his 'Lost Sheep Dating Agency' website and I remember your photo.'

Selwyn began to colour up but there was no way that he could deny it.

'I know Bernard. I bought some land off him for a council flood relief scheme many years ago, before he diversified into the 'romance' business. We became good friends and stayed in touch. He kind of … forced me … to register on the website … in a way… sort of.'

'Tell you what, now that I know that you've been vetted by Bernard, so you're unlikely to be mad, bad or downright dangerous, do please call in for a coffee when you return to collect your car … if you want to, that is.'

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Selwyn had taken Jim's phone call with mixed feelings. They'd met up in the Wandering Tup for a regular pint after Selwyn's retirement and since then

Jim had kept him up-to-date with the changes at Herdwick District Council. Usually he was glad to hear from Jim, but this time Jim wanted an unwelcome favour.

'Jim, I detest asset valuations. In my opinion, they are absolutely mind-numbing and pointless, especially for a small district council. I only used to do them because, as a good manager, it freed up the other valuers to get on with the important work. I guess that Farah continued in the same vein when she replaced me. I'm not sure that I'd want to come back to do any work, not even rent reviews or land sales but at least they serve a useful purpose in generating rent or capital for the council. Asset valuations, I think, are a waste of time.'

'Well, you know that Farah has gone on maternity leave and confirmed that she won't be coming back. There's this freeze on recruitment arising from the austerity cuts so the Chief Exec has asked me to stand in for her as temporary property manager. What do I know about property? I'm the Senior Committee Clerk. You know what it is, that stupid theory that any manager can manage any group of staff regardless of the professional discipline. Madness I know but I'm stuck with it for now. What are asset valuations exactly?'

'They are part of the government's attempt to make councils run their services like a commercial business. You know how if you have a large company you have to put the value of all your property assets in the balance sheet. Well, they think that local government should do the same. There's a point to it for a private company – the owners need to know what the company is worth and the value of the property assets forms part of that. But, I ask you, when did you ever hear of a council floating itself on the stock exchange, or fighting a hostile take-over or selling itself off as a profitable business? I mean, I can understand the council needing to know what its investment properties are worth, just in case it wants to borrow against them or sell something off from time-to time, although it could value those on an individual basis as and when that happens, but valuing town halls, public conveniences, sports fields, cemeteries and so on I think is a waste of time. I wouldn't mind so much if they were all valued to market value, which even the public understands. But we have hypothetical bases for valuation such as 'Market Value in Existing Use' and 'Depreciated Replacement Cost'. Do you actually know what they are? Even valuers struggle with them because they're so artificial. And don't get me started on this new 'componentisation' thing. Even if I could be bothered to explain it to you, you wouldn't want to understand it.'

'I take it that you're not a fan then?'

'No I'm not. We had enough practical work to do. All that happens after we've valued everything each year is that the Director of Finance puts a few lines in the annual accounts and then the valuation reports generally sit on a shelf.'

'So why doesn't somebody do something to prevent the waste.'

'Nobody can. It's a chain without a weak link. The Director of Finance wants them in the accounts just so that he can avoid a black mark from the district auditor. The district auditor wants them so that he can report to the civil servants that the job is being done to CIPFA rules. The civil servants want them so they can tell the government that there are rules in place. The government wants them so that it can tell the voters that they have imposed commercial and financial accountancy disciplines into public services to keep costs down; the voters have no idea that this work actually increases those costs for no real purpose. The only people who can see the truth are valuers. However, a lot of valuers are in private firms and they just love that work for the fat fees that it generates so they're not going to rock the boat.

And there's no consistency. Herdwick Council insists on valuing every asset over £10,000. Metros and other big councils don't bother starting with anything less than £100,000. Why can't they all have the same limits or exclusions? It's just a waste of my time and your money to do them, especially in a small district council with limited staff and resources. I had this view when I left and I doubt that anything has changed since then.'

'Unfortunately, I'm stuck on the first link of that chain. The accountants rule the roost. So I was hoping that you might do me a favour. I know what you mean about it being a fee generation game. I sounded out a private firm of valuers before I bothered you. They wanted £150 per hour for a one-off valuation of a property or something in the region of £70 per hour if I gave them a sizeable number of valuations in a package and then they'd likely give the work to their office cat. I can pay you because I can spend what's already in this year's budget from the likely saving on Farah's salary for a one-off 'task and finish' contract. But depending upon what hours we might agree upon that's likely to be more in the region of the local government all-in staff rate for a professional of £30 per hour plus expenses. How do you feel about it really … old mate?'

There was a long pause.

'God help me!' Selwyn breathed out loudly. 'I'll need one of the others to bring me up-to-date with any asset valuation rule changes since I retired. Also I'll need adding to the council's Professional Indemnity Insurance policy. However, I'm not paying out hundreds of pounds just to re-join the RICS for a few months, so you will have to ask one of the other qualified surveyors if he or she will certify my completed valuations. I know that strictly this shouldn't happen but you're in a hole and those are my conditions. What's the deadline – the end of February as usual?'

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Selwyn removed his boots and knocked them against the doorpost to remove the snow before leaving them in the porch. He hung up his coat and headed for one of the armchairs that she was pointing to near the fireplace. He noticed that she had applied a bit of make-up since their earlier meeting on the fell side. A faint hint of perfume hung in the air. He stretched out his legs and felt the warmth from the log fire penetrating his thick socks. There was

the sound of a kettle boiling through the open kitchen door. Two mugs, spoons, milk, sugar, and a plate of biscuits were already resting on a small table between the armchairs. *'She has been busy. She must have been confident that I would come,'* thought Selwyn. *'Wasn't that the way with women … they always knew what a man would do even before the man did.'*

'Without being too nosy, can I ask what sort of business you had up at Reservoir Cottage? I thought that you were retired'

'I am, but I'm making a temporary come-back. A sort of favour for a mate at the council. He has staffing problems and asked me to help out. Every year the council needs an experienced valuer to value its property assets. So I'm going around inspecting, reporting on and valuing those that require updating this year. Reservoir Cottage is part of the council's Outdoor Adventure Service. The cottage used to be occupied by people employed to maintain the reservoir and the upper reaches of the River Shep. When it fell out of use, a long time ago in the past, the council bought it. Now clubs and schools and sports groups and the like can book it as a base for hiking, orienteering, abseiling, mountain biking, and so on. You may have noticed the new shower block and store extension added since last year. I have to re-value Reservoir Cottage to account for those improvements.'

'But – I'm really curious now - what was in the briefcase?'

'Well … invited in, chair by the fire, coffee and biscuits. If she laughs at my feeble jokes then things couldn't look more promising,' thought Selwyn. *'Maybe I'll have to tell Jim that there really is some point to asset valuations after all.'*

'Equipment that I need for any survey – floor plans of the improvements, notepad, pens, tape measure, small binoculars, torch … sandwich box, thermos flask, dry clothes … extending aluminium ladder to access the roof-space … microwave oven, hairdryer, blender, board game.'

'Cuddly toy. Don't forget the cuddly toy.'

'Exactly. That's why I couldn't get the 3 bales of hay into it to save Bernard driving them up in his Land Rover.'

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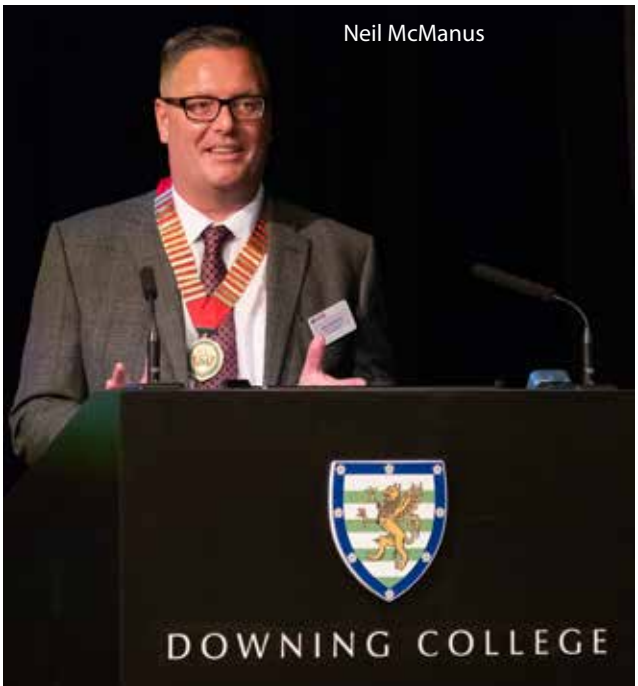

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