THE TERRIER

THE JOURNAL OF ACES - THE ASSOCIATION OF CHIEF ESTATES SURVEYORS & PROPERTY MANAGERS IN THE PUBLIC SECTOR

VOLUME 19 - ISSUE 1 - SPRING 2014

ACES

OVER ONE HUNDRED YEARS OF MANAGING PUBLIC PROPERTY FOR THE PUBLIC GOOD

The Terrier

The Journal of ACES - The Association of Chief Estates Surveyors & Property Managers in the Public Sector VOLUME 19 - ISSUE 1 - Srping 2014

EDITORIAL

Betty Albon

Firstly, I would like to thank all our advertisers who have renewed for 2014. Your continued support is valued. I am also pleased to thank our 2 new advertisers, Carter Jonas and Lambert Smith Hampton.

This edition contains Clare Winnett's presentation on development viability at the Annual Meeting, which is complemented by another article on negotiating planning agreements, particularly relating to affordable housing. Of course, Portas features, with a controversial piece from the Centre for Cities on why the government's initiatives are too narrow. This view is supported in the follow-up article from Northumbria University on office vacancies.

There are pieces on village greens following recent judgements, performance indicators, capital regeneration, land reclamation, business rates initiatives, valuation, and branch reports, many of whom are now providing valuable CPD. I am particularly pleased to see the rural branch contributing – keep them coming!

Another continuing theme is collaboration, with a number of member-led articles featuring good practice examples. All in all there are 30 pieces, so a full edition. Even more encouraging is that over half are written by ACES members. That's not in any way to discourage our private sector friends and colleagues who are happy to share their valuable expertise.

The content of these articles are not the opinions of the Editor or ACES.

Cover photo: City of London Crest, venue for ACES Council meetings.

Contents

ACES National

ACES Council meeting - Tim Foster....04
Membership news - Tim Foster....05

Professional

Development viability - Clare Winnett....06
DCLG Transformation Fund....10
Government land release - Ann Carter-Gray....11
Planning review mechanisms - Charles Solomon....13
High streets - Paul Swinney....17
Vacant offices research - Kevin Muldoon-Smith....20
CPO - Housing Act 1985 - Stan Edwards....24
RICS Conference....28
Effective asset management - Miles Hooton....29
Collaboration - Neil Webster....31
Entrepreneurial councils - Derek Rowell....33
Wales county farms - Charles Coats....35
Town and village greens - Edward Dixon....36
Town and village greens - Christine de Ferrars Green....39
Business Rates Retention - Roger Messenger....42
Valuation update - Daniella Barrow....44
London regeneration - Kevin Joyce....46
Land reclamation - Toks Osibogun....48
Energy Act - Jaime Blakeley....50
Community Ownership Forum....52
3i Studio software - Mike Andrew....53
Performance monitoring - NaPPMI....55

Branches news

Rural - 10 years - Charles Coats....59
London - Ade Adebayo....60
Eastern - Duncan Blackie....60
Heart - Richard Allen....61
North East - John Read....63

Other interest areas

Suffolk Scribbler....64

ACES COUNCIL MEETING NOTES, 17 JANUARY 2014

Tim Foster, ACES Secretary

21 members attended the meeting held at the Guildhall, City of London.

Financial matters

Ian Doolan would be doing the accounts until the end of this financial year, 30 June 2014 and thereafter Willie Martin would be responsible. A report was considered and it was agreed that the treasurer in his next report to Council would provide more detailed information. The treasurer further reported that he was looking into suitable software which would match the requirements of the association going forward.

Marketing

The Secretary circulated the marketing report by Fox International. The comprehensive report outlined the strengths and weaknesses that Toby Fox perceived in the ACES organisation. The report suggested establishing a 3-year plan to allow for revitalisation of the annual presidential conference, consideration, planning and establishment of workshop and PR programmes and refresh of The Terrier, and stabilisation of revenue surplus.

A detailed discussion took place on the many points raised in the report. The report was generally well received. However there were certain of his suggestions which generated particularly interest, including possible videoing of the conference, provided any published material was kept to just short clips; feedback forms for delegates to complete at the end of the conference was a good idea; members were fairly unanimous that the President should have the ultimate say on the venue for his/her conference; the idea of a Wednesday/Thursday conference format was well received; members agreed that the website was outdated and Andrew was asked to encourage all branches to appoint a website owner who would take some kind of control of the content; members agreed that ACES should be represented at a couple of external conferences a year to further its image.

The secretary also circulated a report from the president, senior vice president and junior vice presidents on the potential way forward for ACES which highlighted particular points that members might want to consider. It was agreed that a working group be set up to take on board Council recommendations; the idea of sponsored regional workshops be explored by a nominated group.

It was recommend that 3 Fox International be requested to provide a fee proposal to act as marketing advisers to ACES, and that any fee structure should be related to performance targets and also take into account the profit already generated by ACES on conferences; a working group be established to look at classes of membership and whether any new categories could accommodate people working in the private sector.

Leeds University

Malcolm Williams reported that the course had now received the approval of both boards and would almost certainly be proceeding in September 2014. He was presently carrying out more work on the modules and he further reported that an ACES member could be appointed as an external moderator for the course. The University was also looking for RICS to validate the course.

Future meetings and conferences

The secretary reported that the following meetings are the Presidential Conference on 11/12 September 2014, and the Annual meeting on 14 November 2014, both to be held in London.

MEMBERSHIP Tim Foster, ACES Secretary

I list below the changes in membership between 1 January and 31 March 2014

New members approved

There were 10 new applications approved during this period

Geoff	Bacon	Swansea City Council
Barry	Cooke	Pembrokeshire County Council
Rob	Flower	Torfaen County Borough Council
Graeme	Haigh	Adur District Council & Worthing Borough Council
Tim	Hartley	Barnsley Metropolitan Borough Council
Frank	Hughes	Renfrewshire Council
Steve	Robson	Leicestershire County Council
Graham	Tully	City of Edinburgh Council
David	Turner	Swansea City Council
Peter	Young	City of London Corporation

Transfer from full to past membership

Two members transferred to past membership during the period

Pauline	James
Steve	Meynell

Resignations

There was 9 resignations during this period

Des	Devine
Martin	Haworth
Neville	Henstredge
Gary	Lowe
Kevin	Moore
Kevin	Shutter
Ray	Staniland
James	Stubbs
Geoff	Watts

The membership as at 31 March 2014 now comprises

Full	234
Additional	73
Honorary	34
Past	73
Total	414

This is a slightly abridged version of Clare's presentation at ACES Annual Meeting in Cardiff in November. Thanks again to Clare and sponsorship by Carter Jonas.

VIABILITY IN PLANNING

Clare Winnett MA (Cantab) DipArb MRICS FAAV FCIArb

Clare undertakes valuation work with inspection of all property types, predominantly commercial and development, and provides valuation reports for a wide variety of purposes to a diverse client base, specialising in the completion of development appraisals. Clare works closely with the public sector and private developers to model scenarios and to provide financial analysis of sites to establish their economic viability. She also advises on calculations of affordable housing provision and appropriate s106 contributions. Clare is a practising arbitrator on the RICS President's Panel. clare.winnett@carterjonas.co.uk

Introduction

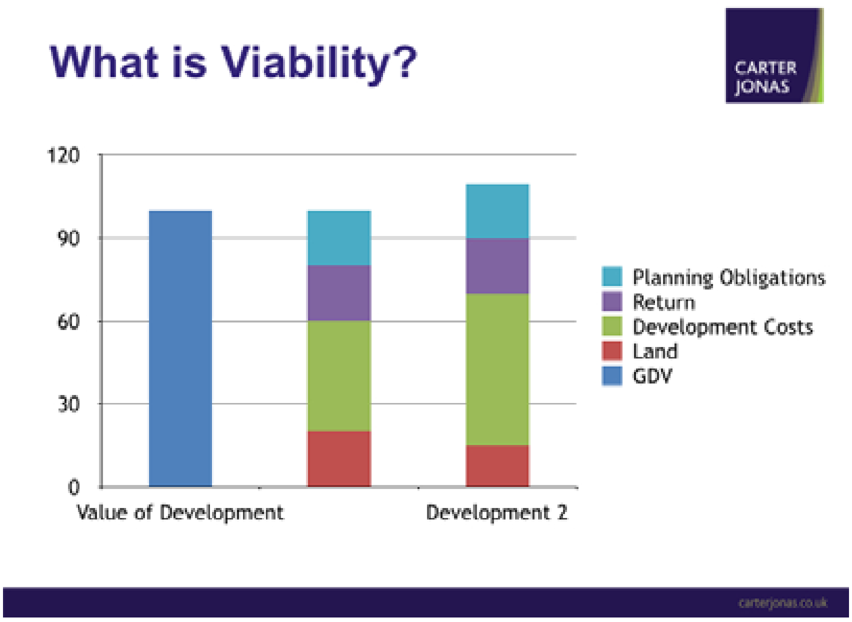
The purpose of this paper is to explain viability in planning through practical examples. Pure valuation theory is not the most stimulating topic but, hopefully, by looking at examples of where we can actually save money and bring parties together to find solutions that suit everybody, we should be able to move forward.

"Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened…"

This quote is paragraph 173 of the National Planning Policy Framework (NPPF). The Welsh policy position is fairly similar, but not as clearly defined as the English policy position although the principles of viability and the way we are working through this are the same. Under the English system we are now getting a lot of planning inspectorate decisions on the viability issue, which support both the NPPF and the RICS guidance. Paragraph 173 mentions deliverability as well as sustainability. Deliverability is the new buzz word in planning; sites now come with targets to be met and objectives to be achieved. It is also very clear that sites should not be subjected to obligations and policy burdens that prevent deliverability. Now the onus is back on the planners to allow us to bring sites forward.

What is viability?

There are 3 strands to viability:



- Willingness to release land for development by landowners

- Developers able to obtain market risk adjusted return for delivering development

- Capability of obtaining secured funding.

The first strand means we have to have landowners who are willing to release land to bring it into the development system and that means having a competitive return. We now have guidance that tells us that a landowner should not be expected to sell land for nothing.

The previous slide is a mathematical explanation of viability. The value of the development has to equate to the 4 component parts of the development:

- Land value

- Cost of building

- Return required

- Cost of imposed planning obligations.

And what is now beginning to emerge from the guidance and through the planning inspectorate decisions is an acknowledgement that where development costs go up, whilst this may mean some reduction of land value, the majority of the hit has to come from reduced planning obligations.

When is viability relevant?

The main issues that arise are:

- Quantum of planning obligations

- Timing of obligations

- Affordable housing – quantum and tenures

- Uses and use balance

- Density, unit numbers and unit types

- Enabling development

- Policy and CIL (Community Infrastructure Levy) testing.

Nearly everybody who comes to talk to me about viability are concerned about 2 main issues; they do not want the affordable housing and they do not want to pay the amount of money that is asked of them. However there are a lot of other factors that affect viability.

Number 1 is the timing of the different obligations. For example, if you are paying your s106 contributions on day one, then those have to be funded for the entire period of the development. On one site I am looking at the moment, the s106 contribution is £2.7m. As it is a 5 year development programme, borrowing £2.7m for 5 years will render the development unviable. Obviously deferring such payments to the end of the development will make a huge difference.

When we talk about people not wanting affordable housing there is also the question of tenure. For example there is more value in the shared equity model than in social rented affordable housing.

There are also issues on uses and use balances. Often the commercial elements can bring down developments and push them below their viability line, so can we make developments more viable by introducing a different balance of uses?

Density is also a factor; the number and the types of units going on site. Currently in some markets, apartments and flats are suffering particularly. I work in the south of England and we see that for many of our market towns, type of residential is a major issue. Swaying developments more to housing and less to flats, a particular scheme may be able to deliver more to the community.

Case studies

I intend to show the sort of issues that can arise when considering developments, ranging from single plots up to much bigger schemes. Each case study is based on real practical situations, many of which are still under negotiation, hence identifiable detail has had to be withheld.

<u>New build: a single plot</u>

This is an apparently straightforward single plot in an affluent area backing onto a school. The site has had planning consent for over 10 years, having been renewed on 3 occasions and yet it is not coming forward for development, although the developer wants to develop it out. Although it is only one house the local authority is seeking about £30,000 as a s106 contribution.

We have costed the scheme in full and the reason why it has never come forward is that you have to pile the foundations. And as there is a row of trees along one boundary the piled foundations will damage the roots of the trees which are of course situated in a tree preservation area. As soon as we fully costed the scheme it was clear that it would never come forward with the s106 contribution in place.

Accordingly a deal has been done between the planning authority and the developer that the site will come forward without the cash contribution, but improvements will be made to the boundary to the school and a public footpath created at the side of the site. The overall cost is not huge and the developer has men on site that can do the work quickly and cheaply, so this is a solution which suits everybody and the site is now under development.

<u>New build: a multi-plot site</u>

This is a site for 14 houses on the edge of a village which under policy should provide 50% affordable housing. The issue with this site is that there is a brook that runs along the top boundary of the site which in the winter can flood the village but not the site, because, in spate, the brook runs straight down the main road. In trying to bring this site forward you get the normal reaction to any proposal to develop a site which is said to be in a flood plain, even though this particular land is not.

So in lieu of the affordable housing on this site, the developer is undertaking to provide a full flood alleviation scheme along the brook with pumping stations and everything in situ which will prevent the village flooding. The village now supports a development that they were totally opposed to and it is coming forward with 2 units of affordable housing, which is actually all that was required for that village by identified needs anyway. The outcome is a scheme that can deliver real benefit to the village and everybody is working together on it.

<u>New build: commercial development</u>

This is an interesting city centre scheme for a cinema and retail units with students' flats above. It is very politically controversial, as a lot of such schemes are. Again my role is to try and find a solution that suits all parties. I supply the same advice in terms of viability and try to find a solution that suits all interests irrespective of which side I am acting for.

But on this particular scheme I am not working solely on the planning context as I am representing the local authority as landowner, as a large part of this scheme sits on a pay and display car park which the developer needs to buy in order to do the development. The local authority has about a 30% stake in the development site.

There is a viability issue with the scheme as well as a desire to bring it forward as it will regenerate the town, although my client's land will not be sold below market value unless there is very good reason to do so. In working with the developer, we have first negotiated a deal where land will be provided elsewhere to relocate the car parking spaces. And we have asked the developer to bring in its car parking consultants to re-plan the entire car park that remains, with the outcome that the spaces being lost to the development can be recreated within the remaining car park. As the developer has a workforce, it takes a day of labour and the cost of getting consultants in to rejig a car park. All that is beyond the local authority's resources but we have actually got no loss of car parking spaces as a result of this development going forward. We have in fact achieved an increase in car parking income because of 24 hour car park charging with a cinema which means that money can be generated at all times of day. So on that basis the land has been transferred at what we might call below market value but with a lot more benefits to the local authority as well as all the political issues of bringing this site forward to regenerate the town.

<u>Conversion: office to residential 1</u>

This is an office/residential conversion scheme. This site is situated in England and the reason why this is important will only be of interest to those authorities who have permitted development rights for office to residential conversions. This scheme is in an area where those rights apply and there was a need to transfer a row of terraced houses back into residential and a s106 contribution required of £60,000. There was a planning consent in place for that and a payment has been made but the conversion was not happening and the offices were sitting empty. Under the permitted development rights we have now served a prior approval notice. The development is going ahead and there is no s106 or affordable housing liability on a prior notification for a permitted development. Thus there is obviously a huge cost saving to everybody involved.

<u>Conversion: office to residential 2</u>

Looking at another scheme, again office to residential, which benefits from the permitted development rights, so the conversion can go ahead on that basis and neither affordable housing nor s106 is an issue here. But it is within an authority where the CIL charging levy is adopted and in place. CIL is chargeable on this development and the CIL rate renders this development unviable. CIL is only chargeable if the buildings haven't been in beneficial use for 6 of the previous 12 months. This building, as with many assets like it, has been stripped out and it is incapable of occupation at the moment for business rates purposes. So we have this balance between mitigating business rates and mitigating CIL. So the solution at the moment is we are getting a small part of this building back into beneficial use to mitigate the CIL liability, then there will be no CIL paid so that conversion can now come forward.

<u>Conversion: listed buildings</u>

Here the listed buildings are a range of empty and unused farm buildings situated next to the farmhouse which are in a poor state of repair, with elements on the 'Buildings at Risk' Register. The owners, who live in the farmhouse, do not want to bring the farm buildings forward for a residential scheme because it does not suit them to have houses built next door that will have to be sold off. So while a residential development of these buildings may be viable due to the large village that it adjoins, the landowners would rather bring it forward for offices or a holiday let scheme or a mix of income generation uses. Having discussed possible options with all the parties involved, a possible solution is that we will build 2 houses on the edge of the farm adjacent to the village which will be sold off at different phases during the development to enable the conversion of the listed buildings. So without compromising anybody's aspirations, we actually have less houses than we would have done if we had gone for a straight residential development and the restoration of the listed buildings has brought employment benefits to the village.

<u>Strategic site: residential</u>

One of the strategic sites we are involved with had a provisional allocation of 300 houses. It is located on the edge of a market town and has capacity for substantially more houses than 300 but the allocation only allowed a very small portion of the development to come forward. A major trunk road runs along the edge and there is only a one-way access to this trunk road. The requirement from Highways to enable this development to come forward was that a two-way junction would need to be put in at a cost, I believe, of somewhere near £7m. I think that we can all see that a 300 house scheme cannot afford a £7m highways contribution.

Also where Highways gets involved, this introduces a whole new political dimension between county and local level as to who will get what money and who is benefiting from the development. But although the provisional allocation was 300 homes, we have now sought an allocation for 500 houses on that site that also sees the bypass developed. And we have reduced the affordable housing from 40% to 30% which is actually 30 more affordable dwellings than in the original scheme, because the overall number of units is increased. As a result we now have more affordable units and the bypass improvement just by negotiating the provisional allocation at an early stage.

Strategic site: commercial

Here we are dealing with what is, in reality, a supermarket site. Supermarkets are slightly unusual to us in the viability world because nobody ever questions the viability of a supermarket. The argument is likely to be more about what else the site can deliver, in addition to the supermarket to make the development viable. Our site has an interesting appendage of land sticking out at the bottom that adds little to the developability of the site itself but is on the route of the town's proposed bypass which is about to go through the CPO process. Here the bypass promoters could find themselves dealing with a difficult developer who will take it all the way to Lands Tribunal but instead it is just a clear transfer of land to enable the bypass to go ahead as part of the whole development package.

There is also one other interesting viability point which did form a critical part of the discussions and this concerned the retail units adjoining the supermarket. Planners wanted to put a condition on these units restricting them to bulky good sales only. That had the impact of reducing the estimated value of that element of the scheme by 20%; and for every 10% reduction in value in the developed site there is a 30% impact on site value. So conditions that are imposed can have this substantial impact on overall viability. We have had to work through those conditions so that the highest value scheme is coming forward. The restriction on retail unit sales was one of those conditions which are imposed at the last minute for no real policy reasons, but had a huge viability impact that nobody had thought through.

Strategic site: mixed use

This final example is a town centre site originally planned for a supermarket. Our instruction was to work with a consortium of developers, the town council and the local authority to model 12 different potential development schemes in order to establish the maximum gain we could get out of this site, in terms of the mixed use. The problem was that a developer was coming forward with just a supermarket and housing. But we have managed to bring a lot of other benefits by maximising the use mix and the densities on the scheme to balance everything, so there is an office part which otherwise would not be viable and a cinema scheme as well which regenerates the town centre.

Conclusions

- **Take advice on viability at the earliest stage.** One of the biggest issues that we have with viability is that nobody talks to us early on. Normally the planning application is due to be determined next week or they have just been granted planning permission and signed a s106 because nobody thought about it in advance. So the sooner that we can get involved, even at the strategic stage. To get the right allocation for a site, the better the development is likely to serve everybody

- **Keep/get buildings into beneficial use**

- **Cost the scheme.** Nobody has every costed a scheme at the planning stage; people just believe that the scheme is the right scheme for the site and often have never thought it through. But to identify and work out costs, particularly abnormal costs, at an early stage is very sensible

- **Collaborative approach.** We try to work in a collaborative way between all of the interested parties in a site because we find more often than not there are solutions that actually satisfy everybody.

GOVERNMENT ANNOUNCEMENT – TRANSFORMATION FUND
Editor – Policy announcement 2 April 2014

£410m for council services that put people first. Eric Pickles announces £410m in funding to help councils transform the way they run local services to put the user first.

The bidding process for the £320m Transformation Challenge Award opened on 2 April 2014. The funding is made up of:

- £1m in 2013/14 for 9 local authorities working with the Public Service Transformation Network to speed up and scale up their transformation plans

- £6m in 2013/14 for 13 local authorities who narrowly missed out on funding in the 2013/14 Transformation Challenge Award bidding process

- a total of £83m of unused capitalisation provision has also been transferred to councils in 2013/14 which provides additional revenue for every authority to invest in local service integration and transformation.

- £15m Transformation Challenge Award 2014/15 to support local authorities working with partners across the public service to transform services, including smaller districts who wish to share management teams

- £105m Transformation Challenge Award 2015-16 and £200m capital receipt flexibility in 2015/16, to support local authorities working with partners across the public service to transform services.

The prospectus and bidding deadlines for the Transformation Challenge Award 2014-16 will be published shortly.

MEETING THE CHALLENGE FROM THE PUBLIC TO RELEASE GOVERNMENT PROPERTY

Ann Carter-Gray

The government owns a land and properly portfolio worth £330bn and selling what it no longer needs is playing a vital role in driving down the deficit. Ann outlines progress to date and the public's Right to Contest.

Ann is Deputy Director – Head of Regional Strategy, Government Property Unit. She joined the Department of Trade & Industry in 2000 as a Regional Director for the Small Business Service. She then worked in various roles in enterprise and small business covering policy, strategy & implementation.

In 2011 Ann joined the Government Property Unit as Regional Programme Manager and in July 2013 was appointed as Head of Regional Strategy. She is a member of the RICS and ACES member.

Since May 2010 over £1bn has been raised in capital receipts by the government through disposing of 800 freehold assets, saving over £454m p.a. in running costs. Disposal of these assets are a key tenet in the government's long term economic plan as it aims to use its property much more effectively.

From May 2010 to December 2013 the government exited just over 1.8m sq m, reducing the size of its mandated estate by around 17%. That's around 20 times the size of the office space in the Shard building.

But while we are making much progress – independent estimates show that the public sector holds up to 40% of developable land and around 27% of brownfield land suitable for housing, so there is still plenty of work to be done.

Take for example Old Admiralty Building. We announced recently that the Foreign and Commonwealth Office, whose staff have occupied the building since the 1960s, will be consolidated into one building. Freeing up this space will allow the Department for Education to take up residence in 2017.

The move will save the taxpayer more than £19m a year and means that money can be put towards paying for education rather than occupying an office building. These decisions make complete sense financially and show how the government is getting the most benefit possible for every square metre of property it owns and every pound of taxpayers' money it spends.

As the Chancellor recently announced, the Government Property Unit's Strategic Land and Property Review has now concluded and it identified scope to generate £5bn of receipts from land and property to support growth and drive efficiency. A significant amount of this will be brownfield land.

Departments have already committed to reforms which will release £3.5bn of land and property. A further £1.5bn will be identified through ongoing operational reviews. By the end of 2014 the government will look to quantify its housing and growth ambitions for this new surplus land.

Departments have committed to releasing a wide range of sites between 2015 and 2020. Among those earmarked for housing are the former Twyfords Site in Queenborough and Rushden, and Shire Colliery in Bolsover.

The Ridgeway, Mill Hill, London will also go on the market in 2017 following the move by current occupants, National Institute for Medical Research, to the new world-leading Francis Crick Centre in St Pancras; and the plans are for the site to be re-developed for mixed use, including housing.

It is vital that that we can identify sites like this for disposal to help drive efficiency and continue to make further savings for the taxpayer. To do this we are meeting the challenge from the public to release land or property which could be put to better economic use under the Right to Contest.

Right to Contest

The Right to Contest was announced as part of the Spending Round 2013 and went live on 8 January 2014. It supports our commitment to improving the transparency and accountability of government as a landowner, allowing the public to challenge the government directly on decisions about its estate.

Previously, members of the public only had the right to challenge local authorities where land or property was empty or under-used. Under the Right to Contest scheme, this power is widened to central government land and property, both vacant and occupied. Releasing sites that are not vital for operations will help government to operate more efficiently and deliver better value for taxpayers. It will also help to increase the supply of land available for house building and business development to help stimulate local growth.

Whether you are a business looking for land to expand or develop, a local authority looking to free up land for housing in your patch, or a member of the public frustrated that a site could serve a better economic purpose, this is now an option for you.

The Right to Contest applies to any land or buildings owned by the government or its arm's length bodies and local authorities. Land owned by a central government department or one of their arms' length bodies can be contested as long as the site is potentially surplus or redundant and could be put to better economic use. It can be used to challenge central government sites which are in use, as long as it is economically viable to move operations to another location. Sites owned by a local authority or certain other public bodies are in scope of the Right to Contest as long as the site is empty or under-used and there are no plans to bring it back into use.

The process works as follows. If a department agrees to dispose of a contested site, then the site will be released for sale on the open market. If a department states that it needs to retain a site, either because the site is vital for operational purposes or other considerations outweigh the potential better economic use, the case then goes before a committee.

The committee is made up of Ministers from the Treasury, Cabinet Office as well as senior officials from the landholding department. It is then up to Ministers to make a final decision on the best course of action.

For cases where the land is identified as being owned by a local authority or certain other public bodies, the cases will be considered by the Department for Communities and Local Government (DCLG). The decision will be made on the basis of whether the land or property is in use or whether it is likely to be used in a suitable period of time. These cases will be subject to a fuller process which may take longer to conclude.

This is a long-term project and we know there is a long way to go but we have made a very credible start, borne out by our savings to date.

If you are reading this and you know of any sites in your area that you think government could sell to help boost the economy, then why not use the Right to Contest to challenge the retention of the site. You can submit an application online via the Right to Contest website or by emailing: righttocontest@cabinet-office.gsi.gov.uk to request a postal application. Further information and guidance on the Right to Contest can be found on the website at: www.gov.uk/right-to-contest.

IMPROVING HOUSING MARKET CONDITIONS – PLANNING PERMISSIONS WITH REVIEW MECHANISMS IN S106 AGREEMENTS

Charles Solomon and Robert Fourt

Charles Solomon and Robert Fourt are part of the steering group who prepared the RICS Guidance Note 'Financial Viability in Planning [Ed – featured in 2012 Summer Terrier]. Charles Solomon was formerly head of the development valuation team at DVS, VOA, and Robert Fourt is a Partner at Gerald Eve.rfourt@geraldeve.com

Charles and Robert outline options to ensure developments proceed with fair review mechanisms to secure community benefits, particularly for achieving affordable housing.

With renewed optimism in the housing market, landowners, developers and local planning authorities (LPAs) are keen to get new development schemes off the ground. For developers, the government's 'Help to Buy' initiative has been a real boost, and creates the opportunity for a backlog of purchasers to get onto the housing ladder. There are some clouds on the horizon- The risk that 'Help to Buy' will be withdrawn, and rises in interest rates are a potential concern- but, for the moment, there's plenty of optimism, with expectations of a continued improvement for the foreseeable future.

LPAs are looking at how they can ensure that their planning policies can be best secured in these improving circumstances. There are a number of ways they can seek to benefit, while also encouraging developers to start. Viability review mechanisms can be a helpful way of encouraging developments, secure benefits during the lifetime of large scale phased development and allow stalled schemes to become more deliverable. As an alternative to review mechanisms, growth modelling may deliver a more even delivery of planning policies. This article looks at various options open to both LPAs and developers to ensure planning policies can be secured whilst not rendering developments undeliverable.

Viability review for delayed implementation or in multi-phase developments

Having obtained planning permission for a scheme, there may be a benefit for developers to delay commencement of development- in effect 'banking' the planning permission. Perceptions that an improving housing market is just over the horizon may encourage planning applications to be made in less optimistic market conditions and then delay implementation for as long as possible. At present, there are parts of the UK where market conditions are favourable for development, and planning consents are being exercised. But in the less buoyant areas getting developments going may be more challenging.

One way LPAs may seek to encourage early commencement is by including within s106 agreements the right to include a viability review in the event of delayed commencement. It's unlikely that such reviews would result in additional affordable housing within the scheme unless this could be achieved without making material changes to the design and layout. However, these reviews could result in off-site delivery of additional affordable housing or commuted sum payments being made. Clearly, though, the threat of such reviews being exercised may encourage early commencement of development. Care needs to be taken in drafting the review mechanism clause to ensure development is materially commenced, and is not just the much derided 'trench in the ground'.

For longer term, multi-phase developments, viability reviews through the life of the scheme is an appropriate way of ensuring planning policy requirements are met, reflecting current market conditions at that point. These reviews would usually be undertaken prior to implementation during the reserved matters application stage on later phases of a scheme. Careful consideration would need to be given as to how this is set out in a s106 agreement, although it will be important to both the LPA and developer to express a range for the assessment, i.e. for the developer to state the level of obligations above which they would not be expected to exceed and for the LPA to state the level of obligations below which the development will be unacceptable, regardless of the benefits that arise from it.

The viability review methodology will need to be clearly specified in the s106 agreement. It may include, for example, the process involved, the basis of viability toolkit, assumptions pre-agreed for some of the inputs, profit level and site value and by reference to the RICS Guidance Financial Viability in Planning. The attractions of pre-agreeing as much as possible is that the review can then focus on a relatively few aspects- perhaps sales values and build costs. This process is likely to be quicker than a full blown review of all elements, and could be simplified further by reference to data such as BCIS and Land Registry to determine changes in conditions since the original assessments. However, the downside of simplifying the process in these ways is that it does not properly reflect actual market factors relevant to the site and may result in an over or under assessment of what additional planning policy requirements can be delivered.

Alternatively, both parties may prefer not to pre-judge inputs, but instead seek to reflect viability at the time of review based on current market indicators using best practice guidance (such as the RICS) appropriate at the time. This approach would fully reflect current market conditions, but may result in increased costs to both parties.

Whichever approach is chosen, it would be usual to include arrangements for 3rd party determination if agreement is not reached within a specified period. Terms of reference need to be included in the agreement. It is stressed that any review should always be undertaken prior to the implementation of a scheme or phase in order to fully account at the time for the risk the developer is undertaking, and, therefore, the appropriate return.

From a technical perspective, so-called 'overage' arrangements (post-development appraisals) are not considered appropriate, as development risk at the time of implementation cannot be accounted in respect of the inevitable uncertainty of undertaking a development or individual phase. It also undermines the basis of a competitive return as envisaged by the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG) by introducing uncertainty after the completion of the development. This, for example, may make funding the scheme difficult or unlikely in many cases. From a practical point it may also run into problems - particularly if the developer becomes insolvent.

It is important to ensure that the drafting of review mechanism provisions do not result in the earlier phases becoming uncertain as to the amount of development to be provided on site. This would have the unfortunate effect of stifling development. Each phase requires sufficient certainty to be able to provide the required returns and secure development funding.

Alternative approach - growth assumptions/outturn

Viability review mechanisms on multi-phase schemes create uncertainty both for the LPA and developer. An alternative is to assess viability based on reasonable assumptions of growth, both of values and costs, over the anticipated period of the development. This is also endorsed by the NPPG. Assessed on this basis, it is likely that the proposed level of affordable housing and other s106 policy obligations would be viable compared to the 'current day' viability approach.

In an outturn approach, the developer bears the risk of actual performance not meeting growth assumptions, but benefits from certainty through the development, which may make funding the development easier. For the LPA the attraction is clear- a greater amount of certainty about higher levels of planning policy delivery than would otherwise be delivered, and delivered more evenly through the development programme. The LPA does have some risk in accepting this approach because of the right to review viability on affordable housing delivery under the Growth & Infrastructure Act 2013 provisions, so for both parties the decision making process bears some risk, but this has yet to be fully tested at appeal.

Stalled developments

The NPPF refers to the use of planning conditions and obligations at s203–206 and advises that where obligations are being sought:

"…local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled." (NPPF, 2012, paragraph 205).

Following on from this, the Growth and Infrastructure Act inserts a new s106BA, BB and BC into the 1990 Town and Country Planning Act. These sections introduce a new application and appeal procedure for the review of planning obligations on planning permissions which relate to the provision of affordable housing. There is no guidance as to when, and under what circumstances, these procedures can be applied. In theory, an applicant could seek to review viability immediately after grant of planning consent.

The new procedures do not replace existing powers to renegotiate s106 agreements on a voluntary basis. The application and appeal procedure assesses the viability of affordable housing requirements only. It does not reopen any other planning policy considerations or review the merits of the permitted scheme. Planning permission granted in accordance with a Rural Exceptions Site policy is exempt from this procedure.

DCLG has provided guidance giving

DVS Property Specialists for the Public Sector

DVS has extensive experience of working with and advising regional, local and devolved government.

When it comes to property, we have the right experience and coverage to provide you with the best advice to identify opportunities for releasing value and making financial savings and service improvements.

Being part of the public sector means we understand the needs of our many public sector clients and the challenges they face. DVS has national coverage but prides itself on its local experience and knowledge.

Our services

Asset Valuations	Extensive knowledge and experience of current accounting standards (IFRS) for both Housing Revenue Account and non-housing stock valuations, including componentisation, recognition/de-recognition of components, lease classification, asset categorisation and treatment of Heritage Assets.
Public Sector Collaboration and Strategic Asset Management	Viability appraisals to assess suitability for public sector co-location/collaboration projects. Perform the role of "single independent valuer". Developing personalised property strategies to ensure your portfolio is efficient and effective in delivering your strategic objectives. We are able to provide a full strategic property appraisal, including a detailed benchmarking evaluation, as well as acquisition and disposal reviews.
Financial Viability Assessments	Impartial advice for planning on individual applications for affordable housing content and s106 (s75 Scotland) contributions and for affordable housing and CIL planning policy testing. Expert witness at public enquiries and planning appeals.
Disposals and Development Advice	Including developer selection and development agreement negotiations, land assembly issues, apportionment of proceeds between development partners, overage, claw backs and compliance with s123 "best price" requirements.
Compulsory Purchase, Compensation and Regeneration	Regeneration initiatives and road schemes, from drafting of scheme to transfer of interests.
Environment and Heritage Conservation	Environmental and sustainability surveys, energy certificates and valuations for historic properties and heritage conservation.
Policy Development and Analysis	DVS holds an unrivalled database that links sales data with a wide range of property attributes and characteristics and can provide detailed market reports, monitoring and analysis to inform policy decisions and economic and social regeneration initiatives.
Building Surveying Services	Condition and structural surveys, planned building maintenance surveys, building pathology, defect diagnosis and remediation, insurance valuations, expert witness, clients agent and project management, party wall matters , dilapidations and lease advice.
Plant and Machinery Services	Plant and machinery asset and insurance valuations.

Clients include:

- over 300 Local Authorities
- Parish Councils
- Police, Fire & Rescue Authorities
- DCLG
- Welsh Government
- Scottish Executive

For more information contact Philip Percival
Telephone: 03000 504102
Email: philip.d.percival@voa.gsi.gov.uk
or visit our website: www.voa.gov.uk/dvs

Photography: Faye Norman

Valuation Office Agency

an overview of what evidence may be required in these circumstances. The guidance does not prescribe a methodology for viability assessment but reflects the differing approaches used in the property industry.
The following is a summary of this guidance, with comments on interpretation.

1. Viability Test

- Based on current day costs and sale values. This has implications for assessments originally agreed on an 'outturn' (or assumed growth) projection
- Demonstrates that the affordable housing obligation as currently agreed makes the scheme unviable
- A viable affordable housing provision should be proposed, which will deliver the maximum level, tenure and mix of affordable housing
- Timing and level of off-site affordable housing contributions may also be considered
- Based on evidence wherever possible using an open book review of the most recently agreed viability appraisal, where provided and agreed
- At appeal, if the developer is unwilling to proceed on an open book basis, general evidence of changes in costs and values since permission was granted can be submitted; however developers must consider whether this approach will provide sufficient evidence for the Planning Inspectorate to make a robust, impartial decision on viability.

2. Form of Viability Evidence

- In most cases, developers should not be required to provide completely new viability appraisals. The starting point for reassessing viability will be a review of the most recently agreed viability appraisal (if any), in whatever form it was carried out
- A revised appraisal should be prepared in the same form using a methodology as close as reasonably possible to that provided in relation to the application for planning permission, or (if relevant) the most recently agreed modification, whichever is later
- If there was no previously completed viability review appraisal, a full appraisal will need to be submitted. There is an obvious incentive for developers not to include appraisals in the original planning application because of this
- Any changes in the methodology should be explained and justified
- The revised appraisal should be based on current market conditions, and should assume the same planning policy and all other obligations as the permitted scheme
- The revised appraisal may consider changes in revenues and costs which are associated with the delivery of planning obligations, for example changes in housing grant availability for the site
- The revised appraisal should identify those relevant variables where there is new evidence and where this impacts on viability. It should be clear where evidence has been revisited for the revised appraisal and why.

Annex A of the Guidance provides a summary of relevant key variables. This is not intended to be an exhaustive list to be followed in all cases but will vary significantly between schemes and locations. The Annex therefore indicates key areas which may be relevant. It broadly follows the approach set out in the RICS GN 'Financial Viability in Planning', but also allows for the applicant's specific costs and circumstances to be taken into consideration, as well as a purchase price following grant of planning permission. It is unclear to what extent these should be preferred to market based inputs. Acceptance of the applicant's own costs and circumstances potentially allows for costs which are not market 'norms', and is contrary to recognised best practice.

3. Delivery

Revised affordable housing obligations, in line with current market conditions and based on the test of viability in this Guidance, should incentivise developers to start building. S106BC ensures that if an Inspector modifies an affordable housing obligation on appeal, that modification is valid for 3 years. If the development is not completed in that time, the original affordable housing obligation will apply to those parts of the scheme which have not been commenced. Developers are therefore incentivised to build out as much of their scheme as possible within 3 years. It will not be sufficient to commence one part of the development to secure the revised affordable housing obligation for the whole scheme. If developers are concerned about the viability of their scheme at the end of the 3 years, they can seek to modify the agreement again.

This 3 year period, and the need to secure as much development as possible in that period, should incentivise developers to build out. LPAs may wish to make similar time-limited modifications or conditions when considering an application under s106BA.

It should be noted that s106BA and 106BC prevent the outcome of the first application in relation to a planning obligation being more onerous for the applicant than the existing obligation. Care should be taken to ensure revised affordable housing requirements do not exceed the overall level of obligation required under the original agreement. Care must also be taken to ensure that any modified requirement meets the statutory and policy tests for planning obligations.

TO SUPPORT THE HIGH STREET, POLICY MUST STOP FOCUSSING ON IT

Paul Swinney

Paul gives a controversial view of why some high streets are failing, and offers some solutions. "The lack of recognition of the crucial role of city centre employment in the performance of the high street in the Portas and Grimsey Reviews is just the latest in a long history of policy confusion over town and city centres."

Paul is Senior Economist at the urban policy think tank Centre for Cities. He has a particular interest in research on the spatial development of city economies, private sector growth and enterprise. His current work focuses on the role that city centres play in the wider city economy, the evolution of out of town employment sites and what this means for future economic growth. p.swinney@centreforcities.org

Centre for Cities' Beyond the High Street report can be found at http://www.centreforcities.org/research/2013/09/10/beyond-the-high-street/

The future of the high street is an emotionally charged subject, which is likely to explain the continued debate within policy and within the media. But this debate is entirely misplaced. And to make things worse, the proposed solutions are likely to actually reinforce the decline of the high street in many places, rather than reversing it. In order to save high street retail, we need to stop paying so much attention to it.

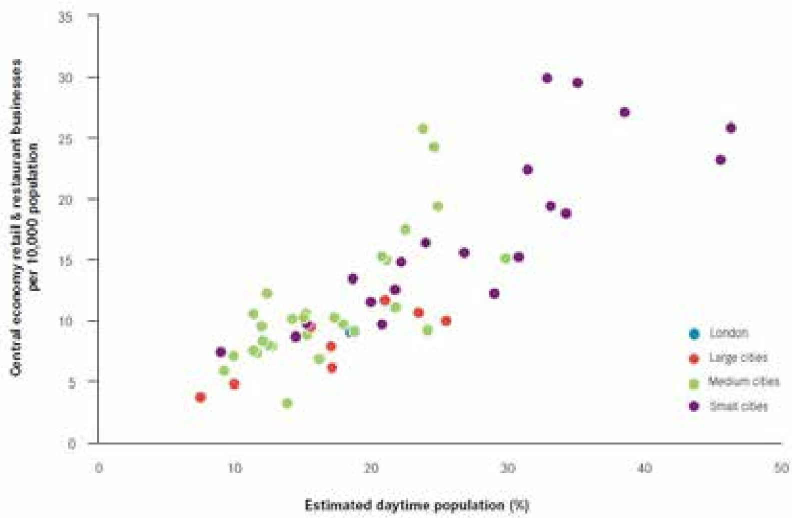
To see why, first we have to take a step back and understand where jobs have been created in cities.

In London and our largest cities their city centres are playing an ever increasing role in city-wide economic performance. Eight of the 10 largest cities have seen private sector jobs become more concentrated in their city centres; their city centres have been the engine rooms of their overall economies.

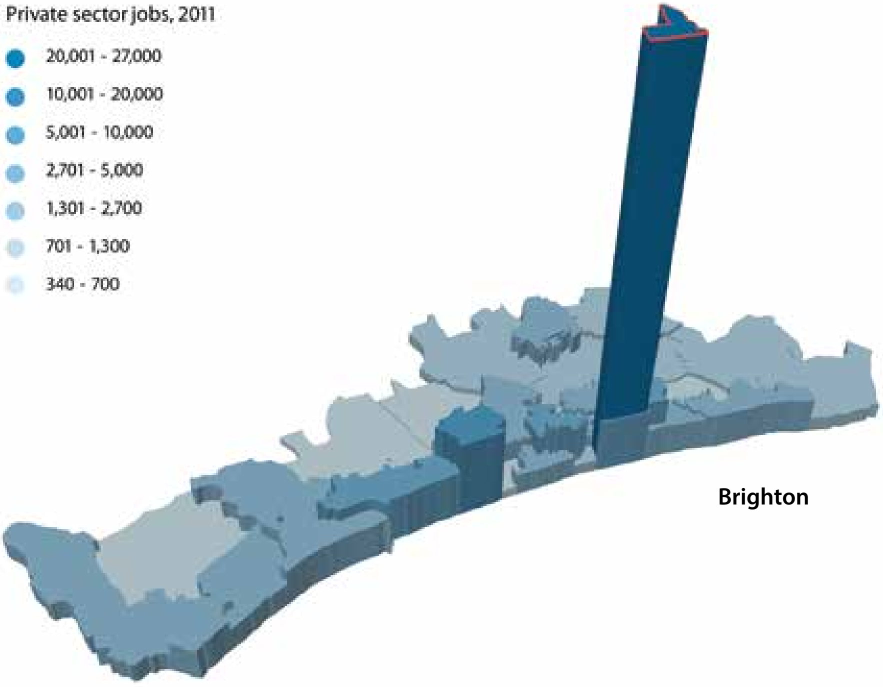
The opposite has been seen in many of our medium and small sized cities - their city centre economies have been playing a decreasing role. Job creation in their city centres has lagged well behind the performance of out of town sites, such as on business parks and in distribution warehouses. And in a number of cases, these cities - such as Preston and Sunderland - have been 'hollowing out', with their city centres seeing private sector job losses at a time when their economies overall have been creating many thousands of private sector jobs. Their city centres have gone into reverse.

What has this got to do with the high street? More jobs out of town means an increased proportion of people who physically cannot get to the high street between the hours of 9am and 5pm, 5 days a week. They can't shop there. They can't eat or drink there. And they can't partake in the 'community' activities that others have proposed to save or re-invent the high street. This reduces footfall, which shrinks the size

Figure 20: Daytime population and retail and restaurant businesses in central areas, 2011



Source: ONS 2013, Business Structure Database; ONS 2013, Census 2011 Note: Scottish cities are excluded for this table as census output area population data by economic activity has not yet been released.



of the market that high street retailers can sell to – the chart below shows that those city centres that have smaller daytime populations have fewer shops and restaurants.

The shifting geography of jobs in many places has made the high street an inconvenient place to shop for many people. But instead of recognising and addressing the cause of this, stones are thrown at the much more convenient out of town and internet shopping channels.

The high streets of Manchester and Leeds, on the other hand, remain very convenient for thousands of workers who commute to their city centres. Jobs in Leeds and Manchester pull in around 115,000 people every workday into each city centre. For these people the shops, bars and restaurants in the city centre are far more convenient than any out of town shopping park.

But here's the crux. Although it would be difficult to guess from the focus of policy and the numerous column inches around the subject, the declining fortunes of retail are actually a sideshow to the bigger issue that these patterns uncover. The shifting geography of jobs has much more concerning implications for future economic growth of many of our cities.

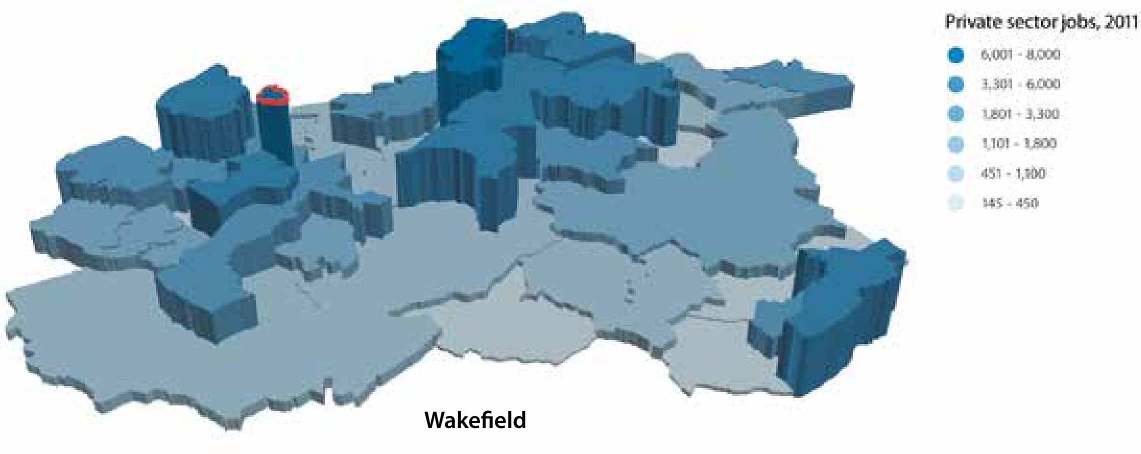
Technological advances such as email were supposed to be the death of distance. But in reality, for higher paying services businesses, such as IT professionals, lawyers and creatives, proximity to clients, competitors and collaborators is becoming increasingly important, not less. This is because city centres provide the 'watercooler moment' writ large. They allow people to come together and exchange information and ideas that make themselves and their businesses more successful. It is for this reason that there is such a clamour for space in central London - note the number of new skyscrapers being launched towards the heavens - despite the cost of office space. Being in central London makes their businesses more profitable than being on an office park on the edge of the M25.

Meanwhile, the majority of jobs growth seen on out of town employment sites tends to be in more routinised, low paying work. Call centres have more to gain from cheap office space than from sharing knowledge with other businesses, and so have less desire to pay a premium for a city centre location. The case studies contrast the fortunes of Brighton and Wakefield.

Brighton and Wakefield

In the 10 years before the current economic downturn Brighton and Wakefield both performed very strongly, creating many thousands of private sector jobs. But the nature of this growth looked very different within the 2 cities.

Firstly, the majority (64%) of Brighton's new jobs were created in its city centre. The opposite occurred in Wakefield – its city centre made no net contribution to



the thousands of private sector jobs its economy created.

Secondly, the size of the businesses creating the jobs were at polar opposites. Small and medium sized businesses more than accounted for all of the net increase in private sector jobs in Brighton, expanding by 123% of the overall growth of all businesses in the city. Conversely large businesses in the city underwent a contraction in the number of private sector jobs available. The opposite occurred in Wakefield – at 62%, large businesses made up the bulk of private sector job creation over the decade.

Thirdly, the industrial make-up of growth varied between the 2 cities. In Brighton the majority of private sector jobs growth was accounted for by the 'knowledge intensive business services' (KIBS) sector which tended to favour a city centre location. In Wakefield the transport, storage and communications sector was a large contributor to private sector job creation, which preferenced locations close to motorway junctions.

The maps show the distribution of jobs in the two cities in 2011. In Brighton private sector employment is strongly concentrated in the city centre. The opposite is the case in Wakefield, where its economy is much less centralised.

Globalisation and technological development suggests that the UK will continue to specialise in 'knowledge intensive' type activities such as finance and design, where the UK has a competitive advantage. And given that these industries are increasingly choosing to be based in city centres, the performance of our city centre economies is becoming increasingly important for the success of the UK economy as a whole.

The flip side of this is that the sustainability of future economic growth in cities that have relied on job creation in out of town locations is much less clear. Many of these jobs are likely to come under increasing pressure to being automated or to be moved offshore. And so if their city centres are unable to support job creation in higher paying jobs then their economies are likely to struggle.

The lack of recognition of the crucial role of city centre employment in the performance of the high street in the Portas and Grimsey Reviews is just the latest in a long history of policy confusion over town and city centres. And this confusion has inadvertently led to a direct contradiction in policy which has undermined, rather than supported the high street.

Policies to support the high street are well known. Town Centre First has for almost 20 years attempted to protect high street retailers, while latterly policies such as town teams and business rates relief for shopkeepers have been implemented in response to the outcry at the decline of many high streets.

But at the same time policies such as enterprise zones and the subsidisation of out of town business parks - a real favourite of the Regional Development Agencies - have hamstrung any attempts to support the high street as they have subsidised jobs to move out of city centres. This has reduced footfall, hurting the high street.

So what should government do about these trends? Firstly, it should drop its narrow focus on high street retail. Money for bunting and quibbles over parking charges are not only likely to have very little impact, they also divert attention away from the real issue. Free parking on Rochdale high street will make no difference to the person working in a cubicle 4 miles away.

Secondly, they should recognise the increasing importance of city centres in the national economy by making them a key priority in the National Infrastructure Plan. To make our struggling city centres an attractive place to do business they will need investment not only in the building of new office space but also the knocking down of obsolete office blocks, transport connections and digital infrastructure. Using the current underspend in infrastructure spending to create a city centre growth fund would address this.

Cities themselves also have many policy levers they can pull. Those with underperforming city centre economies should use tools such as Local Development Orders to ease planning restrictions to facilitate new development in their city centres, consolidate public sector functions into their city centres and encourage residential uses - another important driver of footfall - of vacant buildings. Meanwhile those with successful city centres should look to minimise the impact of rising office costs and congestion by permitting new office development and considering congestion charging.

If these interventions turn city centre economies around, they will increase footfall. This will create an opportunity to sell goods and services to people, an opportunity that retailers will no doubt exploit without the need for taxpayers' support.

OFFICE TO RESIDENTIAL CONVERSION – ONE YEAR ON

Dr Paul Greenhalgh MRICS, Kevin Muldoon-Smith and Professor Ernie Jowsey

Dr Paul Greenhalgh MRICS, Professor Ernie Jowsey and Kevin Muldoon-Smith, Department of Architecture and Built Environment, Northumbria University, Newcastle upon Tyne.

Paul is a Reader in Property Economics and founding member of the URBaNE research group at Northumbria University. He has published extensively in the field of urban land economics with a particular focus on evaluating the impact of property-led urban regeneration. He is a member of the RICS Planning and Development, Valuation and Commercial Property Professional Groups. He is also a member of the Regional Studies Association, Fellow of the Higher Education Academy, and ACES. paul.greenhalgh@northumbria.ac.uk

Kevin is a regeneration professional, having previously worked for a variety of public sector organisations, specialising in physical, economic and social regeneration. He has managed various commercial property portfolios. He is currently a Post Graduate Researcher at Northumbria University, recruited to investigate the incidence, impact and options available to address office vacancy in town and city centres in the UK. kevin.muldoon-smith@northumbria.ac.uk

The project is being overseen by Ernie Jowsey, Professor of Property Economics at Northumbria University and author of 'Real Estate Economics' (2011). ernie.jowsey@northumbria.ac.uk

The following article firstly offers a reflection on last year's planning rule changes regarding office to residential conversion; secondly it provides an update regarding the ACES endorsed research project: 'Investigating the Impact of Vacant Office Buildings on Town and City Centres in the UK.' [see 2013 Spring Terrier]. "if local authorities,…..and developers focused attention on buildings identified as 'acutely vacant', secondary office vacancy may be reduced by up to 40% in Leeds and potentially halved in Newcastle"

Acute office vacancy - problem or opportunity?

Reaction to recent office-to-residential change of use regulation in the UK has ranged from congratulation, to outrage, fear, pessimism and confusion, in both public and private sectors. In the 11 January 2014 edition of the Estates Gazette, Damian Wild illustrated the political success of temporally removing the need for planning permission for office to residential conversions, while at the same time indicating that the policy may already have outgrown its original intentions. More than 2,250 notifications for office to residential change of use have been submitted to councils in the first 6 months alone, significantly more than the government estimate of 140 applications a year.

How many of these applications will actually come to fruition? How much of a contribution will such conversions make to housing supply? What impact will such changes have on towns and cities in the UK? Crucially, it is unclear whether there is a correlation between those properties for which applications have been submitted for office to residential conversion, their relative degree of redundancy and

Resource	Description	Issues
DCLG 1998-2005 vacancy statistic	Local authority level estimation of vacancy utilising information collected for business rates purposes	Methodological estimations present inaccurate picture
Neighbourhood Statistics commercial and industrial floor space statistics 1998 – 2008	Summary statistics at Medium super output (MSOA), local authority district (LAD) and government office region (GOR) level. Specifically hereditament, sq m, £ per sq m and rateable value	Dated and cannot be compared to recent VOA data release due to incompatible methodology. Although similar to the DCLG statistic for the same period it is perhaps unique in providing data below the local authority level
DCLG Industrial and Commercial floor space statistics 1998 -2008	Summary statistics regarding hereditament, sq m, £ per sq m and rateable value	Dated and cannot be compared to recent VOA data release due to incompatible methodology
Valuation Office Agency Experimental Statistic 2000-2012	Provides local authority scale commercial property data, including hereditament, sq m, £ per sq m and rateable value	Methodologically incompatible with previous data releases
Valuation Office Summary Valuation	Contains similar information to the rating list but also includes floor space, number of floors and their usage. Not all properties have summary valuation. This information covers about 80% of the property on the rating list	Provides building attribute information but does not account for vacant accommodation. Vacancy has no influence on valuation
Valuation Office Rating List	Includes details of all non domestic properties (approx 1.8m entries), addresses, postcodes, descriptions, classification codes, rateable values	Provides building attribute information but does not account for vacant accommodation. Vacancy has no influence on valuation
National Land Use Data Base 2001-2009	Yearly information regarding previously developed land and premises. Last data published 2009	Premises based information is based on site rather than building attribute
National Non Domestic Rate Returns (NNDR)	Accurate record of vacant commercial properties within a locality collected for business rate purposes	Does not regard buildings, only hereditament. No regard to building attributes
Commercial Data Resources	Organisations such as Estates Gazette and Co-star Focus publicises vacant property according to their own market intelligence	Partial in scope but arguably the most current data resource

Table 1: Understanding vacancy

obsolescence, or suitability for adaptive re-use. In other words, the number of notifications isn't necessarily a sign of success, as it doesn't guarantee that the buildings are even vacant, let alone suitable for conversion. The result is an uncertain detente between regulation and re-development potential.

It is questionable whether anyone has a UK wide appreciation of:

- How much vacant office property exists
- Where it is located
- What types of office building are most likely to be vacant
- What types of office property have the greatest potential for adaptive re-use.

As such it is difficult to evidence the case for or the potential success of the policy change. Moreover there isn't any means of justifying the need for change of use or linking this with overall office supply within a specific locality, which presents challenges for those in charge of regulation to engage positively with a policy tool that, in the appropriate circumstances, could lead to more efficient allocation of property resources and land use allocation.

The scale of the problem

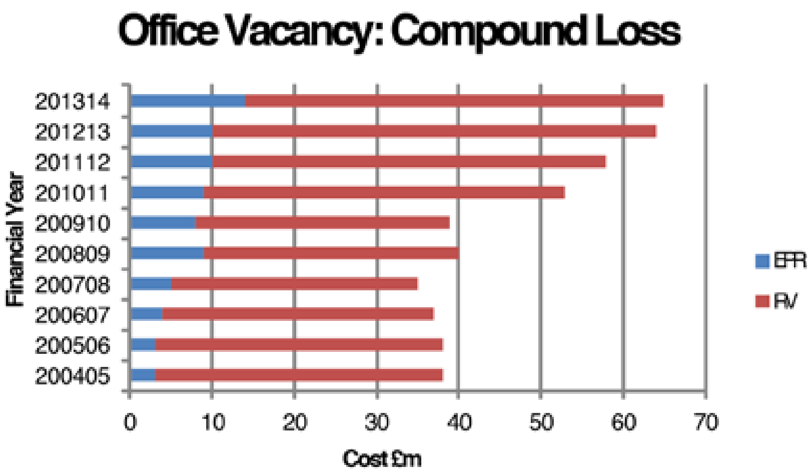
Traditionally it has been difficult to create a reliable evidence base that articulates office vacancy across the UK, or a model that indicates its typological characteristics. A data collection exercise conducted by the authors for case studies of Leeds and Newcastle has revealed that problems persist with access, conformity, comparability and transferability of office market data in part due to existing data sources having been created at different times for diverse purposes. The government based its own business case on statistics published in 2005, thus a policy decision has been made using nearly 10 year old data from before the recession. Data sources that have been used, during the last 20 years, to estimate commercial vacancy are listed in Table 1; many were created for other purposes or are no longer in use.

Adapting research in the previous decade (see Endnote 2) our study exploits National Non Domestic Rate returns and Valuation Office Summary Valuation data to create aggregated building profiles that describe the characteristics of office vacancy, in particular its nature, scale and geography.

Office vacancy in Leeds and Newcastle

Our initial case study findings offer some insight into office vacancy in Leeds and Newcastle and provide a potential means of linking recent regulatory change with those properties that most overhang office markets. Figure 1 depicts longitudinal analysis in Leeds for the last 10 years. It utilises a concept of 'compound loss', a composite indicator utilising rateable value as a measure of rental value and empty property rate costs

Figure 1: The cost of vacancy in Leeds



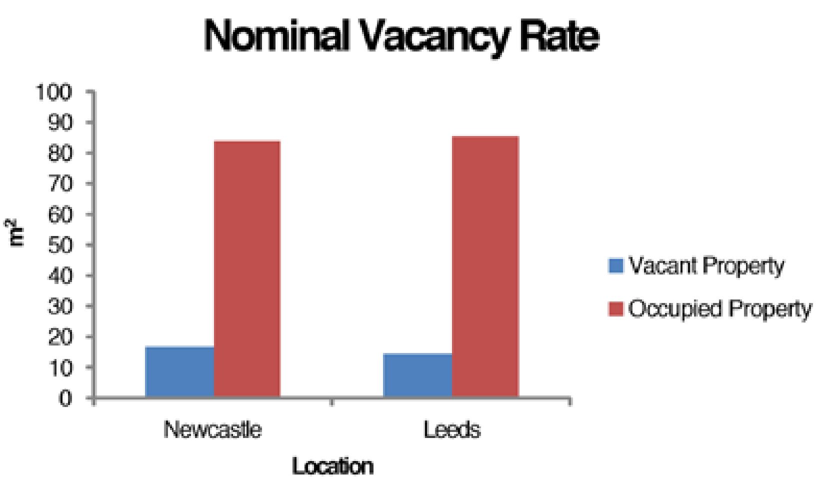
Note: EPR = Empty Property Rates; RV = Rateable Value

(a proxy measure of holding cost), as a representation of the financial impact of office vacancy in Leeds over the last decade. Compound loss has utility on several fronts: it can be used to represent the cost of vacancy over a variety of geographical scales; it can also be used to evaluate and stress-test investment portfolios and potential acquisitions; on an individual property basis, it can be used to justify redevelopment, finding common ground between book and residual values (discord between the 2 being a common obstacle in the redevelopment of vacant office accommodation).

In addition to entirely vacant properties, compound loss can be used to demonstrate viability or lack thereof in partially vacant properties, which is a matter of some concern. One of the early findings in the study is that many of the poorest performing properties are not entirely vacant, especially the biggest ones in central locations due, in part, to landlords offering advantageous lease terms to reduce their holding costs. In such situations, where buildings remain part of overall office stock but may still be considered to be obsolete, compound loss can evidence (non) viability on a cost/value basis rather than relying on levels of overall vacancy.

Compiled from more than 14,000 separate incidences of vacancy, Figure 1 confirms the continuity of vacancy over the last decade and its amplification since the recession. Empty property rates liability has increased almost threefold between 2007/8 to the present. Notably, rateable value didn't increase significantly until 2011/12, increasing by almost £18m in 2 years, demonstrating the immediate impact of revised empty property rate legislation in 2008, and the lagged impact of the recession upon rents. According to our analysis, compound loss has increased 64% between 2004/5 and 2013/14 (from £39m to £64m).

Figure 2: Nominal vacancy rate



Note: excludes modern office parks and tertiary property

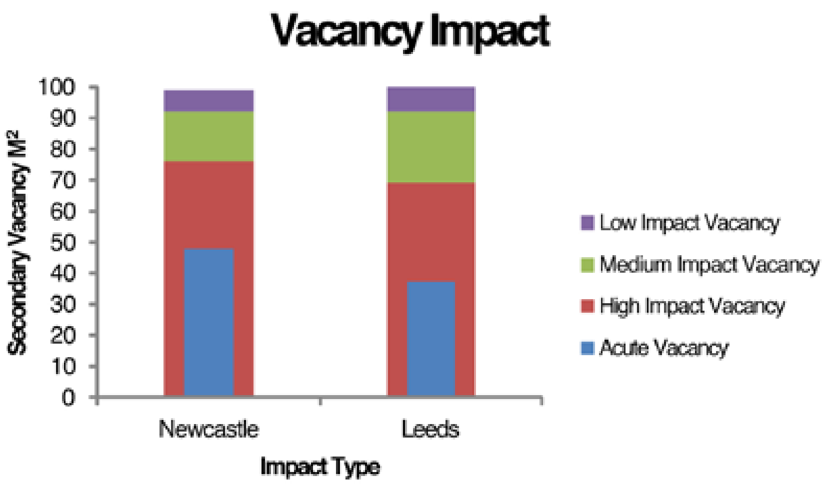
Figure 2 describes the nominal vacancy rate based on 449 vacant office properties in Leeds and 258 in Newcastle. In Leeds the vacancy rate for 2012/13 was 14%, in Newcastle it was 17%, which equates to 267,000 sq m of vacant office floor space in Leeds and 155,000 sq m in Newcastle, illustrating the magnitude of wasted space in both areas. Utilising rateable value as a proxy measure of rental value, the vacant space in Leeds and Newcastle represents £48m and £21m in lost revenue respectively.

Figure 3 represents secondary office market vacancy, segmenting vacant office properties into 'low', 'medium' and 'high' impact. Each figure is based on an equal number of properties. In both cities, high impact vacancy accounts for roughly 70% of all secondary office property vacancy, demonstrating that a minority of vacant buildings disproportionately impact the secondary office market.

Win-win situation

Within 'high impact' vacancy, a further subset of properties exists, that of 'acute vacancy', which because of their specific characteristic (see Endnote 3), overhang the secondary office market to the greatest degree. In Leeds and Newcastle, acute vacancy accounts for only 37 and 24 buildings respectively, but these buildings equate to approximately 40% and 50% of all vacant secondary office property in the 2 cities, corresponding to 78,529 sq m of floor space in Leeds and 60,922 sq m in Newcastle, the compound value of which, based on rateable values, is £12.6m in Leeds and £8.8m in Newcastle.

Figure 3: Vacancy impact



Note: Prime property removed from data set

Such buildings are typically located in city centres, constructed between 1960 and 1980 and suffer from obsolescence and redundancy to some degree. Relevant to the current permitted development rights debate regarding office to residential conversion, such buildings are also potentially the most viable in terms of adaptive re-use because of their inherent characteristics. Thus, if local authorities, public sector agencies, investors and developers focused attention on buildings identified as 'acutely vacant', secondary office vacancy may be reduced by up to 40% in Leeds and potentially halved in Newcastle.

While our case studies of Leeds and Newcastle offer findings that may be used to articulate and maximise the potential impact of the recent relaxation of office to residential change in use regulation, there are a number of critical questions that will influence the suitability and viability of specific buildings for adaptive re-use:

- Is there sufficient floor to ceiling height to allow mechanical and electrical service improvements? This is negated to some extent by wireless technologies
- What is the building's thermal efficiency? Buildings of this era typically have a large area of single glazing and inadequate curtain walling
- What is the building's energy performance? In 2018 it will be illegal to let a commercial building in the UK with an energy performance certificate (EPC) below grade E
- Does the building configuration and depth provide adequate natural light and opportunity for passive ventilation?
- Will the general access arrangements and lift system need to be remodelled?
- What is the environmental condition of the building with respect to asbestos and other contaminants?
- Are the building's fire safety arrangements supportive?
- What is the local planning authority's attitude toward re-use? 'Acute vacancy' generally resides in 'prime' areas. Will change of use or mixed-use be countenanced in such areas?
- Is there likely to be need for planning permission as a consequence of external alterations?
- Is there demonstrable demand for potential re-use?
- What evidence based resources and appraisal/solution models are available to assess technical feasibility and financial viability?

Our on-going research is seeking to investigate these and many other questions relating to the adaptive reuse of vacant office buildings in the UK.

Endnotes

1. Prime: generally the best specification, 'blue-chip' tenants and highest rents
   Secondary: usually older with dated specifications; often associated with various types of obsolescence and have difficulty maintaining existing and attracting new tenants
   Tertiary: not considered part of the 'real' office market; often in marginal location and typically exhibit functional, economic and physical obsolescence

2. DCLG (2006) Technical Report: Development of commercial and industrial property vacancy statistics; Katyoka, M. & Wyatt, P. (2008) An investigation of the nature of vacant commercial and industrial property. Planning Practice and Research, 23 (1). pp. 125-145; Myers, D. and Wyatt, P. (2004) Rethinking urban capacity: identifying and appraising vacant buildings, Building Research & Information, 32(4), 285-292

3. Characteristics: robust land value and expectant property value; good access to amenities and transport; generous car parking; sound overall building structure which supports adaptation and alterations to external cladding; generous overall size which supports critical mass; appropriate building depth allowing access to natural light; appropriate floor to ceiling height which allows retrofitted mechanical and electrical alterations; minimal structural obstruction which allows flexible space planning and sub division; consensus for change.

For further information please contact the authors: Department of Architecture and Built Environment, Northumbria University, Newcastle upon Tyne.

CPOs AND TOWN CENTRES – CLEAR AND PRESENT DANGER YET NOT BACK TO THE FUTURE!

Stan examines the Banbury CPO to highlight issues of proprietary rights, public interest, and the proper use of powers. This is an abridged version of Stan's article featured in IRRV Magazine "Valuer" December 2013.

Stan Edwards

Stan Edwards is a Director of Evocati Consultancy specialising in CPO process and is also visiting lecturer in retail planning and development at Cardiff University. He worked on town centre retail and project managing CPOs over 40 years in Cwmbran, Land Authority for Wales and the WDA. stan.edwards@evocati.co.uk

Our town centre high streets have been undergoing change from the historic core retail use for some time long before the recession. We have to be far more thoughtful as to how the state intervenes than the legacy of purely aspirational in-town retail developments.

Until planning policy comes face to face with the reality of empirical observations which demonstrate the dynamics of urban growth and the principles of urban economics, we will remain confronted with empty aspirational posturing against market forces. It is the market that operates to satisfy demand. Unfortunately planning policy's obsession with reversing extensive growth blinkers it from the negative impacts of attempting to force retail competition back into the centres against the market flow and empirical evidence. The issues now on the horizon stem from the necessity of restructuring and reconfiguring our town centres by consolidating a newer mix of use, seemingly vanguarded by housing.

The nature of growth, decay and a desired stability

Growth and decay are strange bedfellows in that they both require a movement away from a stable state. In urban change not everything changes at the same rate and elements have different levels of responsiveness, duration, impact, and reversibility. Some are very fast (goods transport and travel), some fast (workplace and housing occupancy) and some medium (employment, population). However, slower are workplaces and housing with the slowest of all being networks and land use. In terms of town centres we have a long haul. However, there will be those who remain a long time in the earlier stages of the town centre grieving process and here we will see some projects delivering 'creative' early attempts at 'growth' solutions.

Sustainable development

Sustainable development scarcely gets mentioned outside its NPPF silo (or PPW in Wales) but it is the very thinking behind the economic, social and environmental roles that should apply to the changes taking place in the centre of our towns, here defined as the prime shopping street/s of a town, comprising shops and commercial interests characterised by the traditional retail and other outlets expected to be found there.

Planning policy will find itself challenged in that in retail terms it is geared to ensure the vitality of the town centre. NPPF (part 2) focuses on town centres as the heart of the community and to pursue policies to support their viability and vitality. This may be found to be blatantly wrong as the policy makers eventually realise that their temporary fixes just do not work and in many cases just accelerate the decay. It is here that a focus on sustainable development (in its purist sense) forces the assessments and viability analyses into the realm of rightly considering social impact as well as the economic one.

Promotion of competition becomes a problem when government actively encourages new trades and multi-nationals back into centres, bringing them into conflict with traditional independent traders. Again highlighted further are the issues raised in the Bromley by Bow CPO relating to the lack of quality (in socio/economic terms) of the new retail jobs when considering trade diversion and job transfer. It is amazing that the NPPF one sentence answer at the end if the section on retail is for centres in decline a glib 'plan positively for their future to encourage economic activity'!

CPOs and funding

Immediately post war and into the 1970s, direct government funding led the way in town centre retail development, eventually giving way to private sector funding for development schemes in partnership with large stores and retail developers which lasted until the recession set in. There are 2 elements:

1. The recession heightened the transition of our town centre core retailing away from purely a shopping centre more towards the role of a composite town centre

2. Diminishing returns to in-town retail had set in and the convenience and accessibility factors were seen elsewhere: out-of-town.

Given that developers see little comfort in a town centre retail renaissance, it would seem that the direction for funding comes from the housing arena where there is a reserve of public cash. Politicians are always looking for quick fixes and 'early wins' but there is a great fear that there will be expedient infills accompanied by poorly assessed strategies leading to half-baked solutions. We can only hope that in England, Strategic Economic Plans (SEPs) are not just hastily assessed plans attempting to provide for growth wherein sits towns centres and that Local Economic Partnerships (LEPs) will deliver more than just a quick economic growth fix.

Compulsory Purchase – Wolves in town centres

It is nearly 4 years since the judgment in the Wolverhampton case (R on the application of Sainsbury's Supermarkets Ltd) (Appellant) v Wolverhampton City Council and another (Respondents) [2010] UKSC 20) was delivered. The judgment in the Supreme Court was highly useful in giving direction in terms of the specifics of the case related to connectivity between schemes, the direction of cross-funding, putting the emphasis on the land subject to the CPO and properly putting the well-being qualifiers to the Act in their true role. Not only did it do that, the judgment of Lord Collins did much more. In rehearsing the precedents relating to the taking of individuals' proprietary rights, it set the stage for a round of further CPOs where these principles had not yet been tested. In the coming pressures for a political fix, it will be all the more important to repeatedly revisit Circular 06/04 general CPO principles.

Compelling case in the public interest

Lord Collins quoted Lord Denning who said:

"I regard it as a principle of our constitutional law that no citizen is to be deprived of his land by any public authority against his will, unless it is expressly authorised by Parliament and the public interest decisively so demands …" (Prest v Secretary of State for Wales (1982) 81 LGR 193, 198).

Circular 06/04 (17, 18, 19) states that "a compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of …….. the European Convention on Human Rights. The confirming Minister has to be able to take a balanced view between the intentions of the acquiring authority and the concerns of those whose interest in land it is proposed to acquire compulsorily. The more comprehensive the justification which the acquiring authority can present, the stronger its case is likely to be. Each case has to be considered on its own merits and the advice in this Circular 06/04 is not intended to imply that the confirming Minister will require any particular degree of justification for any specific order …………"

Also, "if an acquiring authority does not have a clear idea of how it intends to use the land which it is proposing to acquire, and cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable time-scale, it will be difficult to show conclusively that the compulsory acquisition of the land included in the order is justified in the public interest, at any rate at the time of its making. Parliament has always taken the view that land should only be taken compulsorily where there is clear evidence that the public benefit will outweigh the private loss."

This is pretty clear that the confirming Minister needs a significant amount of information and argument to consider the case.

My major gripe with retail led CPOs of the past was the lack of assessment particularly in respect of the demonstration as to what constituted the public interest, let alone it being compelling. The production of what appeared as cloned evidence based on fulfilling planning need number crunching and demonstrating the sequential test brought national retail into town centres with scant attention to the impact on the stable core trades.

Eventually will come the recognition that in the public interest it may not be possible to attract significant retail back into the centres of settlements. Also, replacement with other uses may not provide satisfactory outcomes in respect of the way that town centre trader survival rates would be maintained over a protracted period of transition through change and the natural processes of succession. It is here that government intervention is required to attempt to assess the urban dynamics taking place.

Whereas in the past we had highly 'creative' retail led schemes in town centres the limited assessments on which these were based have become exposed, particularly in respect of the blasé consideration of collateral damage to existing occupiers who remained. Schemes of the future are going to require a greater degree of candour as to what is to be attempted and the desired outcomes. The assessments go beyond retail and to socio-economic structural changes that are likely to occur.

If town centre CPOs are no longer retail led then there has to be a greater justification from better assessed plans. Even in the past the glib practically 'one liner' statement in the Statement of Reasons that 'there is a compelling case in the public interest' and then just a listing the uses and floorspace of the new development is not acceptable. There has to be demonstrated greater evidence of transparent assessment and public engagement in respect of what is being attempted at the settlement core.

We have to make assumptions flying in the face of planning policy, that:

1. Major retail will not return in form or quantity

2. The dynamics of a settlement to be properly assessed without any evidence of imperious immediacy of interest that would produce unintended consequences

3. A plan to reconfigure and deliver

4. Use the concept of Business Improvement Districts to reinforce core retained businesses

5. Assume that housing fills in the major gaps, provided that housing need can be demonstrated.

CPO power

As to which CPO power to use, for example, for a housing CPO in a town centre:

1. The Town & Country Planning Act 1990 (as amended) and perhaps in some particular circumstance

2. The Housing Act 1985.

The wider general power of the T&CPA is the obvious choice for a housing led mixed use CPO.

<u>Town & Country Planning Act 1990 (as amended)</u>

Under this Act the local authority is empowered "to acquire compulsorily any land in its area if it thinks that the acquisition will facilitate the carrying out of development or improvement on or in relation to the land ". The only limitation to the use of s226 (1)(a) of the Act is s226 (1A) which states that a local authority must not exercise the power under s226 (1)(a) unless they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the promotion or improvement of the economic/social/environmental (ESE) wellbeing of their area.

<u>Housing Act 1985</u>

S17. Acquisition of land for housing purposes states:

(1)A local housing authority may for the purposes of this Part—

(a) acquire land as a site for the erection of houses

(b) acquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings

(c) acquire land proposed to be used for any purpose authorised by s11, 12 and 15(1) (facilities provided in connection with housing accommodation).

S12 of the Housing Act 1985 defines s17 (1)(c):

Provision of shops, recreation grounds, etc.

(1) A local housing authority may, with the consent of the Secretary of State, provide and maintain in connection with housing accommodation provided by them under this Part—

(a) buildings adapted for use as shops

(b) recreation grounds, and ………..

The background to the Housing Act 1985 is that it is a consolidating Act that brought together provisions for housing development and that, whereas it is for housing and nothing else, it does allow for facilities in connection with housing accommodation. I have focused on the one in s12 (1)(a) which relates to buildings adapted as shops. The reason for its inclusion relates to housing schemes where there were no shops in the immediate vicinity, that buildings could be acquired to be adapted as shops. Obviously in any case a justification for this would have to be proved. This did not mean that the Housing Act 1985 could be extended beyond its powers to deliver a housing led mixed use development scheme.

Circular 06/04 says:

- There are a large number of such enabling powers, each of which specifies the purposes for which land can be acquired under that particular legislation and the types of acquiring authority by which it can be exercised

- The purpose for which an authority seeks to acquire land will determine the statutory power under which compulsory purchase is sought; ……..will influence the factors which the confirming Minister will want to take into account in determining confirmation

- Authorities should look to use the most specific power available for the purpose in mind, and only use a general power where unavoidable.

So if the purpose is housing and only housing and facilities connected with housing then the most specific power is the Housing Act 1985. If however the stated purposes in the authorising resolution as rehearsed in the Statement of Reasons goes beyond those powers then the general power of the T&CPA is the obvious choice.

Circular Appendices

In Circular 06/04 the guidance for the T&CPA is found in Appendix A. The guidance for Orders made under housing powers is found in Appendix E. Appendix E states that the acquiring authority should include in its statement of reasons (see Appendix R) for making the order, information regarding needs for the provision of further housing accommodation in its area. Where an authority has a choice between the use of housing or T&CPA powers (referred to in Appendix A) the Secretary of State will not refuse to confirm a compulsory purchase order solely on the grounds that it could have been made under another power. Where land is being assembled under planning powers for housing development, the Secretary of State will have regard to the policies set out in Appendix E.

So, as guidance, it is saying that a housing regeneration CPO, although being made under the T&CPA, it will still have to provide the housing needs and other requirements of Appendix E. Note, it says nothing about being able to use the Housing Act for mixed use CPOs. We have to go back to the Wolves case here to recall Lord Collins judgment:

"The courts have been astute to impose a strict construction on statutes expropriating private property, and to ensure that rights of compulsory acquisition granted for a specified purpose may not be used for a different or collateral purpose:"

And on modification of Orders, Circular 06/04 (51) states the confirming Minister may confirm an order with or without modifications, (but see paragraph 31 (06/04) about the limitations imposed by s14 of the 1981 Act). There is, however, no scope for the confirming Minister to add to, or substitute, the statutory purpose(s) for which it was made (Procter & Gamble Ltd v Secretary of State for the Environment (1991) EGCS 123).

Banbury

The Banbury Inquiry is now over but based on the information above it is worth tracking to see whether, as an end of term test, the CPO should be allowed.

Cherwell District Council promoted a CPO in the centre of Banbury close to the major shopping centre and abutting and in close proximity to a shopping frontage which included a charity shop adjoining the CPO plots. The CPO comprised a number of parcels in one ownership, the main one being Crown House, a vacant and derelict building at the rear of the main street empty for years, attracting vandals. The Council wanted to acquire Crown House for redevelopment for affordable housing. The scheme included the acquisition of part of a Tudor style block (18 Bridge Street). I shall not go into the justification or the arguments; only the use of the Housing Act 1985 power.

Summarised, Cherwell's purposes in The Cherwell District Council (The Crown House Site, Banbury) CPO 2013, The Housing Act 1985 and the Acquisition of Land Act 1981 were to purchase compulsorily, for the purposes of regeneration and housing.

Cherwell repeatedly states its housing led mixed use purpose notwithstanding the Housing Act power being used. Circular 06/04 (50) Legal difficulties says that " whilst only the Courts can rule on the validity of a compulsory purchase order, the confirming Minister would not think it right to confirm an order if it appeared to be invalid, even if there had been no objections to it."

CPOs in town centres?

It would seem that as far as the CPO powers are concerned if CPOs are carefully scrutinised and the rules followed, that is not the problem. Lord Collins quoting Watkins LJ confirms:

"The taking of a person's land against his will is a serious invasion of his proprietary rights. The use of statutory authority for the destruction of those rights requires to be most carefully scrutinised. The courts must be vigilant to see to it that that authority is not abused. It must not be used unless it is clear that the Secretary of State has allowed those rights to be violated by a decision based upon the right legal principles, adequate evidence and proper consideration of the factor which sways his mind into confirmation of the order sought."

Many affected by schemes in town centres where CPO powers are used will be more awake to their rights than say 10 years ago. I say this not be negative as to the use of CPO powers but as a challenge not to promote any politically motivated, poorly assessed, expedient schemes that are worryingly on the horizon.

Crown House, Banbury

Part of 18 Bridge Street Banbury

Charity shop adjoining CPO land , Banbury

RICS VIABILITY IN PLANNING AND DEVELOPMENT CONFERENCE

1 day National Conference, London, 03 June 2014

In research with over 1,800 RICS members working in the sector, the planning and development process was described as still falling short of requirements to respond to the general uplift in development activity. Although considerable reform has taken place, there is a fear that new planning regimes combined with a lack of resources will not enable delivery at the pace or scale envisaged.

This conference focusses on what practitioners can do to make the existing system work better for clients. After such an extended period with low levels of housing development and with no further reforms planned by government, it is essential that practitioners in the sector make the existing system work in the most effective way possible. Find at this conference workable solutions from leading experts and decision makers as they share their successes.

Location

Radisson Blu, 9-14 Bloomsbury Street, London, WC1B 3QD.

Join leading speakers and senior, decision making delegates at this important conference to debate, discuss and find solutions to a qualitative and practical way forward.

Highlights

- Keynote speakers will share their experiences, views and ways forward in the key problems hindering growth in this sector including efficiency, CIL, the sustainability agenda and stakeholder engagement
- At a time of critical need, debate your ideas and gain feedback around how to deliver housing units, upgrade projects and new development with ensured viability and ease through the process
- The issues around investment, community consultation, place making, s106, NPPF, planning process, the role of local councils, environment issues and more will be discussed. Including a debate on how the assessment of viability can be instilled into the system to achieve the right outcomes
- Q&A and panel sessions with our expert speakers; a chance to ask any need-to-know questions to the panel and to highlight challenges you face in your role.

Speakers include

Paul Collins, Academic Team Leader, Nottingham Trent University & Chair, RICS Planning and Development Professional Group Board

Alisdair Chant, Managing Director, Berkeley Partnership Homes

Robert Fourt, Partner, Planning and Development, Gerald Eve & RICS Planning and Development Professional Group Board

Mark Gough, Head, Sustainability, the Crown Estate

James Brierley, Director, Planning and Development, Lambert Smith Hampton

Price: £300+VAT

We can offer ACES Members the RICS Members discount rate, which is £250. This will include the Early Bird discount of £195 until 1 May.

Visit rics.org/plandev to book your place today.

"The council's review process has been successful as all the necessary factors for success were in place. Leadership and support from senior members of the council, a clear and understandable objective communicated to both the public and council employees and constant monitoring and review."

EFFECTIVE ASSET MANAGEMENT

Miles Hooton

Miles began his career in private practice with Savills and worked for 10 years at Hillier Parker (now part of CBRE).In 1990 he became Borough Valuer and Estate Surveyor at Haringey Council, moving to Westminster City Council as Head of Property in 2002. He joined Hammersmith and Fulham in 2009 as Head of Asset Strategy and Portfolio Management after a couple of years as Head of Property with the disability Charity, Scope.

Effective asset management is a high priority at Hammersmith & Fulham Council. This was recently demonstrated in an article in the November/December 2013 RICS Property Journal entitled 'Streamline and Save' in which the council leader Cllr Nicholas Botterill explained how the council had reaped the benefits of rationalising its property assets. Also in January 2011 Cllr Michael Adams wrote an article for the Municipal Journal entitled 'Taking a look at our best assets', about the importance of good asset management.

We all know that to have the backing and leadership from senior councillors and officers makes our job, as property managers, a great deal easier and more rewarding. When I joined Hammersmith & Fulham in March 2009 I was asked to propose a method of reviewing all non-housing properties owned and/or occupied by the council.

I had recently attended an ACES Conference and was able to use the information gleaned to set out a simple rating/classification for each property. These were as follows:

A - Core property, which is definitely required by a business unit for delivery of services

B - Properties where alternative options for the future are being, or could be, considered

C - Properties already agreed for disposal

D - Properties which are not part of that business unit operation and should be with another service or managed corporately.

The process was agreed and endorsed by the leader and deputy leader of the council with a strict timetable for each department to report back to them and for a challenge session for each department – beginning with children's services.

My team produced a list of all properties from the council's data base and over a period of a few months we worked steadily through the list. Our report to the leader's challenge was made as clear as possible with a simple schedule covering: address of property, a colour photograph (very helpful for members who may not know all the council's properties), current status of the property and suggested strategy, existing use value, value uplift potential, restrictive covenants, planning restrictions and possible open market value. Each property was coloured:

Red: for no action

Amber: get ready for sale

Green: ready for sale process.

One of the council's major objectives has been to reduce debt which stood at £169m in 2006 by selling under-utilised assets. By 2012 this had been reduced to below £100m, saving £5 m a year in debt repayments. We currently have a debt of under £80m.

Once the children's services challenge had been undertaken, the same format for reporting was rolled out to all departments. After all the challenge sessions had been completed, regular meetings with the leader and deputy leader were set up to report on progress and help resolve potential problems.

The council's disposal programme achieved receipts of £15.25m in 2009/10, £27m in 2010/11, £45m in 2011/12, and £65m in 2012/13, with a similar target in 2013/14.

A second review of the council's properties using the same method was undertaken in December 2012/January 2013 and a third review is currently taking place.

The council's review process has been successful as all the necessary factors for success were in place. First, leadership

Stevenage Road Day Centre - Sold subject to planning

Fulham Town Hall -contracts exchanged for a sale subject to planning

and support from senior members of the council, a clear and understandable objective communicated to both the public and council employees and constant monitoring and review. The council has also increased the number of surveyors working in my team which is the reverse of what has happened elsewhere.

The setting up by the council of the corporate asset delivery team has been beneficial, consisting of officers from each department with a responsibility for property matters in their department and others who oversee property management issues in the council. Regular meetings between planning and property colleagues to discuss planning issues relating to any of the properties being considered for disposal has also been helpful.

Smart working in our office accommodation has enabled the council to reduce the number of office buildings it occupies from 32 in 2006 to 12 today with a 40% reduction in office space now used. The council is working to a ratio of 7 desks to 10 full time staff. We expect to have a core of 8 office buildings by 2014/15.

As a further indication of how important the council views property, cabinet has recently approved the council's Property Asset Management Plan 2013/16. This strategy acknowledges the progress made to date but sets out further action required over this period.

With the advent of Tri-Borough working (with the neighbouring boroughs of the Royal Borough of Kensington and Chelsea and Westminster City Council) a number of services such as children's services, adult care services, libraries services and part of finance and corporate services are now managed as one across all 3 boroughs. There are also Bi-Borough arrangements for transport and technical services and for environment leisure and services. This is having a major impact on the way we use our property as Tri-Borough Services consider where to be located. This has led to the sharing of office accommodation across the 3 boroughs and consideration of the possibility of sharing other types of property such as depots. [Ed -. See Alan Wharton's article in 2013 Spring Terrier on school place planning and Tri-Borough partnership].

Tri-Borough working has already resulted in the 3 boroughs awarding a contract for Tri-Borough total facilities management to Amey. The client side for this contract is being hosted by the Royal Borough of Kensington and Chelsea. Another area which is currently about to be adopted by all 3 boroughs is the use of the same property management system (Technology Forge). This was regarded as a very important step in Tri-Borough asset management.

Hammersmith & Fulham Council has also recently carried out a tendering exercise to put in place a framework agreement for the provision of professional property services. The framework is split into 8 lots covering areas of work such as property management, asset valuations, disposals, rating, and sale by auction. This framework can be used across all Tri-Boroughs as well as Ealing and Hounslow.

The councils have also set up a Tri-Borough asset management and property board which meets on a regular basis and is working on the development of a Tri- Borough property strategy.

The council also has an ambitious regeneration programme which is another key priority of the council. This will be partly facilitated by using council owned property and we will consider using our property related powers as appropriate. The main regeneration areas are at Earls Court, West Kensington, the White City Opportunity Area, Old Oak Common, Shepherds Bush Market, and South Fulham Riverside. The council, with its developer partners Helical Bar and Grainger Plc, has recently been granted consent for a new council office building next to the listed Hammersmith Town Hall, a new cinema, a public square, and residential accommodation which will help to improve the immediate area around the town hall.

In conclusion, asset management is most effective when led and backed by people at the top of that organisation. Clear strategies and procedures must be communicated to all concerned and should be regularly monitored and reviewed.

COLLABORATION

Neil Webster

Neil established Cyclo Consulting in 2008 after a career in real estate change spanning client side and advisor, public and private sectors, UK and Europe. He is passionate about getting value for money from the public estate having delivered projects in health, local government and policing. Recent projects include herding 14 public bodies towards a more effective combined estate. cycloconsulting@gmail.com

Collaboration is a word used rather liberally but what does it mean to us and where are the best practice examples? Neil identifies major players and considers some of the key issues.

The dictionary definition of collaboration is "the action of working with someone to produce something" which keeps it quite broad. So let's start off with a consideration of the forms of collaboration in relation to property.

There are probably 2 dimensions to the collaboration:

1. Who is doing it? and

2. How are they doing it?

The 'who' could be bi-lateral e.g. a county and a district authority or multi-lateral e.g. a county and several district authorities. It could go beyond just local authorities and there are some good cases of projects involving the police, NHS and/or central government. A good example of the former is our own Editor's Public Service Village involving Suffolk County and St Edmundsbury which shows that such collaboration is not a new thing as this was an IDEA case study back in 2007!

Examples of the multi-lateral arrangements also include the various Capital and Asset Pathfinder Waves (CAP) and the current One Public Estate programme (OPE).

The table lists the local authorities involved but in most case there has been participation from emergency services, NHS bodies, education establishments and now with the OPE programme the Government Property Unit/Cabinet Office. Hampshire has a good way of illustrating who is doing it and what they are doing. (see overleaf)

Area Based Partners are the local authorities and the Pan-Area Partners are those who operate over a wider area than just Hampshire. Projects are plotted in the honeycomb to show who is involved in the individual project.

The CAP and OPE programmes have been focussed on collaboration of asset sharing and reduction as well as property vehicles to achieve the objectives. However, it is possible that such collaboration has led to partnering in other areas. The West London Alliance's programme involves Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow and Hounslow. It is rationalising built assets to provide revenue savings as well as establishing a property board to manage sharing buildings and co-ordinate the procurement of facilities management services across the councils.

Other examples of going beyond simple asset sharing includes the West Midlands Property Alliance. This came out of the Way Forward report back in 2009 and set out the intention for collaboration in relation to:

- data management
- standardised tools and jointly develop good practice

Programme	Participants
CAP Wave 1	Cambridgeshire, Hampshire, Solihull, Swindon, Worcestershire, Wigan, Hackney, Durham, Hull, Leeds, Leicester/Leicestershire
CAP Wave 2	Bournemouth, Derby, Devon, East Sussex, Islington, Kent, Newcastle upon Tyne, Northumberland, Sheffield, Shropshire, Somerset, Surrey, Warwickshire, West Sussex and Wiltshire
CAP Wave 3	London Borough of Barking and Dagenham, Eastbourne, Knowsley, Plymouth, Stoke-on-Trent, Swindon and the West London Alliance. Milton Keynes, Somerset and Surrey Heath also participated
One Public Estate	Bristol, Chester and Cheshire West, Essex, Hampshire, Hull, Leeds, Nottingham, Portsmouth, Sheffield, Surrey, Warrington and Worcestershire.

- sharing facilities
- sharing functions and
- collaborative procurement.

To March 2013 the programme generated between £30-40m worth of revenue savings from property asset management and realised in excess of £70m capital receipts.

Another example is East 17 involving the Essex public sector agencies working collaboratively on their estate management initiatives. The need for partners to share their basic property asset information was identified as a key element. The partners designed a low cost, cloud based mapping solution - the Essex Property Asset Map (EPAM). All partners can view each other's information together with basic attributes such as the use of the asset and its tenure type. This therefore goes some way towards the government's transparency agenda. Thirteen local authorities, Essex Police and Essex Fire & Rescue have committed to support the work and provide data. As Essex is now one of the OPE projects, the NHS and civil estate are participating in the initiative.

Cambridgeshire County Council's Making Assets Count for Cambridge (MACC) is an ACES award winner so perhaps I don't need to say any more. A more detailed synopsis is in the Glasgow 13 edition of Asset http://www.aces.org.uk/publications/ASSET-13-09-13-AllGlasgowPapers.pdf

Nottingham City Council is another participant in the current OPE programme and the sharing and centralising of data has been a key driver for changes. In a similar vein to Cambridgeshire, its principal partners are NHS, police, fire, county council, GPU, DWP and Job Centre Plus. Initial projects are quite complex, involve multiple partners and are focused on co-location and facilitating redevelopment.

In Cardiff, the City Council is leading on a major property collaboration initiative involving 9 other public and voluntary sector organisations who, between them, own or have interests in about £3bn of property. The Cardiff Assets Group, which operates under the auspices of the Local Strategic Partnership Board, commissioned a national firm of property consultants to map out the public estate and to identify potential opportunities for co-location and joint land assembly for development and disposal.
This identified the potential for the realisation of circa £7m p.a. revenue savings and up to £170m of capital receipts over a 10 year period.

Collaboration it is one of the themes of the RICS CPD series which is taking place across the country between April and June this year. It is supported by ACES, has ACES members as speakers: http://www.rics.org/uk/training-events/conferences-seminars/cpd-series-events/public-sector-property-asset-management/london/.

So what are the key issues arising, both positive and negative?

- Whether the projects are part of a centrally funded programme or simply a local initiative, few would be successful if they didn't have the "coalition of the willing". The more mature ones have coalesced naturally rather than been "forced" to work together
- The changes in the NHS including the demise of the PCTs has been a destabilising issue. It is not clear what can be implemented locally by whom amongst CCGs, NHS England and NHS Property Services. As the latter is now established more like a property company, it will be interesting to see what develops
- There are varying governance structures and decision making timescales. At a level local authorities have elected members and a combination of officer and member decision making processes but local NHS entities and GPU don't. However this shouldn't be a deal breaker
- Some programmes have suffered as resources have had to be spread more thinly, so well worked plans don't have the appropriate resources to drive them through
- The articulation of services' business need is difficult in just one organisation. This is compounded in a multi-agency environment. Some authorities have cracked it and produced some co-located and integrated services. There are many more in the pipeline but it does require leadership, energy, a "can do" culture and an occasional not taking no for an answer!
- The IT problem. "Our IT systems don't talk" used to be a justifiable excuse but less so now. There are examples across the country e.g. local government and health, where the majority of tasks can be completed through one network or system.

So it seems that collaboration is still a work in progress, however, there are many more examples now than there were say 5 years ago. Perhaps local authorities need to better showcase and share their best practice across the country? [Ed – something ACES President, Andrew Wild, is encouraging].

THE ROLE OF PROPERTY IN ENTREPRENEURIAL COUNCILS

Derek Rowell

Derek provides a useful summary of innovative examples of the ways property can encourage an entrepreneurial mindset across councils.

After 25 years in local government Derek established Lionroar Consultancy 5 years ago providing transformational advice to a range of councils. He is a Past President of ACES and a former member of the RICS Commercial Property Panel. Derek also served as coordinator of the DCLG Working Party for 7 years where he championed the introduction of asset management in local government and the need for powers to enter into joint ventures. derrwll@aol.com

As councils across the country face up to the difficulties of the austerity programme, an emerging response, supported by the Local Government Association, is the development of Entrepreneurial Councils. This article explores what this entails and the role that property is playing to make it a success.

For the foreseeable future it is likely that there will be no real increases in central government funding and council tax and this will impact on the ability of local authorities to deliver services. As the demands on public services increase in a global competitive economy and an aging population with increasing health and care needs, government funding for local government will reduce further. As leaders of place, councils still have the responsibility to secure what is best for their communities and this will require them to be less dependent on grants and more commercially aware about how this can be done.

As a result of this austerity climate the public sector needs to operate in an environment that demands and rewards innovation and creativity. The government has recognised this and has removed the historical barriers to trade by introducing new powers of general competence. Many councils are now setting out on what can only be described as an entrepreneurial journey and there is a strong focus on commercialisation. This is particularly relevant where councils are seeking to achieve economic growth and they need to embrace the principles of property development to achieve success.

So with stalled development pipelines and a lack of funding for infrastructure how are councils taking the lead and making a difference? With access to reserves and lower borrowing rates, some councils are now seeking to become property investors in schemes that address the problems in their area. This ranges from developing town centres and housing to investing in infrastructure that supports development and drives the economy, delivering business rate uplift and higher levels of council tax. The use of Tax Incremental Finance (TIF), loans, and possibly Real Estate Investment Trusts (REITs) add to the tools of Local Asset Backed Vehicles (LABV) and Joint Ventures that have been the vogue in recent years.

As far as TIF is concerned, the greatest success has been in Enterprise Zones (EZ) where any business rate uplift in the zone can be captured by its sponsor for a period of 25 years. As a result, collection authorities are well placed to manage the repayment of borrowing to pay for infrastructure vital to development, but which would make schemes unviable if it was borne directly by the developer. Similar powers are available to other local authorities following the reform of business rate retention. However the period of benefit is potentially limited to a 10 year cycle which makes it less of a reliable source of repayment in long term investments.

Examples

A successful example of its use is in Northampton EZ where business rate uplift is being used to repay the contribution the county council will make to the construction of a new station. This local contribution secured £15m investment from national agencies and by rebuilding a much-improved station and car parking, provides room for the large-scale redevelopment of released operational land for high quality offices. To build confidence in the ability to repay the large sums for this project and replacement Growing Places Funding from South East Midlands LEP for other projects, a financial model has been prepared which predicts and monitors the delivery of business rate uplift.

Sheffield City Council has taken a similar approach involving its own land and the use of TIF following the announcement of plans to form an investment fund to unlock development in the city centre. The Sheffield Investment Fund will be wholly owned by the council, which will inject both land holdings and receipts from its TIF arrangements. The fund, due to be officially launched in in the summer of 2014, will be managed by CBRE Capital Advisors, which will develop an investment and stewardship model for the city.

A pro-active entrepreneurial approach has also been adopted by Eastleigh Borough Council, which has invested over £100m in property acquisitions over the past 5 years. The council now has an impressive portfolio of assets that produces a net income of £2m, which plays a key part in helping to keep council tax down and protect frontline services. More recently, the council has purchased the home of Hampshire Cricket Club, The Ageas Bowl, together with a golf course and a Hilton hotel currently under construction. This investment of nearly £40m will return an annual net income of £2m and secure business opportunities that will create 500 local jobs.

In the field of housing, Broxbourne Borough Council has unveiled plans to create a new arms-length company to develop housing for market rent in order to provide a new income stream. The company will be known as Badger BC Investments and the council will lend it £5m from its capital budget over 4 years to acquire land to build new homes, charging 5% interest on the loan. The council's motivation for the loan is the higher rate of return than it can achieve on other investments, while also providing much needed rental property for key workers such as teachers. The first phase in 2014/15 will see an allocation of £2m to produce 14 homes within 18 months, with a return of £100,000. The scheme will be expanded to either build new homes or purchase existing properties for market rent.

A more strategic approach is being taken in South Oxfordshire District Council which is lending £15m over 20 years to Soha Housing Ltd. The rate of lending needed to be at a level to meet the council's treasury management policies, while making it more attractive than alternative lending that the association could secure through commercial banks. A key part of the negotiation from the council's perspective was ensuring firstly that the loan would go towards social housing and at least three quarters of the developments would be built in its administrative boundaries. Security for the loan was provided over existing properties in case there is any unlikely default on the loan. This approach required each party to compromise on their usual terms to achieve the positive outcome of investment in affordable housing, which is an important local priority.

A UK first is being progressed by Peterborough City Council which has agreed the details of a new funding vehicles aimed at raising £130m of investment for regeneration projects, initially on development sites it owns. The plans envisage a 50:50 joint venture that would work up and gain planning permission for schemes, before transferring them to an investment fund in return for the market value and a share of future profits. A sum of £6m will be established, funded equally by each party to the JV to provide working capital to cover the cost of developing the schemes up to the point of investment by the fund into a special purpose vehicle it will create. The SPV will then refund the costs from the initial investment fund and will attract UK and overseas investors. The council preferred this approach as traditional PWLB finance would incur substantial interest charges on the loan in the initial period during which it would receive no income or receipts while the schemes were being developed. It also preferred this approach to a LABV as it wanted to influence development beyond its own land holdings.

The use of REITs has yet to be fully explored in the context of local authority development, but may be a useful approach to explore following changes in the entry charge for companies. A number of housing associations are looking to use this vehicle as a means of raising capital to deliver funds to invest in new and existing properties following a reduction in government funding. The regular income return from this source would be attractive to investors who would also benefit from reduced tax transaction costs, for example 0.5% stamp duty on shares compared to 4% SDLT on property. This sort of investment may be a suitable vehicle for the Local Government Pension Scheme where the funds are being invested locally. This approach and a return to Local Government Bonds for investment in infrastructure to support property development in an area, are currently being considered by a number of authorities.

These innovative examples provide the sort of evidence needed to encourage an entrepreneurial mindset across councils. This approach shows what more can be achieved in planning and infrastructure terms to support property development and growth to create successful economies. Harnessing the energies of a range of professionals driven by a commercial strategy that develops opportunities with the private, public and voluntary sectors to achieve common goals will support progress even in the atmosphere of austerity. Property development has clearly become an important element of this movement and engagement in this arena will be important for ACES and its members.

WALES COUNTY FARMS: WAY FORWARD INITIATIVE

Charles Coats BSc FRICS

Charles has written an extract from a recent piece for the farming press regarding a major new initiative he has been commissioned to undertake for the Welsh Government. Charles wants to get this widely broadcast – so what better way?

Charles has over 41 years professional practice experience, mainly spent in the public sector. Charles was for many years Head of Property Services with Gloucestershire County Council responsible for the introduction of innovative management practices on its 8,500 acre County Farms Estate. For the past 4 years Charles has been Corporate Property Manager for Cardiff City Council. He was President of ACES in 1998/9. Charles has also acted as rural adviser to the Local Government Association, and as spokesman for the county farms estate across England and Wales. Charles Coats Associates Ltd.

The Welsh county farms estate currently extends to about 46,000 acres. It comprises nearly 1,000 separate farm tenancies, and is owned and managed by 21 of the 22 Welsh councils, the exception being Cardiff .It stretches from the extremities of Anglesey, to the west tip of Pembrokeshire, and westwards to the English border near Newport.

Traditionally, council farms in Wales, indeed in England as well, have provided one of the only means by which able and ambitious younger farmers not blessed with significant capital resources could make a start in farming in their own right on a tenanted holding. However, over a period of many years the size of these estates has dwindled by a combination of sales and amalgamations. Councils are now under very significant financial pressures, and discretionary services such as farms, similar to leisure centres and libraries, could bear the brunt of this with further disposals over the next few years.

Fortunately the Welsh Government is alert to this. In 2010 a Welsh Government Committee of Inquiry was established to consider the future direction for this service. Four of the Committee's key recommendations were accepted by the then Minister for Rural Affairs. These required the government to:

- Work with local authorities to establish better links with private sector landowners and develop better integration between the sectors
- Issue guidance to councils to conduct reviews of their estates with a view to safeguarding their long term future
- Use examples of best practice elsewhere to inform and guide councils to manage their estates more strategically, and to take a leading role in sharing such best practice
- Play an active role in developing a more coordinated approach to the management of these estates.

The Welsh Government has engaged me, Charles Coats Associates Ltd, on a 2 year contract to develop these recommendations into a practical, dynamic working plan. I have recently started work on this major cross-Wales Initiative and can apply my experience of over 40 years managing the Gloucestershire county farms estate. I am currently meeting a wide range of representative organisations to gauge their interest.

While the Initiative is still in its infancy, its aims are to:

- Refresh the service, ensuring its continued relevance and importance to the rural economy of Wales
- Positively engage with a wide range of key stakeholders to ensure full support and awareness of service potential
- Streamline the management of these estates, thereby reducing administrative costs, and explore ways for councils to collaborate more effectively with each other
- Create a new vision and provide a modern fit for purpose service positively supporting the young farming community across Wales

- Harness creativity, stimulate fresh ideas, and explore new ways of service delivery
- Promote more indigenous employment opportunities in rural areas
- Provide more opportunities for ambitious and able young farmers who would not otherwise have the chance to commence farming in their own right.

In short, the initiative has ambitious aims to provide a modern, fit for purpose estate across Wales, so that, once again, it makes a full contribution to the farming industry and ensures the retention of these estates for future generations. Young blood is vital to the rural economy: it is time there was a concerted effort by all who stand to benefit from the continued retention of these farms to assist to make this a reality.

[Ed – Charles intends to update readers of Terrier as the initiative progresses]

Edward explains why town and village greens aren't all fun and games. The next article illustrates difficulties through recent case law decisions.

TOWN AND VILLAGE GREENS

Edward Dixon

Edward Dixon is a partner in Knight Frank's Rural Consultancy department and advises owners of rural land and property across the West of England and Wales. Edward.Dixon@knighfrank.com. Michael McCullough is Head of Knight Frank's mapping department and can be contacted on 01488 688500 for the production of maps to support landowner statements.

Imagine a traditional green and visions of village fetes, cricket matches, people dancing around a May pole or children having fun on swings and slides might spring to mind.

Most of us probably wouldn't think of agricultural or urban wasteland used by the occasional dog walker as such a community asset, but that is exactly the kind of land that opponents of development have been lining up to register as village or town greens. This has been a real issue for landowners because once land is designated as a green its development value effectively falls to zero and it could even become a potential liability.

The registration process has become the weapon of choice for those campaigning against new developments and often the process of applying for planning permission, or even the granting of consent (which may have involved considerable time and expenditure by the landowner), has proved the catalyst.

The Commons Act 2006 gave people the tool to register new town and village greens leaving landowners exposed to the costs and delay of defending claims. Thankfully, the reforms included within the Growth and Infrastructure Act 2013, when properly utilised, can limit to a significant extent the town and village green registration process as a weapon against landowners and developers.

There are still risks associated with the ability for any member of the public to register land as a town or village green, but these can be mitigated with management, the effective use of landowner statements and trigger events, as detailed below.

What constitutes a town or village green?

New town or village greens can be registered where the land has been used 'as of right' i.e. without permission, without force and without secrecy, for at least 20 years for recreational use, which is accepted to be a lawful sport or pastime. Applications can also be made up to a year after the recreational

activity has ceased (prior to the latest legislation this was 2 years).

This can include dog walking, but luckily doesn't involve "chasing cows", which was included in one party's evidence submitted at a hearing with which Knight Frank was involved. Suffice to say this was not deemed to be a lawful sport and pastime and they were unsuccessful in their bid to register the land!

What is the impact of having land registered as a town or village green?

If the registration of a green is successful the land is essentially sterilised for no other worthwhile use other than for recreational use, which will clearly have an impact on its value. There is also a potential liability to any landowner in terms of a duty of care, but it does not extend to them having to maintain the land for that purpose.

How does a landowner protect against a potential claim for a town or village green?

The new rules that were implemented in October 2013 allow for the submission of a Landowner's Statement that brings to an end any period of recreational use 'as of right' over the land (it is worth noting that a new statement must be submitted to stop further periods of recreational use 'as of right' accruing). The statement must include a clear map. These submissions are likely to prompt new applications, which must be made within one year of the statement being submitted.

The reforms from last year have also identified trigger events, after which an application to register a green cannot be made. This includes allocation of land within a local development plan and the submission of a planning application.

Where a terminating event occurs, for example the refusal of a planning application, then it will be possible for an application to register a green to be made, again within one year of the terminating event.

What should landowners do next?

Prevention is better than cure: a proper assessment of each site within the portfolio will identify its potential to be registered as a town or village green. These can then be properly mapped and submitted along with Landowner Statements to the local authority, following specific rules around the publicising of the application, which includes a notice on an obvious entry to the site for at least 60 days and being included on an online register, something that is certain to prompt attention from existing users of the land.

Management of the land and evidence to defend any potential claim is essential and this means working with occupiers and tenants of the land. These should be contractually obliged to defend the land from trespass and implement a strategy that might include keeping records of moving off trespassers, erecting signage and management practices that could defer trespassers, for example sowing arable crops that require exclusive occupation and defer any users 'as of right'.

TOWN AND VILLAGE GREENS

Christine de Ferrars Green

> "Recent court cases demonstrate that the status of these greens is still a fertile ground for litigation and looks set to be for a while to come."

Christine de Ferrars Green is a partner in the real estate practice at national law firm, Mills & Reeve LLP. Her work involves a wide range of property matters, specialising in development schemes. Christine.deFerrarsGreen@Mills-Reeve.com

This article looks at some recent additions to the trigger and terminating events which affect the statutory moratorium on new registrations; 2 cases that have been heard recently in the Supreme Court, which go beyond the more often rehearsed arguments for and against registration to issues of public law; and there is a review of some recent judicial review hearings.

More new trigger and terminating events

The trigger events for a moratorium on new registrations being made of town and village greens are now well understood. However, somewhat less well publicised are the provisions of the Commons (Town and Village Greens) (Trigger and Terminating Events) Order 2014, which was effective on 12 February 2014.

Those responsible for keeping the statutory registers need to be aware of the various terminating events, which mean that the automatic bar to registration is lifted, just as much as they do to tracking the list of trigger events. This Order adds to the number of trigger events which suspend the right to apply for registration, by extending the list to include cases where development has been proposed or permitted by a local development order, or by a neighbourhood development order, or an order made under the Transport and Works Act 1992.

There are corresponding events which will subsequently cause the exclusion to lift – that is "terminating events". So, if a local plan, having identified land for potential development, is not adopted, or a neighbourhood plan is not made, by the end of the period of 2 years beginning with the day on which the relevant draft is first published for consultation by the local planning authority, the right to make an application for a town or village green may resume.

Some careful notes and diary alerts will need to be made by those managing the statutory register, to be aware of these terminating events, as we can be fairly sure that those actively seeking to pursue town and village green applications will be equally mindful of them.

Is the end to contentious applications in sight?

There has been a fair amount of hope expressed that the new protections given by the moratorium provisions of the Growth and Infrastructure Act 2013 will bring to an end contentious applications for registration of town and village greens. However, recent court cases demonstrate that the status of these greens is still a fertile ground for litigation and looks set to be for a while to come.

Two cases of deregistration – a question of prejudice

Many readers will have picked up on the recent Supreme Court cases. These were the rulings heard together in the cases of Adamson and others v. Paddico (267) Limited and Mrs Gill Taylor (on behalf of the Society for the Protection of Markham and Little Francis) v. Betterment Properties (Weymouth) Limited.

Like many such cases, they were long-running and contentious concerning challenges to the applications for registration and both were concerned with the de-registration of village greens. The issue for the Supreme Court was the question of delay. Both cases had taken a long time to get through the litigation process. In one instance the original registrations was made in 1997. Indeed, one case had even been all but given up on, at a time when it looked as if appeal cases in relation to other sites were not going in favour of the landowners resisting the application. But subsequently, with the law clarified and decisions made in relation to these 2 village greens, the cases came to the Supreme Court to decide whether the de-registrations should be made after substantial periods of delay.

The Supreme Court concluded that, as there was no statutory time bar on bringing the claims for rectification, it could deal with the requests for deregistration. The matter was, therefore, confined to whether it was "just" to do so (picking up on the operative wording in s14 of the Commons Registration Act 1965), when considering the case for rectification. In doing so it needed to look at the adverse prejudice to all parties concerned in both cases.

The court weighed up the relative prejudice which would be suffered as between the landowners and the local inhabitants. Local residents' arguments as to the injustice of de-registration had to be considered. They would, following de-registration, lose a right to enjoy the use of the land as a village green. But in fact this was something which they should never have had, as the registrations were erroneous. One particularly interested resident, who was active in one case, made a strong argument that a house purchase had been made in the expectation of looking over open space.

On the other hand, and weighing heavily against that prejudice was a greater prejudice – that the landowners were effectively being deprived of their rights in the land, particularly for development, by virtue of the incorrect registration. The land would not be available for the lawful development for housing. It was noted that planning permission had been granted in one case which included the provision of public recreation space.

Public law issues

The Supreme Court went into some detail on the public law aspects in the matters such as these cases presented. The statutory register is one kept by a public authority, open to public inspection and upon which both public authorities and private persons may rely in making decisions. The judge acknowledged that it has to be in the interests of good public administration that statutory registers are kept accurate. But on the other side of the same argument, the public must be able to rely on the content of the register at the time that they make a search and be able to make decisions on the basis of the information revealed by it. So, a parallel argument runs that public confidence would be prejudicially affected if a register, albeit an incorrect one, is rectified long after the original, offending entry was made, and upon which any number of decisions by and for the public will have been based.

The judge also looked at another aspect of the potential prejudice to the public authority and the public they serve. So, what is the right thing to do if consideration is given to the circumstances that perhaps planning permission may have been granted elsewhere because the village green in question was not available for development; or the development of much needed housing is restricted because of the registration? Neither of these circumstances benefit the development of a local community in need of housing.

The outcome of the court decision was that both village green registrations in question were to be the subject of orders to rectify the registers, and de-registration must follow.

What next?

So, what is the likely impact of these cases? We may now see other instances of registrations being challenged. Landowners, who in the past have not pursued fully their defence of registrations, could chose to review their positions. Each case will be taken on its merits and on its own particular facts. The lapse of time from the original registration to seeking rectification of the register will be a material consideration in deciding if it is just to make any rectification.

The prejudice arising to the various parties involved will have to be evidenced and be shown to result in significant detriment. Whether we shall see a flurry of cases following this judgment remains to be seen.

Three judicial review cases

Another 3 cases have also recently been in the news. These look at the interpretation of signage, the interpretation of the 2013 Act and the question of fairness.

<u>Access by permission is not "as of right"</u>

The first is the Wraysbury case (R. (on the application of Su Burrows (on behalf of Wraysbury Action Group)), The Royal Borough of Windsor and Maidenhead and Worby Estates Sales Limited and Others) which relates to an application for judicial review of an Inspector's decision on a registration application, which has been refused.

This case turned on whether the local inhabitants had been effectively "warned off" use of the land in question by signage erected by the landowner. The signage in question said that the land was private property and access was by permission of the owners. The application for registration came too late, after the "as of right use" had ceased, and so the applicants looked for another route to registration. The legal arguments turned on what the ordinary reasonable person reading those signs would have taken them to mean. The law provides that consented use of land for recreational purposes means that a town or village green application cannot succeed.

The Inspector found and, in turn, the judge on the judicial review proceedings said that they would have understood that the words used on the sign would only convey to an ordinary reasonable reader the message that there is no right to use the land. The judge refused the application for judicial review and this village green registration will go no further.

The object lesson from this case is that where signs are displayed, they should be clearly worded to make the landowner's intention clear and to defeat any "as of right" user. Furthermore, registration applications must be made in a timely fashion, or they will undoubtedly be time-barred.

The status of a skateboard park

Secondly, there is the pending judicial review concerning the London South Bank undercroft at the Southbank Centre's Festival Hall wing. The undercroft has been used for many years by skateboarders and BMX bikers, who applied to register a town or village green to halt the proposals for the redevelopment of the area and protect the undercroft for the uses pursued by them. The application for the registration was refused and the decision is the subject of a judicial review. The hearing was adjourned at the beginning of March until late in September this year, to allow for the government to appear at the hearing. The judge wants to hear the government's explanation of its position on issues raised in the case, including on the interpretation of the new moratorium restrictions. So, there is more to come on this case.

A question of fairness

Lastly, there is a judicial review decision which has allowed a contested application for registration to be given a further hearing in the courts. This is the case of R. (on the application of Naylor v. Essex County Council. The judge hearing the arguments for judicial review concluded that there is a "highly arguable" case to be heard.

This instance of a village green application is made under the Commons Registration Act 2006, which provides that an amendment to the register can be made, but says that a mistake in the register may not be corrected if the registering authority considers that it would be unfair to do so. In deciding if it is fair, regard must be had to reliance which has reasonably been placed on the register by any person, or for any other reason.

When this case comes to the court, it will have to look at the standing of the applicant, who is not actually an inhabitant of the neighbourhood which was claimed in relation to the users for the registration of the village green. An argument has been made that this will rule him out. Nevertheless, he is a local inhabitant and arguably has good and sufficient standing to bring the judicial review proceedings.

The court will also have to look at the question of the judicial review application having been made apparently out of time. But bound in with that are difficult arguments about the soundness of the registering authority's decision-making processes, and what weight must be given to its decision in relation to the land in question in this case being at variance to another decision made, where the registration application has been allowed, occurring at around the same time.

There will also be close examination of the evidence presented to the court as to whether the use of the land in question was "as of right" and not "by right" – which would be insufficient. This is particularly pertinent when the land in question is owned by a public authority. In this case, the land had been maintained by consent of the landowner by the local authority for many years. Issues arise as to the existence, or otherwise, of a statutory trust. It is argued that this may have been created, so giving rise to a presumption of the land in question having the status of a public open space. Use by the public would, in those circumstances, have been "by right" and so village green status cannot be ascribed. But, as is to be expected, there are a number of counter-arguments which will be heard.

In short, there is a lot to be unwrapped in this case and we shall watch for the outcome with interest. However, we might find we are denied the detailed examination by the court, if the registering authority reconsiders its position in the light of the arguments heard so far in the judicial review applications. Perhaps then it will be the landowner who will be pursuing a legal ruling for amendment of the register, on the grounds that registration should not be made.

The judge hearing the judicial review is quoted as saying that since the moratorium provisions of the Growth and Infrastructure Act have come into force it is very unlikely fresh applications for registrations of town and village greens will be capable of being made. Even if that is really to be the case, it looks as though we shall not be short of litigation on old applications for the foreseeable future.

BUSINESS RATE RETENTION – ONE YEAR ON: THE LOCAL AUTHORITY EXPERIENCE

Roger Messenger BSc FRICS FIRRV MCIArb

Registered Valuer REV

This is the follow up to the article in 2013 Spring Terrier which reconsiders the Business Rates Retention Scheme. Roger suggests that changes are necessary to make the Scheme a success and outlines other local authority innovations.

Roger is a Senior Partner at Wilks Head & Eve Chartered Surveyors. He is a highly experienced Rating Practitioner, who has been President of the IRRV on 2 occasions and also President of the Rating Surveyors Association. He has extensive experience in the rating of public sector property and has been at the forefront of central negotiations with the Valuation Office Agency in respect of a number of classes of property at every revaluation since 1990. rmessenger@wilks-head.co.uk

From 1 April 2013, significant changes to local authority finance were implemented under the government's Localism strategy. The changes made from last year in the rates system mean that for the first time since 1990, Councils have a direct financial interest in the collection of rates.

Following the Chancellor's Autumn Statement last year, the government outlined proposed changes to the Rates Appeals system, which is designed to make that system more accessible and transparent.

Our experience over the course of the last 10 months strongly suggests that without changes to the current system, the intended enhancements to the Rating List are unlikely to be successfully completed. I consider what is required as follows;

a. Admit Billing Authorities fully as 'Interested Parties' to the appeals process

b. Deliver the appropriate amendments to the VOA and VT target setting and reporting regime, including the determination and management of new KPI's which are designed to control timely completion of appropriate amendments to the List.

Wilks Head and Eve has been completing a 'forensic' analysis of a local authority client's Rating Lists, and this involves a line by line analysis of the List to enable the forecasting of loss from appeals. The second part of the exercise delivers increased rates yield by identifying and taking forward applications for rateable premises which are not reflected in the List, or which are under-represented in the List.

Our experience strongly suggests that further changes to the system will be required if the government expects the Business Rates Retention Scheme (BRR) to succeed in delivering much needed additional taxation income from appropriate UK taxpayers.

I make the case for greater Billing Authority rights within the proposed results to the Rating Appeals process; and separately that greater controls should be put in place on the VOA and VT to deliver proposed changes. It is only perhaps natural that following significant changes from April 2013 in the way that rates work, the VOA and VT systems which have been in place for more than 20 years cannot deliver that agenda alone. I contend that Billing Authorities must now be admitted fully as 'Interested Parties' to the new appeals process. By allowing Billing Authorities this power, the government 's new system will give the appropriate powers which will in turn mean that changes to the List and the consequent increase in revenues from Rates will be leveraged.

Changes will also be necessary at Billing Authorities, and the financial incentives which the government has put in place already will be likely to ensure, over time, that those changes in process personnel and ICT are adopted.

Our experience of working with a number of clients over the past 12 months indicates a wide variety of approaches clearly dictated by the resource implications: at one end of the scale a small district authority with little or no in-house resource doing NNDR, often limited to a few hours input a week, with concentrated effort around the annual billing; at the other end of the scale large unitary or metropolitan boroughs with a fully trained and experienced team dealing with all NNDR issues. In between these is a whole myriad of service profiles with some in part or whole outsourcing their revenues function thrown in for good measure. Consequently the needs of authorities to enable them to achieve growth in the rate yield varies markedly.

One common feature particularly around the smaller authorities has been the lack of an inspection regime. Modern technology allows us and our clients to use digital mapping techniques to identify hereditaments which help at the desk end. Ultimately of course some form of physical inspection will be preferable and many authorities have lost sufficient resource over the years, from the obvious consequence of having no financial interest in RV growth.

The statutory function for a local authority has not changed, in that it is still the responsibility of the Billing Authority to notify the Valuation Office Agency of the hereditaments they believe should be in the Rating List.

There has been a great deal of press commentary on the topic of business rates in recent months led by the retail lobby. Some have also suggested that the rates should be scrapped in favour of an alternative system perhaps around energy consumption.

In my criticism of the business rates, put simply, it is because the Tax Rate is too high at over 48 pence in the pound. At that level any tax base would be under pressure. The other side of this debate is that HM Treasury needs to maintain the yield in excess of £25bn p.a. If it is not to be from rates then it has to come from somewhere else. Of course, under existing legislation government is constrained in only increasing the yield from rates year on year by inflation. At a revaluation if total RV goes up the rate in the pound comes down and if the total RV falls the poundage goes up.

Most of us in practice recognise the real reason for the postponement of the 2015 revaluation which could have resulted in a lower RV and a politically troublesome consequential increase to the rate poundage at or about the time of the next election.

The BRR is not a universal cure to such ills, but if it actually improves the yield from business rates as more that should be rated appears in the Rating List, there is room for a reduction in the rate of the pound. It is also a case of fairness that those who should be paying business rates but are not are penalising those that currently do.

In order to achieve maximum benefit we need to ensure that the way new RV is brought into the list is effectively captured by those parties involved.

Another consequence of BRR has been for many authorities to review amounts they award under Discretionary Rate Relief (DRR) to occupiers. Many have served notice on ratepayers of significant withdrawal of DRR and others of total withdrawal of all DRR. This is partly a function of the local funding of discretionary schemes and the budgeting pressure that local authorities are under. Many ratepayers used to a subsidy are getting nasty shocks when their rate bills dropped onto their mats in March 2014.

Conversely with ability under the Localism legislation to adopt a greater freedom for local authorities, some have moved away from a ratepayer approach to DRR, to a local discount scheme often linked to regeneration of property in their area, or in some cases even repair which is rewarded with a rates discount. These discount schemes are locally set as an individual policy by each local authority with their own eligibility criteria. Subject to very few nationally imposed guidelines the only controlling feature seemingly is State Aid rules which prohibit a financial benefit beyond certain limits to trading organisations.

The whole area is now an interesting twist, with authorities looking to encourage new business to their area or retain existing business whilst encouraging repair and regeneration. Initially this may cost the local authority money through the subsidy but in the longer term could lead to increasing yields from business rates locally. Less of the stick and the emergence of a bit of carrot.

Many authorities still have the schemes for local discounts in preparation so it is all a bit of a moving target but with the prospect of adjacent authorities competing for the location of business based on business rates incentives.

The bigger picture for those supporting business rates shows a demand for more frequent revaluations perhaps every 3 years and allied to changes in which challenges might be made to assessments, and with the ongoing review of administrative procedures about to be launched by DCLG, it is not a static landscape in which we exist - far from it. Of most concern in the short term for many authorities is the potential loss of RV through the appeals process and the consequent effect on income. Often set against a background of little or no development and the low prospect of low RV growth.

Many authorities find themselves in a financially precarious position and the uncertainty of where they might finish up on business rates income adds to the uncertainty.

Our work in forecasting the RV out-turn undoubtedly assists, in giving a little more certainty to predictions. A stable if not growing income and one that can allow robust budgeting year on year is what is required.

The initial delivery of the Retention Scheme has arguably not achieved that – yet. Given time and a bit of help, it might.

VALUATION UPDATE

Daniella Barrow, ACES Valuation Co-ordinator

Red Book Update

The UK Standards are national association valuation standards that have mandatory status in the UK (see PS 1.5, RICS national association valuation standards). They supplement, expand or amend the global valuation standards so that they meet UK statutory or regulatory requirements.

January saw changes introduced to the new Red Book. These include:

- Minor wording change to Market Rent definition [VPS 4, para 1.3]
- Minor wording change to EUV definition (addition of a reference to liabilities) [UKVS 1.3]
- Reversal in order of appearance of the two Fair Value definitions (IASB and IVSC) [at VPS 4 para 1.5.1]
- Guidance on the provision of projected values [VPS 4, para 5, VPS 3, para 7f]
- VPGA 3 – New best practice advice on the valuation of Businesses and Business Assets
- VPGA 6 – New best practice advice on the valuation of Intangible Assets
- UKGN 2 is the new designation given to the former global GN6 'Depreciated Replacement Cost' (relevant to asset valuers)

The Global section of the new Red Book has however undergone a significant revision in terms of its layout, section designations and re-ordered section numbering. The 6 familiar former Valuation Standards have been shuffled and separated into 2 Global Professional Standards and 4 Global Valuation Practice Statements, each with their former separate appendices absorbed into the main text.

PS 1 - Compliance with standards and practice statements

PS 2 - Ethics, competency, objectivity and disclosures

Compliance with PS 1 and PS 2 is mandatory for all members, the content covering the matters previously dealt with in the former VS 1 and Appendix 1.

The 4 new Global Valuation Practice Statements contain specific, usually mandatory, requirements and related implementation guidance for Red Book / IVS compliant valuations:

VPS 1 - Minimum terms of engagement (former VS 2)

VPS 2 - Inspections and investigations (former VS 5)

VPS 3 - Valuation reports (former VS 6)

VPS 4 - Bases of value, assumptions and special assumptions (former VS 3).

While the text of the UK material has been amended as described above, it has not been rewritten since the March 2012 edition, the content of which it therefore substantially reproduces. Members are reminded by the RICS of their responsibility to be aware of changes since that date to legislation and/or to its interpretation by the courts.

Cycle of asset revaluations

There have been a number of queries raised by members with regards to cycle of asset valuations in particular with regards to PPE.

TISonline (CIPFA Discussion Forum) asked a question concerning *"the consequences of 13/14 Code 4.1.2.35 with reference to the impact on revaluation cycles. This part of the Code now refers to items within 'a class' of PPE being re-valued simultaneously. 4.1.2.2 defines classes of PPE as eg other land and buildings, VPE, infrastructure etc.*

In reality the current rolling programme is largely within the class of other land and buildings, which I assume is similar for many other authorities. The Code is now saying that all of OLB would need to be re-valued at the same time - which is quite a change to our current revaluation programme."

CIPFA's concern has been that some local authorities were just running through their 5 year rolling programme and not grouping assets for reviews in the interim. That some local authorities were ignoring indications that values might affect asset groups and therefore along with the 20% of the programme other areas should be revalued as these asset class changes were identified. Eg. that in the intervening years signs of value changes meant they should be doing something with the 80% or so of their estate not physically inspected and revalued in an intervening year. So their accounts may fall may not give a true and fair view.

DVS in particular would always advocate that local authorities review their other assets by a desktop valuation assessment not indexation. This approach is preferable to the arithmetical application of indices which are often not appropriate to the estate, less accurate and often misleading, particularly as regards non-specialised assets. Nevertheless indexation is permitted and better than doing nothing. There is the problem of finding suitable indices to apply. Hence the superiority of the desktop approach. [Ed – see "Indexation of Asset Valuations" 2013 Autumn Terrier].

CIPFA does not know how many local authorities have just been valuing their assets once every 5 years and otherwise not keeping them up to date; hence the impact of the code.

Valuer Registration

Compliance with the Red Book is improving – that was the main message delivered by Valuer Registration (VR) monitoring surveyors who spoke to more than 250 UK Registered Valuers at a series of complimentary CPD events.

The Terrier

The Terrier is published quarterly by ACES. The inclusion of any individual article in the Terrier should not be taken as any indication that ACES approves of or agrees with the contents of the article.

ACES Secretary: Tim Foster MRICS
4 Queensgate, BRAMHALL
Cheshire, SK7 1JT
01 614 - 399 589
secretary@aces.org.uk

ACES Editor: Betty Albon
editor@aces.org.uk

ACES

LONDON REGENERATION

Kevin Joyce

Kevin is a strategic asset manager in the Asset Management Service at the Royal Borough of Kingston upon Thames

Kevin presents an upbeat view of regeneration schemes in London and describes some of the mouth-wateringly big ones – "a raft of new regeneration schemes over the next 10-15 years or so should see some striking changes to urban townscapes in the capital."

In view of the level of resources and expertise required to deliver major comprehensive regeneration schemes, the number and size of such projects coming out of the ground or planned for London at this time is a testimony to the confidence of the development sector in the state of the national economy and more particularly in the City's economic prospects.

At the start of 2014, the main economic growth indicators of the national economy have been largely positive. The Office for National Statistics recorded that the UK services and manufacturing sectors showed 0.7% gross domestic product (GDP) growth in the final quarter of 2013, taking the annual growth rate for 2013 to 1.9%, the highest since before the 2007 credit crisis. A Lloyds Bank survey of 1,500 firms reported that business confidence was at its highest since 1994, with businesses expecting increased orders, sales and profits in the first half of 2014. An EEF trade body survey of British manufacturers showed that 60% are planning investment in new capacity rather than in just replacing plant and machinery.

A fall of 167,000 jobless people down to 2.32m (7.1%) by November 2013 took national unemployment down to its lowest level since 2009. The financial data firm Markit has forecast that the London FTSE 100 and mid-cap FTSE 250 companies will lift financial dividends to 4.5%, public borrowing has fallen by 5% down to £96.1bn since 2012, and a record number of new enterprises were created in 2013 with over half a million businesses registered with Companies House.

Cost of living increases continue to put pressure on family budgets so will the economic good news continue? The International Monetary Fund (IMF) appears to think so, having revised its UK growth forecast up sharply from 1.9% in October 2013 to 2.4% in January 2014, the largest increase of any country. The IMF's chief economist, Olivier Blanchard, has stated that although there is still slack and room for improvement in the economy, the 'recent recovery is sustainable'. For 2014, the Bank of England has projected that GDP growth will increase further to 3.4%, but has also indicated that interest rates are unlikely to be increased above their present low rate of 0.5% until 2015 at least, notwithstanding improvements in employment figures.

A January 2014 Reuters survey reported that London had overtaken New York as the top international city of property investment, which could be attributed in part to the capital's enduring pre-eminence as a global banking and financial services powerhouse.

The River Thames, which cuts through the capital from west to east, is a magnet for riverside regeneration projects. Having lain dormant since before its Grade 2 listing by the then Secretary of State for the Environment, Michael Heseltine, in 1980, the 39 acres art deco Battersea Power Station site appears as if it is finally going to be redeveloped. An £8bn scheme is to feature a viewing platform in one of the station's chimneys, an 8,350 sq m roof garden, conversion of the old turbine hall into shops and business space, and the development of the surrounding land with 3,400 new homes, hotels, shops, restaurants, cafes, offices, community and leisure spaces, and 18 acres of open space, with the development being expected to take 10 years to be completed.

Two other major sites east of the power station, the former industrial district of Nine Elms and the New Covent Garden Market, are also due to see major regeneration. A £1bn transport improvement upgrade to the Northern Line tube network with 2 new stations, 600,000 sq m of new business space, an 11 storey 54,000 sq m new US Embassy, 16,000 new homes, new schools and parks, should transform Nine Elms and create an estimated 25,000 permanent jobs by the scheme's completion in 2022. Redevelopment of the adjoining New Covent Garden Market site will provide replacement facilities for the fresh produce traders there, as well as some 1,600 new homes arranged around a linear park to run from the site to Battersea Power Station and the US Embassy Plaza.

Downstream at Waterloo on the South Bank, a public enquiry into plans to redevelop the 27 storey Shell Centre with a mixed use development of 22,000 sq m offices, 800 new homes, shops, restaurants and cafes, is in progress. Further east in the former East London Docklands, plans to almost double the size of the Canary Wharf financial hub over a 10 year period are being developed which will include extending the 1.4m sq m 97 acres Canary Wharf estate with a further 465,000 sq m of office and retail space, and developing Wood Wharf nearby with 463,000 sq m of offices and nearly 1,700 new homes. At the Royal Docks, the London Mayor Boris Johnson has signed an agreement to enable the Chinese development company ABP to build a £1bn 35 acres business park, which will target Chinese businesses and has the potential to create an estimated 20,000 jobs.

At Tilbury, at the western tip of the Thames Estuary, Dubai World has opened a £1.5bn deep-sea container port capable of handling 400 metre ships which will carry an estimated 18,000 containers annually which, together with Tilbury's comparatively easy road access to the M25, should boost the logistics sector in east London.

Major regeneration schemes are not just clustered around the Thames though, but are in evidence elsewhere in the capital. At Stratford, the development of the Westfield regional shopping centre and former Olympic Village have taken place as a result of public investment in the Stratford international rail terminus and 2012 Olympic Games. There are though post-2012 plans for further regeneration in and around the Olympics site with both an iCITY hub, due to become a world-leading centre for digital innovation and postgraduate education, and 6,800 new homes in 5 zones in the area, due to be developed which will create an estimated 5,300 new jobs.

In north London, Barnet Council has approved plans for a £4.5bn Brent Cross Regeneration project, to redevelop parts of Brent Cross, Hendon and Cricklewood with 370,000 sq m of offices, 7,500 new homes, 4 parks, and a 55,000 sq m extension of the Brent Cross regional shopping centre, over a 20 year period. The developer, Quintain Estates, has obtained planning permission for a 475 housing scheme in phase 2 of a 790,000 sq m redevelopment of Wembley Park, close to Wembley football stadium in Brent.

In south London, some 40% of the Borough of Southwark is being regenerated, with the principal project being a £3bn Elephant & Castle regeneration programme, involving the creation of a new pedestrianised town centre and market square, 42,000 sq m of retail space, some 5,000 new and replacement homes, and new green spaces, to be delivered over a 15 year period. The developers, Westfield and Hammerson, have entered into partnership to redevelop Croydon's Whitgift Centre with 130,000 sq m of new retail and leisure space.

New transport infrastructure is also acting as a catalyst for area regeneration schemes. Areas such as Hounslow and Ealing in west London, and Newham, Redbridge and Havering in east London, should attract new investment from Crossrail, a west to east £15bn high capacity rail service which will stretch from Maidenhead in the Thames Valley, through central London, and eastwards to Abbey Wood and Shenfield in Essex, to bring an additional 1.5m people within 45 minutes commuting distance of the West End and the City. Areas including Hackney and Haringey in north London, and Wandsworth in south London, should benefit from a north to south metro Crossrail 2 option, if it happens, with outer London boroughs such as Kingston also benefiting in the event of Crossrail 2 being further extended through south west London and Surrey.

Assuming that the proposed £50bn High speed Rail 2 (HS2) project between London Euston, Birmingham, Manchester and Leeds goes ahead, a little known area of north Hammersmith called Old Oak Common located where HS2 and Crossrail are due to converge, could be transformed into a 'mini-Manhattan' of new high rise buildings. Boris Johnson is working with Hammersmith & Fulham, Brent and Ealing Councils on plans to build a HS2 and Crossrail super-hub station there by 2026, which would connect the area to Heathrow, Gatwick, Birmingham, Luton and London City airports by high-speed rail. Mixed use development could include up to 24,000 new homes, new commercial and leisure space, and potentially a new 40,000 seater stadium for Queens Park Rangers football club.

For Londoners, a raft of new regeneration schemes over the next 10-15 years or so should see some striking changes to urban townscapes in the capital, the construction of new homes to help address a chronic under-supply, new business, retail and leisure facilities, and the creation of substantial numbers of both temporary jobs during construction periods and permanent jobs once new developments have been completed.

LAND RECLAMATION

Toks Osibogun

Toks' article complements Kevin Joyce's on major regeneration schemes in the capital by identifying major causes and treatment of contamination, waste management and invasive plant species.

Toks is the Service Manager, Asset Strategy & Estates Services at the Royal Borough of Kingston upon Thames, and has previously worked for the London Development Agency (Olympic Land Assembly Team) and the London Boroughs of Lewisham, Newham and Tower Hamlets.

An increasingly buoyant housing market and a shortage of greenfield sites is stimulating new development interest in contaminated land in our cities and towns. The nature and extent of both contaminants under brownfield land and existing above and underground structures on site will determine what contamination remediation and construction waste management measures would best restore the land. Eradication of invasive plant species should also be included in site restoration works where the plants have established themselves in open spaces on site.

Remediation of contaminated land

Developers have traditionally remediated contaminated land by importing good quality topsoil to site and removing contaminated soils and other on-site materials to landfill sites, a costly process which is detrimental to the environment.

This is changing though, with spoil transported to landfill generally now consisting only of soils and materials where the contaminants cannot be separated either by washing the soils or through bio-remediation on site, which involves bacteria microbes processing chemical contaminants to turn them into relatively harmless gases such as ethylene. Importing new topsoil to replace removed spoil may not be necessary either with the advent of on-site soil manufacturing processes, typically involving the use of existing subsoils, mineral materials such as paper mill crumb, and compost, to create new topsoil of the right balance and water retention capacity to give plants ideal conditions for root growth *(Decontaminating Industrial Soils: Giving Nature a Helping Hand. Why Brownfield Regeneration Needn't Cost the Earth, Dr. Robin Davies. Meeting the Challenges of Sustainable Remediation, Marc Davies, White Young Green. Focus July/August 2007).*

In 2011-2012, some 95% of the soil at the Queen Elizabeth Olympic Park site in Stratford (East London) was re-used, having been treated on-site to remove contaminants such as arsenic, cyanide, heavy metals, hydrocarbons and oils.

Former gasworks sites are now garnering interest from the development sector because of the size of the sites and their urban locations. Imported gas from the North Sea in the 1960s reduced dependency on 'town gas' stored at gasworks sites, making these sites redundant for energy storage purposes. If a utility landowner or a property development partner should make application for planning permission to first remove the above ground structures such as the gasholders, this may give some indication of the contaminants which could be under the ground e.g. complex cyanides, coal tars, gas condensate, phenols, polycyclic and monocyclic carbons. A contaminated land remediation programme can then be devised to treat the land, and any groundwater sources if also contaminated. Below ground works may include identification of live gas mains and protection of live services if present, and the removal of any historic below ground tanks.

Construction waste management

Both off-site construction and the recycling of building waste materials where possible can help minimise the embodied carbon in new development schemes.

Precise engineering of pre-fabricated elements of the construction prior to assembly on-site can save waste of the new building materials, as well as help contain development costs if critical path timelines are not disrupted by bad weather delays. Recycling demolition waste for re-use in new construction can also save on build costs, minimise both the negative environmental impacts and fuel costs of transporting the waste to landfill, and avoid adding unnecessary waste spoil to finite landfill capacity.

KPMG's London headquarters at 15 Canada Square, a 39,500 sq m 18 level office building in London Docklands built in 2010, won a BREEAM 'excellent' award and a Green Apple Award for innovation in construction, and involved some 24% of the building materials used in the development having been recycled, a third of the fit out materials being recycled, and less than 10% of the base building waste and 5% of the fit out waste going to landfill.

7 More London, a 2011 built 48,000 sq m office building located close to City Hall and Tower Bridge and occupied by PricewaterhouseCoopers (PwC), achieved a BREEAM 'outstanding' rating, with sustainability features of the development being the use of recycled aggregates in all the concrete and a recycled cardboard flooring system.
In 2013, PwC also carried out a major refurbishment of its One Embankment Place office, a 1960s built 40,000 sq m 10 storey office building above Charing Cross Station, which also achieved a BREEAM 'outstanding' rating for a refurbishment which included some 96% of the building's previous materials and furniture being recycled.

A sustainability feature of the 2011-12 Queen Elizabeth Olympic Park development was the recovery, re-use and recycling of 98% of the waste materials on site with, for example, the bridges crossing the Park being made of gabions, recycled materials and rubble.

Eradication of invasive plant species

The invasive plant which has attracted the most high profile attention in the last couple of years is Japanese Knotweed, a plant which can push through concrete and brick to compromise the structure of buildings and which is notoriously difficult to eradicate completely. Eradication periods can extend over several years, with different treatments being applied depending on each season and the plant's stage of development. Treatments may require a combination of stem injection, pre-emergence soil treatment, spraying and wiping, to be fully effective.

Another nasty invasive plant is the Giant Hogweed, which has now spread throughout Britain and favours river banks, although it can also be found in parks, playing fields and other open spaces. The plant contains toxic chemicals known as furanocoumarins which, on coming into contact with skin, can cause severe burns and blistering that can last for several months and leave skin sensitive to light for years afterwards. This is something to bear in mind with a school site redevelopment project for example.

An invasive plant which is also gaining a reputation is the Himalayan Balsam, known for its vigorous annual growth and ability to reduce biological diversity by outcompeting native plants for space and light. When the plant dies back each autumn, it can leave river banks bare of vegetation and at risk of erosion.

The Environment Agency www.environment-agency.gov.uk has produced a descriptive booklet 'managing invasive non-native plants' (revised version April 2010) which highlights the risks posed by Japanese Knotweed, Giant Hogweed, Himalayan Balsam, and 4 other plants, Australian Swamp Stonecrop, Parrot's Feather, Floating Pennywort, and Creeping Water Primrose, and provides guidance on treatments.

Although native to Britain, rather than an invasive plant, Ragwort is a weed which should also be eradicated from regeneration sites, as the weed is poisonous to animals and other livestock to digest, causing liver damage and a painful death.

Tax relief

Land remediation can, in certain circumstances, qualify for Corporation Tax relief of 150% of the expenditure incurred by property owner, investor or development companies in the cleaning up of contaminated or derelict land acquired from other parties. Remediation and restoration works, the removal of some concrete foundations, concrete structures and below ground redundant services, and the removal of Japanese Knotweed may all qualify for relief.

SUSTAINABILITY AND THE ENERGY ACT

Jaime Blakeley–Glover MRICS, MA, BSc (Hons)

ACES Eastern branch meeting included a CPD event, sponsored by LSH, who are also a new advertiser for Terrier. One of the key topics was sustainability and the Energy Act delivered by Jaime. Jaime explains the impact of the Act on commercial property.

Jaime is Director in Public Sector Services at Lambert Smith Hampton with experience of advising public sector clients on asset strategy, development, regeneration and sustainability. He advises public sector clients across the south of England. Specific skills include estates and asset strategy, development and regeneration consultancy and sustainability strategy. JBlakely@lsh.co.uk

Sustainability

Sustainability has been a watch word for a number of years now and whether in this more green terminology or hardnosed energy efficiency, it has become an important issue for asset management of both public and private sector estates. A major reason for this is that sustainability cuts across all sectors and therefore means different things for different organisations. This will be influenced by the context in which that organisation is operating and, for example, whether stakeholders include the public or business shareholders.

Sustainability as a subject started after mounting concerns over the environmental impact, firstly of waste and then energy efficiency in the form of the Energy Act and requirements for FTSE100 companies to disclose their environmental impacts. There has over the years also been a swathe of non-regulatory drivers, such as perceived business risk of energy prices for utility or supply chain for utility or brand reputation and competition.

Notwithstanding the various drivers for action, sustainability in its widest form has remained an important issue given successive government priorities to support economic development, react to concerns over energy security and manage environmental impacts.

The Energy Act

The 2 aspects of the Energy Act that have the greatest impact on commercial property are the Minimum Energy Performance Standards (MEPS) and the Green Deal. While under separate headings within the Act, they are highly intertwined and in some cases, interdependent. The government has set out the Green Deal as the hero in the story, the carrot that will soften the blow of the stick of the Act's villain, the MEPS. It does, however, beg the question whether these 2 are happy bedfellows.

At a high level the intent is clear, that the MEPS set a mark in the sand, that from April 2018 buildings must be raised to a minimum energy efficiency rating of E before they can be rented. The Green Deal provides the funding mechanism to ensure that any works required to raise the EPC rating of a building to an E or better may be implemented without an upfront cost to the landlord. The plan is to avoid the situation where landlords or occupiers do not carry out energy efficiency works because the payback for the works through reduced energy bills is longer than the expected holding period or occupation, by linking the repayments for the works to the energy meter rather than the party that instigated the works. The "golden rule" much touted by the politicians then seeks to minimise any liquidity issues by providing that the total cost of the works including labour and finance should be payable through reduced energy bills - the bill payers never paying more than they are estimated to have done prior to the works. If a landlord has carried out all works that can be financed under the Green Deal and still does not have the required EPC rating then they are theoretically free to let out the building at their will.

So the plan is a carrot and a stick to drive up the energy efficiency of the non-domestic property sectors and contribute to the government's ever more challenging carbon reduction targets.

The question is whether it will work? To do so as is currently intended is largely dependent on the Green Deal. The problem for commercial property is that in many cases, improvements to fabric and services which drive EPC ratings can be very costly. Research by Cyril Sweet suggested that the only type of commercial property that is likely to meet the golden rule is industrial, where the existing poor fabric can in many cases make improvements cost effective.

Depending on the success of the Green Deal for business we could find ourselves in a position come 2018 where very few improvements are carried out. The question at that point for government would be whether it reinforces or relaxes the provisions of the MEPS related to F and G rated properties. The question for property owners may therefore be a matter of timing to be able to demonstrate that all works that can be delivered through a Green Deal have been implemented before they can rent their property as opposed to a question of having to carry out all works required to raise the EPC rating themselves.

Either way, given the complexity of the commercial property industry, the Energy Act has wide ranging implications for asset management.

A balanced approach

The Energy Act is clearly an important consideration within the property world, especially given the continued uncertainty as to whom and at what stage its requirements would bite. This does, however, emphasise that the reaction of organisations should go beyond a pure compliance focus and take into account the wider benefits of asset managing property portfolios in line with the principles of sustainability. Not doing so can either result in reacting to a single piece of legislation, focusing on the symptoms and not the cause and resulting in either not identifying other risks or missing opportunities. There is significant evidence to support the case for focusing on sustainability as a broad agenda for organisations and asset management of properties – the 2 are inevitably heavily interlinked given the occupier/landlord relationship. Research last year completed by accountancy firm BDO highlighted the following opinions:

- 93% of businesses felt future energy prices would have a slight or significant impact on their business, 91% of businesses felt that future commodity prices will have an impact on their business
- The number of businesses reporting on sustainability has increased by 300% since 2000
- 65% of businesses see increased demand for energy/resource efficient products as a significant area of opportunity
- 65% of businesses are using energy efficiency to manage their cost base over the next 10 years.

These statistics pick up on the recognition of the underlying causes and the reasons why government legislates in this area rather than focusing on individual points of compliance. The morphing of the Carbon Reduction Commitment Energy Efficiency Scheme from an incentive based scheme to a straight tax on energy use exemplifies this point. Those businesses that continue to take action on energy efficiency will be better off regardless of the "legislation of the day".

Value?

A key consideration as far as asset management is concerned will always be whether sustainability generates value. There has been a long running debate as to whether sustainability will see a green premium for sustainable buildings, a brown discount for unsustainable ones or simply no effect at all. Clearly the recession has distorted any trajectory that was building up in the "noughties" but it is hard to see how it won't have an effect in some shape or form. In its guise as energy efficiency, sustainability represents a key driver that has been identified by developers, investors and occupiers alike within their top 3 for maintaining value and resisting the obsolescence of buildings over the next 5 years.

When one thinks of the way commercial property is valued, it is hard to see how there will not be an effect, purely due to the factors that can affect key variables in the method of valuing property interests as investments. Whether it is now or as a result of increased energy price rises in the future, operational and running costs are a key part of the total costs of occupying property and therefore the extent to which these are large or small will impact the rents that occupiers are prepared to pay – especially given the increase in the number of businesses reporting on and measuring environmental impacts. The other key and possibly more sensitive input to investment valuations is the investment yield applied – considerations such as the impact of operating costs on rental growth, tenant demand and potential voids and the ability of buildings to adapt and meet changing standards must at some point filter through into yields being paid for commercial property.

Indeed, work carried out by LSH and the IPD for the British Council of Offices identified sustainable/BREEAM Excellent and Grade A specification buildings as being key preferences for large corporates who represent the strongest covenant. If this is the case and buildings do not meet this standard, then the preferences of these types of organisations and the impact on investment value as a result of poor covenant strengths will be felt in yield movements and therefore value. Whatever form of sustainability or energy efficiency the agenda embodies in the future it is hard to see it not having a continued effect on commercial property and asset management whether it is driven by the requirements of landlords taking a broad view of factors that will shape the world in the future; or the requirements of occupiers continue to ratchet up their expectations for buildings. It will, in some way, shape the demand for and investment in commercial property moving forwards.

COMMUNITY OWNERSHIP FORUM Meeting on 16 January 2014

The Community Ownership Forum (the successor to the Asset Transfer Unit) held its 2nd meeting in January and these notes are taken from the minutes prepared by Locality [Editor].

White elephants or true assets – latest views on LA attitudes towards community ownership of assets

DCLG wishes to support local authorities more so that asset transfer is more sustainable. A series of seminars around the country may be arranged. There needs to be a clear key message about the difference between 'community assets' and 'community ownership'. Are we talking about community assets being valuable or community ownership of assets that's valuable?

Locality will not support the transfer of a building that is a liability. More learning should be shared by those that have done asset transfer well. Pressures of local authorities to transfer assets is acknowledged. Asset transfer is not just about purchasing buildings and long leases; it is about the whole spectrum of workable alternatives. Also, it is about community enterprise, not about funding liabilities.

Funding for asset transfer

Big Society Capital is currently undertaking research looking at the social impact of community ownership of assets and the role for social investment within the asset transfer process. The organisation is keen to understand what could attract investors to these kinds of projects and what the risks are. While it was felt that social outcomes are hard to track, it is best demonstrated by clearly articulated social goals based on evidence of local community needs.

Balance was needed and different funders need to talk to one another to ensure consistency. Also there needs to be the right mix of loans verses funding. This needs to be examined on a case by case basis. From experience through the Community Rights Capital Grant Fund, few of the groups who applied would have been able to take on a loan at that stage. It was felt that the group needs to lobby for more tax relief for organisations taking on assets.

Big Society Capital has £400 million and its mandate is to make good investments in order preserve that capital for long term benefit.

Avenues for research on the social and economic impacts of community asset ownership

DCLG is building a bigger picture of community ownership, to give Minsters a fuller picture and to enable them to present the case for community ownership. They recognise that there are some evidence gaps and will eventually commission some research looking into Localism - why it is needed and where the long term social and economic benefits are.

There is a lack of network and communication between research centres. They need to work together, share their knowledge and adopt a more collaborative approach. They need to standardise data collection. However, although sharing information is a great idea in theory there is going to be information that organisations do not want to share with government. More transparency is needed. A new partnership with Manchester Business School is currently undertaking research into community shares and a comparative analysis with other forms of investment.

MOD and hospitals

Charlie Elphicke, MP for Dover, has introduced a private members Bill on community ownership of community hospitals. There are questions around whether GPs could co-own these types of hospitals. The existing pre-feasibility/feasibility grant model does not work for something as large as a hospital so funding for this work needs to be explored. It was felt worth developing a business model for this work as it has huge growth potential and could really impact on the sector.

The MOD has 209 sites across the country, areas such as army bases and huge gated sites to be disposed of. They are bomb proof and many are in the middle of nowhere! Some of the married quarters are sold off for social housing or to private landlords and property developers. MOD is being asked to consider community ownership for these sites.

An example of Chatham Dockyard was given, which is a historic dockyard that was previously in Royal Navy ownership that is now a mixed use site. There are new builds, social housing, businesses, universities and restaurants. It is now being run successfully by a local trust. This is a model that works.

Woodland Community Enterprise Network

Woodland Community Enterprise Network (WCEN) is a group made up of 56 organisations with a specific interest in woodland but there are also members who have an interest in community ownership. It was felt that there was a real potential arising from woodlands but no one organisation had all the answers. It was also felt that the government is listening more by working as a collective. WCEN is now looking at different models not just ownership, and needs funding.

Community libraries

Community libraries are one of the fast growing areas but are currently completed unsupported. There are currently 400 community libraries across the UK but most of these are run by volunteers rather than paid staff. This is not necessarily sustainable long term.

DEFRA takes an interest in the work. The cuts to library services are worse in rural areas and they wanted more research to find out what could be done and to learn from the good practice that is currently out there. Work is being undertaken with the Arts Council to develop a business model for libraries, including how to make them profitable. You can consider combining library services with community centres. Libraries need to evolve to survive and find some real relevance and value to keep them alive.

Mike explains 3i Studio software products soon to be launched. I would like to thank Mike and his software company for continuing to support ACES with this year a full page advertisement.

3i STUDIO – INVESTING TO GROW STRONGER

Mike Andrew (MBIFM, BNUC-S)

Mike Andrew, is the Managing Director of 3i Studio, the developer of EstateSuite. He has developed a practical understanding of the facilities management marketplace by liaison with clients and other product developers and service providers. One of Mike's aims is to give the client easy to use, workable solutions to their survey, data services and property software needs. He is a member of the British Institute of Facilities Management and clients include a range of public sector councils, police and health organisation. mike@3isudio.com

3i Studio wants to take this opportunity to celebrate the improvement in economic conditions now beginning to affect our business. An upturn in general business confidence as a result of an improving economy and the rapid progress in development of new products and software toolkits, together with an increase in our staff numbers, herald a highly promising next chapter in our company's history.

Throughout the economic downturn, 3i Studio has continued to invest in developing our software products to enable us to better address the current needs of our customers and to position ourselves for meeting their expected future requirements. Following an intensive development program, we are pleased to announce that we are 'on-track' for launching in the coming months several new modules to add to our product range.

In particular, our new module, COMPLIANCE Manager, which is a template driven, free format package for setting up and carrying out compliance tests of any kind. It will benefit facilities management professionals by speeding up their workflow, standardising their reporting and keeping a full audit trail and log of tests carried out. We are also launching a significantly improved version of our MAINTENANCE Manager module which is aimed at providing busy estates maintenance departments with an easy to use, yet highly capable planned and reactive maintenance system.

3i Studio – understanding clients' needs and investing in products for their future. Perhaps the most cost effective Estates Management software system available.

CIPFA performance in public services

NaPPMI Benchmarking Group Annual Report: Autumn 2013

Following some favourable reactions to last year's benchmarking report, we are now able to present a new report using data collected over the six years in which the NaPPMI Benchmarking service has been operating.

The main headlines are that:-

The condition of the property estate appears to be holding up well, with an average of 85% of property reported as being in Condition Categories A and B. However, there is a rise in Priority 1 ("urgent") maintenance items needing attention, and limited maintenance funding available to address this.

Energy consumption levels continue to fall, standing at an average of 153kWh/m^2 in 2011/12. Average CO_2 emissions have also fallen to a six-year low at 0.05 tonnes per square metre.

Office Space per full-time employee has fallen from last year, to an average of 11.6m^2 Net Internal Area. Operating costs per workstation are also down.

Over the last six years, we have used the NaPPMI Benchmarking Service to champion good practice in Local Authority Asset Management and Property Performance Management.

NaPPMI (The National Property Performance Management Initiative) was set up to provide a forum in which local authority property management professionals could work with government bodies to develop a more consistent and robust approach to measuring and managing the performance of local authority estates in England and Wales. The original membership, with representatives from ACES, CLAW, Core Cities, COPROP, FPS, IPF (now CIPFA) and NBVBS published the first tranche of NaPPMI indicators in 2005, with central government endorsements from the then DfES and ODPM.

The NaPPMI Board worked with NBVBS and CIPFA to develop a benchmarking module which data first collected in data for the year 2004/05.

As local government priorities continue to change, NaPPMI has championed the use of a "Core Set" of indicators, but we also recognise the importance of continuity; and that benchmarking and comparison takes two main forms:-

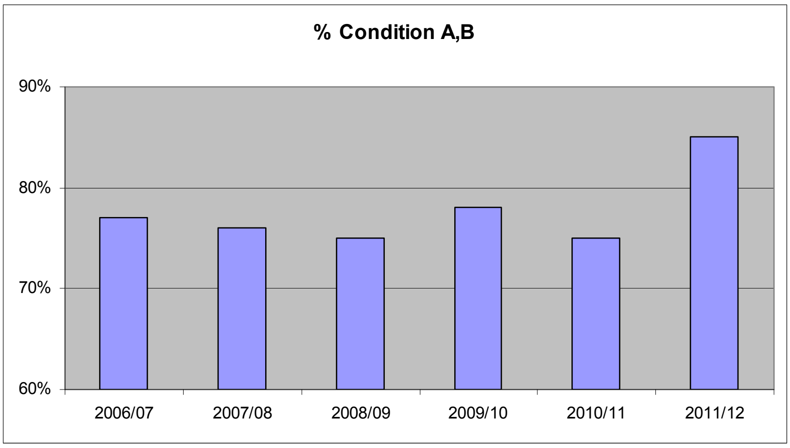
- ❖ Comparing your latest results with benchmarking partners
- ❖ Tracking changes over time (e.g. year-on-year)

ALL DATA IN THIS REPORT IS FOR THE FINANCIAL YEAR 2011/12, UNLESS OTHERWISE STATED

Bovington Primary School
(courtesy of Dorset County Council)

CONDITION & REQUIRED MAINTENANCE

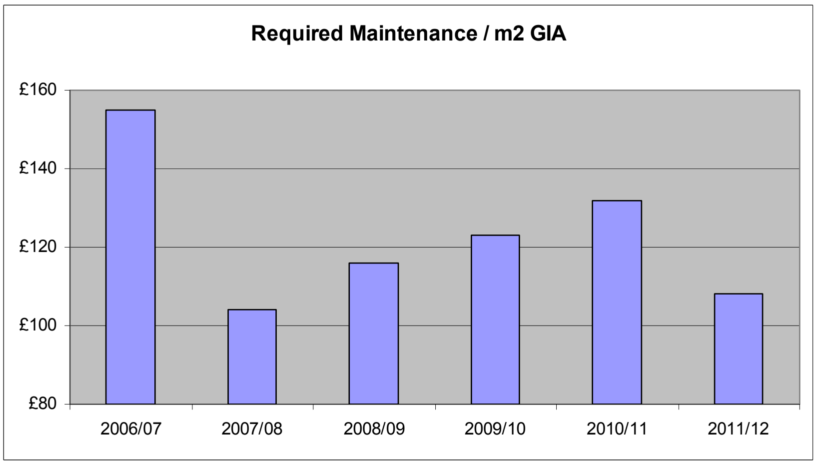
Do you have the data you need to maintain your property estate effectively? How much of the estate is in "good" or "satisfactory" condition? How much does your authority need to spend on maintenance to avoid accelerating deterioration? Do you spend enough of your budget on planned maintenance, to avoid failures and minimise the disruption caused by emergency works?



Last year, we reported how the average percentage of local authority estates reported as being in condition categories A ("Good") and B ("Satisfactory") had remained more-or-less steady in the high 70s throughout the past five years.

This year (i.e. data for 2011/12) saw a surprising rise in the average to a new high of 85%.

We need to express caution in drawing too many conclusions from a limited dataset, but this improvement in average condition for Categories A and B could be explained by the fact that some authorities are moving away from a regime of undertaking regular condition surveys, concentrating their efforts on identifying maintenance needs by reference to Priority Categories 1, 2 and 3.



After rising steadily over the past four years, the total level of required maintenance per square metre appears to have fallen below the long-term average in 2011/12. At first sight, that would appear to be in line with the apparently improving picture on condition (above) – but on closer examination, the average percentage of Priority 1 ("Urgent") maintenance items remaining unresolved has risen slightly (to 14%) which does not bode well for a sustained improvement.

Maintenance spend as a percentage of required maintenance (one of the new Core Indicators introduced in last year's report) has remained fairly static at 12% – but when read in conjunction with the last statement above, this does suggest that some authorities are not devoting enough expenditure to address all of their urgent maintenance problems, let alone tackling those which are expected to become urgent if left unaddressed.

Planned maintenance as a percentage of total maintenance spend remains at similar levels to previous years.

We have endeavoured to find evidence of strong correlations between Condition, Levels of Spend and Required Maintenance, and the percentage of Planned Maintenance – but this is elusive, especially with datasets of a limited size. Perhaps the most useful statement we can make here is to say that on the basis of data from the last two years:-

Those authorities which invest the most money in addressing maintenance requirements (in terms of maintenance spend as a percentage of required maintenance) tend to be those which favour planned over reactive maintenance; tend to maintain their property estates in better than average condition; and to have lower levels of outstanding maintenance requirements (required maintenance per m^2)

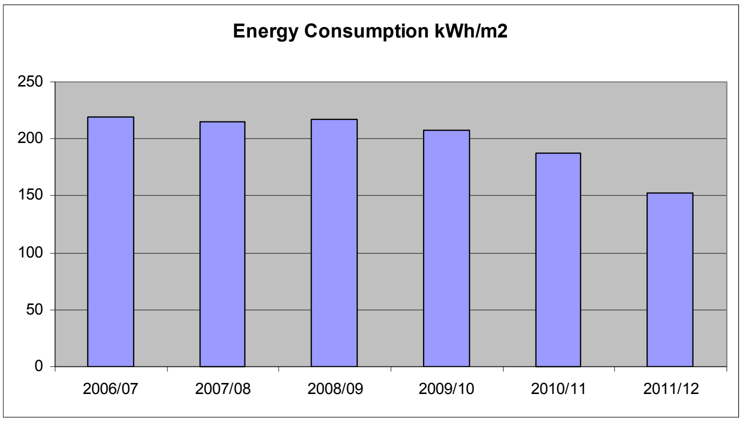
This is not a surprising conclusion, but it does at least demonstrate that maintenance spend tends to achieve worthwhile results.

ENVIRONMENTAL PERFORMANCE

Managing energy consumption is an important part of environmental performance, and has a significant impact on property running costs. Do you have the data to manage consumption effectively? How well is your authority performing? CO_2 emissions are a major issue in environmental management. How do you perform against local targets and / or national benchmarks?

Bishops Wood Environmental Centre
(courtesy of Worcestershire County Council)

Average Energy Consumption (kWh per m^2 GIA) continued to fall in 2011/12. Considering both the cost and environmental implications, it is encouraging to see that average reported consumption for 2011/12 is less than 75% of the 2006/07 figure.

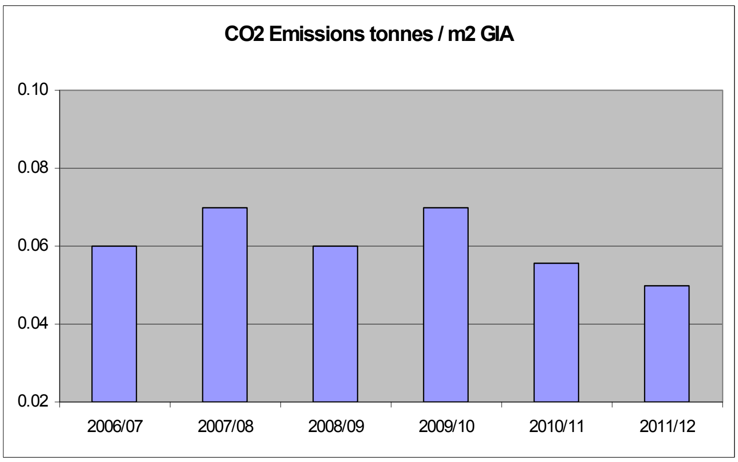


Why is this improving?

- Better energy efficiency in use?
- Capital improvements in buildings?

Considering the trend for greater intensification of the use of space this fall is even more encouraging.

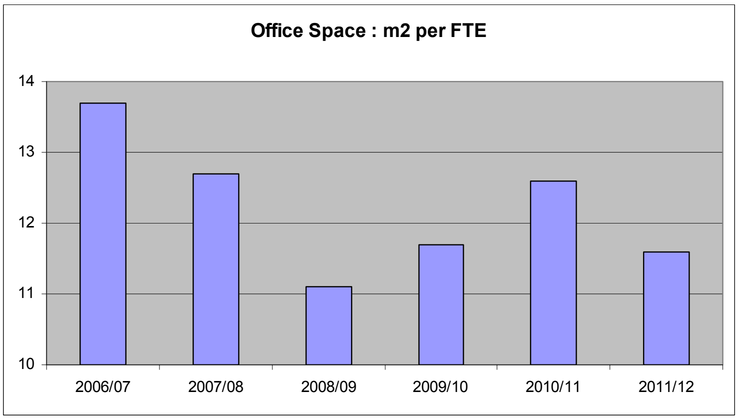
From the 2011/12 data, there is now stronger evidence of a falling trend in CO_2 emissions, with the latest figures down to a six-year low at an average of 0.05 tonnes per square metre.



The improvement in the robustness of this (CO_2) data, noted in last year's report, continued with the 2011/12 returns – it is gratifying to see that more and more authorities are monitoring this.

UTILISATION OF THE OFFICE ESTATE

Many authorities have reviewed their office estate in recent years, usually with an emphasis on better utilisation and lower cost, often accompanied by the introduction of new ways of working. This continues to be a high-profile and often contentious issue for many authorities. It's important to know how you measure up.



Last year's report noted that office space per full-time equivalent employee was on a rising trend, after an initial fall over the first three years. We speculated that this might reflect changes in staffing levels outstripping the speed with which office estates could be changed.

The 2011/12 figures show a decrease– although they are not yet back to the levels reported in 2008/09. This would appear to represent an ability of many – but not all - authorities to adjust the office estate in response to changes in the workforce.

Average operating costs per office workstation have fallen by nearly 15% between 2010/11 and 2011/12. However, this headline reflects the scale of the 2010/11 "blip" and hides massive variations between authorities, ranging from below £750 to almost £2,800 per workstation. It is acknowledged that this will be significantly influenced by local market factors – but we note that one of the lowest figures relates to a London Borough, and one of the highest to a provincial city. This could be a useful topic for more detailed analysis.

Good data and benchmarking are key to understanding the performance of our buildings. Without this it is very difficult to demonstrate that value for money is being provided from the property assets. Indeed in these very challenging times benchmarking is more important than ever and is essential to ensure that informed decisions are made on the future of the estate.

Although many well-intentioned authorities struggle to find the resources to participate fully in this, there is a growing recognition that good performance data and relevant benchmarking are increasingly important in achieving good value for money from the property estate.

NaPPMI has been delivering essential benchmarking information for over six years. It is run by property professionals like you and is supported by Government. As your benchmarking group, we encourage feedback on the relevance of the indicators and on any changes or support that might help you to participate more effectively in NaPPMI benchmarking activities.

Do you have the right property data to inform your performance management process? Do you submit data on a regular basis to NaPPMI to provide you with year on year information and comparisons with others? If the answer is, "no", why not join those authorities who use NaPPMI benchmarking to inform and improve their performance?

Please send any feedback to us at susan.robinson@cipfa.org or beaufortwest@gmail.com

Royal Pavilion, Brighton
"Not a typical local authority building"
(courtesy of Brighton & Hove City Council)

THE RURAL PRACTICE BRANCH – 10 YEARS ON: A CELEBRATION

Charles Coats

Autumn 2003, the Presidential Conference in Portsmouth was winding down to its usual Friday lunchtime conclusion with the majority of delegates and spouses getting ready to either disperse to the far quarters of the Kingdom or join the Presidential party in an afternoon visit to an attraction of local interest.

A hardy trio remained, the rump of the Counties Branch, gathered, as had been the practice for a number of years, to hold its autumn meeting as an adjunct to the main event, ostensibly an endeavour to attract greater patronage! The main meeting venue had been set aside in the expectation of a bumper attendance, but the trio, the author of this article, together with Brian Reeve-Fowkes from Cornwall and Trevor Williams from Staffordshire, readily agreed the time was long overdue for a radical change: the idea of a specialist branch focusing on the principal common ground of interest - agriculture and the rural economy- was spawned. Clearly, the old branch had become a victim of circumstance: changing priorities and local government restructuring meant its distinctiveness had become inexorably blurred, and its areas of interest swallowed up by the burgeoning local branches; the membership had voted with their feet in increasing numbers.

A constitution for a new specialist branch was drafted, its name designed to pass the Ronseal test. Informal interest was canvassed, and an enthusiastic response encouraged the founding fathers to continue. A formal proposal was submitted to national Council; after some debate this was approved on 22 January 2004 and the new infant branch was born. The inaugural meeting took place on 26 April 2004 at Stonehouse, Gloucestershire, almost ten years ago: 24 rural surveyors, plus the then national president, Malcolm Dawes, attended.

Since then the branch has gone from strength to strength. Attendees come from far and wide: Pembrokeshire to Norfolk; Cornwall to Northumberland. Meetings are held half yearly, usually alternating, to spread the travelling, between Penkridge in Staffordshire; an academic institution in Cambridge, frequently Girton College; and Waterend Farm, Gloucestershire, appropriately a county council holding where the farm tenant, Hilary Mann, has diversified to provide a rural meeting venue and is famed for her shepherd's' pies, always designed to boost attendance.

Meeting attendance is always buoyant, averaging at least 20 on each occasion, often boosted by visiting speakers and itinerant ACES Presidents keen to ensure a clean sweep of branch attendance during their year of office, often bemused by the professional technicalities under discussion to start with , but enthusiastically involved and immeasurably better informed by the time of their departure.

In addition to branch meetings, national conferences and professional workshops have been held. The branch is also now a natural consultee of government, and enjoys a productive working relationship with DEFRA officials. Branch members attend meetings of TRIG (Tenancy Reform Industry Group), the principal forum for debate on matters relating to agricultural tenancies and their influence on the wider rural economy; chair the County Farms Statistics Working Group with CIPFA; contribute to the Welsh Government's Way Forward Initiative reviewing the future direction of council farms in Wales; advise the LGA on rural issues; and contribute to the work of the Institutional Landowners Group of the CLA, and Fresh Start, a body established to encourage new entrants into the farming industry.

Speakers have made presentations at a number of august gatherings, most notably a seminar convened by Charles, Prince of Wales at Highgrove in autumn 2012. In 2008 the membership may recall the keynote speech to the AGM luncheon in the Guildhall, London being given by Sir Don Curry, then the government's special adviser on rural issues, when he launched a major Discussion Paper: "The Importance of the County Farms Service to the Rural Economy", a document the branch had been invited to contribute to.

Learned articles and Best Practice Guidance on a range of professional practice have been produced, most notably The Council Farms Rationale; Rural Asset Management; and Estate Asset Valuations. While the focus is primarily on the management of local authority farms, the branch has a broader rural remit and does on occasions discuss matters outside these confines.

So, ten years on the branch is now a well established feature of the ACES scene, and an increasingly respected voice in the farming industry across England and Wales - here's to the next ten years! [Ed – any ACES member can join the rural branch].

ADE ADEBAYO, LONDON BRANCH

Following the Branch AGM in early December last year, the new Branch Executive took their first meeting on 24 January with Jeremy Pilgrim in the Chair, fresh from his journey sailing across the Atlantic. Ade Adebayo was elected Vice Chair, Chris Rhodes as Hon General Secretary, Marcus Perry as Hon Treasurer, Neil Webster as CPD/Topics Officer, John Rayner and Malcolm Dawes for Socials, and James Young, Neil Simon and Abdul Qureshi as Ex-Officio Members.

The January meeting was attended by 20 members, with Peter Young from the City Corporation attending his first meeting. The Hon Secretary was pleased to announce that 2 new members had joined since the last meeting – Michael Patterson from Hillingdon and Yinka Jawando from Barking & Dagenham.

A highlight of the meeting was an interesting presentation from Derek Gorman, Chief Executive of Get London Living which is joint venture between Qatari Diar and Delancey and was launched in May 2013 to own and manage large-scale Private Rented Schemes (PRS). The presentation focused on their first scheme which is the 2,818 home East Village scheme that was the former London 2012 Athlete's Village. East Village itself is a mixed-tenure neighbourhood with 1,439 of the homes being private rented with the rest being private for sale or affordable housing. Get London Living is convinced that it has developed an affordable and attractive proposition for those who wish to rent long-term with a service offering that includes: no fees or hidden costs, 3 year tenancies, on-site management office, free broadband and Sky packages and interestingly, staff mostly recruited from a customer services background and the linking of staff incentives to the outcome of independent customer surveys. Derek Gorman advised that its rental profile is the 25-40 age group and prices range from £310pw for 1 bed, £375pw for 2 bed and £535pw for 4 bed properties. Get Living London is clearly a major presence in this developing market segment and is already looking at other sites in London. The company is convinced that there is market for this type of product and is taking a long term view.

Other issues covered at the meeting included the trend towards Total Facilities Management outsourcing with Bromley and Redbridge reporting a move towards the model, Sutton reporting its recent 10 year contract and the Tri-borough FM arrangements that started in September 2013.

At our March meeting, Martin Forbes of Local Partnerships gave a presentation on "Opportunities from Adversity" which addressed new ways of driving values from estates. He highlighted the opportunities available from pooled budgets across public sector organisations and the developments on the social care front with the focus on prevention and increase in home-based services, with the opportunities these present for making radical changes to the property portfolio. He gave examples of the move towards local authorities building Private for Rent accommodation and setting up property companies to run and manage their estates on a commercial basis.

Andrew Wild also took the opportunity to update the Branch on preparations for the ACES Annual Conference in London on the 11-12 September. London members are working hard with 3Fox International on preparations for the conference and are eagerly looking forward to welcoming colleagues back to London. This will be the only ACES conference this year and we would be delighted to see as many of you as possible to make this conferences a successful one.

DUNCAN BLACKIE, EASTERN BRANCH

The branch and CPD meeting was held on 7 March at Essex Records Office, Chelmsford, attended by 30 delegates.

Vice Chairman, Brian Prettyman opened the meeting and commenced with branch business. Welcome was given to new attendees. Thanks were given to Richard O'Connell of Lambert Smith Hampton (LSH) for organising/sponsoring the meeting. Members were reminded that since the Hon Treasurer, Mike Shorten, is intending to stand down this year a replacement was being sought.

Visiting national President, Andrew Wild provided a brief resume of his career in local government and the role of the City Surveyors Department. He then spoke to the following themes:

- Continuity of presidential priorities - Andrew has agreed to continue work started last year by Thomas Fleming and these themes will also be picked by Vice Presidents Richard and Jeremy

- Promotion of CPD - Following the decision to discontinue the Spring National Conference, it is intended that a one day conference format will be rolled out around the regions, in conjunction with RICS. This will provide high quality CPD opportunities for public sector surveyors across the country

- Contribution made to public sector savings targets by property professionals - Property professionals often feel that they make a much greater contribution than they are given credit for. In view of this and in order to underpin the view with evidence, Andrew will be asking members to complete and return a simple questionnaire. It is hoped that members will respond positively with examples of how property solutions have driven [and supported] management initiatives

- Opportunities for young people - A number of members confirmed that they provide opportunities for young people within their organisations. Andrew advised the audience of the work of The Chartered Surveyors Training Trust, which provides an entry route into the profession for young people who 'missed the boat' in terms of qualifications etc.

- ACES website & PR - Andrew advised that it is possible for branches to 'log' their events on the national website but ACES had recognised that there is untapped value in the brand and the specialist PR firm, 3Fox International, is advising ACES in this regard. Past President, Paul Over, is leading on website development for ACES

- Andrew asked members how important it was for them to receive a glossy version of the Terrier, as opposed to a pdf. Members certainly felt that there is considerable value making the publication as accessible as possible. Although there wasn't a definitive answer to Andrew's question, one new member, Graham Macpherson, confirmed that reading the Terrier had convinced him to join ACES

- ACES Conference - The Presidential Conference will be held at the Grange Hotel, St Pauls on 11-12 September 2014. Toby Fox [Fox Intl] is assisting with organisation and it will be possible to attend as a day delegate [possibly half day]

- ACES Award for Excellence - Cambridgeshire received the award last year for collaborative working and Andrew made it clear that ACES is very interested in receiving nominations for any work that has made a difference, not just 'big bang' projects

- Working with RICS - ACES relationship with RICS continues to develop - driven by high level contacts. This is leading to deeper working relationships, for example, Paul Bagust regularly attends London Branch on behalf of RICS. Andrew advised that RICS would be happy to work with branches across the country and members felt that it could be beneficial to ask RICS to explain revised requirements on ethics at a future meeting

- CPD is now being monitored quite closely. 80% of RICS members logged their CPD in 2013. The outstanding 20% have been receiving calls and 'offers of assistance' from RICS

- RICS/ACES are to produce a joint paper on Community Right to Bid [Jeremy Pilgrim, on behalf of ACES].

In addition to the branch meeting, a number of formal CPD presentations were made. These were:

- One Public Estate – National Context from Richard Emmens, Regional Director Government Property Unit

- One Public Estate, Regional & Essex Context from Andrew Rowson [Asset Management lead East of England Local Government Association] and Duncan Blackie [Talent Bank Associate East of England LGA]

- The EPAM Mapping Project, James Seeley, Product Manager, IDOX - the Essex wide EPAM programme to map the Public Sector estate across Essex

- Property Market Briefing, Eastern Region, Ed Morgan, Associate Director, LSH - a commercial and residential property market update drawing on information from LSH's research and marketing team as well as his personal experience of residential land disposals in the Eastern region

- Property Transformation at Essex County Council, Chris Bandy, Project Lead, ECC – an overview

- Sustainability/Asset Management implications of the Energy Act 2011 and the Green Deal, Jaime Blackley-Glover, Director, LSH [Ed – see article in this Terrier].

A number of members took up the offer to tour Essex Records Office.

The next meeting will be held on 4 July.

RICHARD ALLEN, HEART OF ENGLAND BRANCH

The National Metalforming Centre in West Bromwich was the venue for the first branch meeting of the year held on 6 March. A number of officers from the host authority, Sandwell MBC, attended for the 3 formal CPD presentations that preceded the main afternoon branch general meeting.

Ivan Kite, Regional Property Adviser - Midlands, Government Property Unit, within the Cabinet Office, opened the morning session by giving a presentation on the 'One Public Estate' pilot programme, explaining that it is a joint programme, launched in July 2013, to aid local and central government asset holders in 'unlocking' barriers that may be preventing a more integrated approach. He started by saying that between May 2010 and September

2013 central government had exited 1.8m sq m of office space, a reduction of 16% and more than 18 times the size of the Shard, or 230 football pitches. It represented annual running savings of £500m p.a. and over £1.3bn had been received since May 2010 from the sale of parcels of land and buildings. The programme consists of 12 local authorities who offered to participate in the pilot. Two of these authorities, Nottingham City and Worcestershire County, are branch member authorities. He explained why the pilots were set up, what they aim to achieve, commented on the successful progress to date and proposals for a second phase of pilots, all of which prompted some interesting questions and a lively debate.

Laura Stamboulieh, Director, Public Consulting at DTZ, followed. She introduced her presentation by saying that across the UK previously failed regeneration schemes were being revived, and then listed over a dozen examples. Her topic was 'Collaborate to Generate - Lessons learnt' which focused on a case study of Dacorum Borough Council's (DBC) proposals to develop new central office accommodation in Hemel Hempstead, in partnership with a number of public sector bodies - Hertfordshire County Council, Hertfordshire Constabulary, West Herts College, Herts Mediation, NHS, Relate and Morrisons.

She explained that what they were up against when the scheme was revived in 2011, was a failed attempt to bring forward a major regeneration scheme (2007-2010) on a site in multi public sector ownership in a 60 year old town centre in need of regeneration and to replace an increasingly inefficient Civic Centre (and the need for a robust analysis of VFM options).

The driver was the opportunity to create a new Public Service Quarter (PSQ) for the next 50 years capturing new combinations of presence eg. modern library, voluntary sector and commercial uses all to deliver new and transformational ways of working, reducing overall space requirements and therefore costs, to act as a catalyst for town centre regeneration and improving the "place making" offer provided by Hemel Hempstead, to produce a value for money exemplar building in terms of sustainable design and flexibility, to develop public sector assets within the overall concept of town centre regeneration and maximise the value of the council's landholdings (and other partners).

A robust business case had been produced which took a long term view and explored financial and non-financial issues. The challenge was having the right team and commitment, defining the scope of the opportunity, defining the scale of the PSQ, defining the financial implications, gaining 'buy-in', land assembly, clear articulation and promotion of the opportunity to the marketplace and encouraging and maintaining competition.

The solution had been a nominated DBC and DTZ Project Team with additional technical support when needed, market testing to influence single or multi-site debate, partner discussions and indicative design, outline specification and costing exercise, progress reports to Cabinet, informal presentations to members, partner discussions and heads of terms, careful drafting of the OJEU Notice, the descriptive document and launch campaign and designing a robust procurement process that is not off-putting.

The current position with the scheme was that Decorum BC is now seeking a development partner with relevant experience, vision, capability and resources to regenerate the area through the development of a Public Sector Quarter comprising a new office building for the council incorporating a modern library facility and Registration Services accommodation for the county council. The council will also lease space to other public sector occupiers. The development of the public sector space will be fully funded by the council. In addition the scheme is to include a commercial leisure offer such as a cinema and food beverage outlets and complementary regeneration which could comprise residential or appropriate commercial uses.

Lessons learnt were that clear objectives from the outset are key, a robust business case is essential, a lead partner with a clear vision is more likely to drive a collaboration project forward, the lead partner must have the proper resource (internal and external), there must be clear roles and responsibilities, practical solutions (to address challenges) can be devised with the appropriate investment in resource, partners cannot always work to the same programme so they must either be excluded or able to give 'in principle' support to give marketplace confidence, patience is a virtue and it all comes together in the end provided the right investment is made up front.

After lunch Peter Yeomans, Sandwell MBC, gave a presentation on the 'Ongoing Regeneration of West Bromwich Town Centre' which was an update of the presentation given at the meeting held in 2010 at the 'Public' by Peter Manley who was then the Head of Property at the council (see 2010 Summer Terrier p17). He said that the 'Public', the multi-disciplinary arts centre, had now closed because the Council could not afford the running costs. This prompted a number of questions regarding the implications of this decision on the significant grant monies that had funded the scheme. The 'Public' is now being converted for use as a sixth form college. The other schemes that were on the drawing board when Peter Manley had given his presentation had, however, progressed satisfactorily. The Tesco-led Central Square major addition to the town centre retail and leisure offer was now completed and New Queens Square, the run-down shopping centre that links the main high street to Central Square, is currently being refurbished. The improved A41 interchange to the town centre and landmark New Sandwell College have also been completed. Other aspects covered were the economic drivers for change and funding, plus an update on the other office and residential proposals for land around the town centre.

During the general meeting the Secretary reported that first joint RICS/ACES CPD workshop had been held at the Link Hotel, Loughborough on 28 November. Steve Meynell had represented ACES and reported on the event, which was attended by 16 delegates mainly from Leicester area councils. A further event in Nottingham had been arranged for February, but was cancelled due to a speaker pulling out. The organiser at the RICS, is trying to rearrange the event. It was agreed that so far the arrangement with the RICS had not been as successful as hoped, as they were struggling to find appropriate speakers, but it was agreed to give it a chance to develop.

As part of their 'Corporate Landlord' assignment students from Nottingham Trent University had visited both Nottingham City Council and Nottinghamshire County Council headquarter offices where they had also received presentations on how the respective authorities are strategically managing their corporate property portfolios. The course leader at the university has been pleased with the support provide by ACES.

The Chair and Vice Chair reported on the last full ACES Council meeting with particular reference to the 'Way forward' agenda and upgrading the ACES website. The independent report produced by Fox International had been discussed and main issues were the future role of ACES and how to promote the association and increase membership. During a general discussion by the branch members it was agreed that ACES does need to market itself far better, but that all members are responsible for doing this, both inside and outside their organisations. It was also suggested that ACES could arrange for a peer review to be undertaken by an appropriate organisation such as the Local Government Association.

It was mentioned that although branch membership numbers had actually increased to almost 40, attendance at meetings was falling. Following a discussion on how to increase attendance it was agreed that members should be encouraged to send substitutes to meetings. The benefits would be that it would promote and demonstrate more widely the role of ACES, be good career and professional development experience for the substitutes and, as meetings usually have at least 2 hours formal CPD content, support RICS members in achieving their minimum CPD hours. It was also agreed that non-ACES member staff be eligible and invited to attend meetings for the formal CPD presentations. This would be attractive for authorities/organisations in locations close to meeting venues.

There was a discussion on the further austerity measures effects on property services. Wolverhampton council is having major problems in finding budget savings so all staff are going down to 35 hours from 37 hours per week. Warwickshire is rationalising its libraries and using some as service hubs. A number of authorities are making strategic acquisitions particularly in growth areas. Although some authorities have taken on more staff, the general trend is more outsourcing or sharing services. The Valuation Office is picking up more public sector work. One authority had received a very significant receipt from a Housing Revenue sale. Half is to be reinvested in housing but the remainder has been appropriated and is to be invested in property to produce a target 7% return. The authority is proposing to purchase an appropriate leasehold hotel investment in Edinburgh. It was agreed that the next meeting would focus on budget savings and all attendees will be asked to make short presentations on how their own authorities are seeking to support this objective through their property strategy and headline targets.

There was a discussion on some asset valuation issues raised and internal auditors' requirements. Reference was made to the 'Determining the land and buildings split in local authority asset valuations' article in the 2013 Winter Terrier. Categorising industrial units as operational rather than investment assets gets round the need to value annually as operational assets need only be valued every 5 years. There was a discussion on the property attribute information authorities will need to provide from 1 April 2014 with particular reference to the mandatory requirements and additional information recommended for publication. Options were suggested in response to a request as to how a small community group could make a case for a reduction in rent to a nominal figure for the lease of a Grade 2 Listed 16th century barn that was not weather tight and had no services other than an electricity supply and surface water drainage.

The next meeting will be held on 3 July at the Oakham Enterprise Park which is being developed at the former Ashwell Prison in Rutland.

JOHN READ, NORTH EAST BRANCH PRESS OFFICER

The North East Branch Executive met in Durham at the end of January to pull together the agenda and arrangements for the forthcoming branch meeting. At the meeting, the executive also enjoyed a selection of that popular brand of crispy and creamy donuts thanks to Daniella Barrow and wished her every success in her new role as Operations Director an NPS North East. The following week, several branch members met at the Government Property Conference 2014 held at the Royal Armoires in Leeds, a well-attended event that looked at examples of co-location and rationalisation of public sector property and included an appearance from Brian Ablett sitting on one of the panel discussion sessions.

The branch meeting was hosted by the City of Bradford Metropolitan District Council at their Jacobs Well offices on 7 March. It was a very full day with the Chair, John Murray opening the meeting followed by an introduction by Mike Cowlam, Assistant Director of Economic Development and Property, summarising the progress that his team and the City had made in promoting regeneration and how many years of planning had moved into the delivery stage with the completion of the award winning City Park and infrastructure improvements and an on-site start for the Westfield retail scheme. This will provide 570,000 sq ft of retail and leisure space, with 1,300 new car parking spaces, more than 70 shops with restaurants and cafes.

The introduction to Bradford was followed by branch member discussions on valuation in flood risk areas, an update on professional matters from the Valuation Office by John Murray and a brief summary of the Government Property Conference.

This was followed by a well-received presentation by Delta-Simons on ecological constraints on sites development, aimed at raising awareness of the key protected species and invasive weeds and also highlighting seasonal constraints with regard to surveys and mitigation. The presentation was followed by a healthy Q and A session.

Immediately before the lunch break and networking session, Andy Hannan presented a roundup of DCLG matters and the role of the Department in "creating great places to live and work, giving more power to local people to shape what happens in their area". Topics covered included issues arising from the 2013 Spending Review, data transparency, business rates review and appeals reform, enterprise zones, helping unlock housing development and the government's property transformation agenda.

Following lunch, Tina Parry, City Centre Delivery Manager at Bradford MBC gave a passionate presentation on the City Park which is the largest water feature in any UK city. The ambitious public realm scheme was a long time in the planning but following its completion and with £24.4m investment, it provides a central outdoor entertainment space that transforms itself from a plaza at dawn to a lake at dusk when an underwater light show begins and camera-controlled lasers play tricks with visitors after dark, lassoing them with loops of light as they stroll around the area. The presentation was followed by a guided tour and walk around the City Park and the control room but unfortunately none of the branch members brought their wellingtons so were not able to walk on water.

At the time of going to press, the branch executive is making arrangements for its next branch meeting which will be a full day of CPD presentations on 27 June 2013 in Newcastle.

Other Interest Areas

THE SUFFOLK SCRIBBLER

"Work" V

Fresh from my work with Beatson and Clarke's glass bottles and 2 stints at the local pit clearly it was time for a spot of higher education, particularly as my welcome at grammar school was beginning to become rather thin. Having considered very carefully all the careers and further education advice made available to VIth formers, (in my case NIL), I had opted to read Civil Engineering at Manchester University. My reasoning was that I wanted to do something practical and Manchester was a reasonably short trip across the Pennines by electric train.

So off I went one bright October day, initially by bus to Sheffield, with a very large suit case packed with enough stuff to last me until Christmas. To mark the importance of the occasion I was accompanied on this stage of the journey by my father who had already given me a new wristwatch and raincoat. Eventually I arrived at my digs in Fallowfield having resolved never again to try and lug a very large and very heavy suitcase on and off 2 buses and a train.

My fellow lodgers were 2 Yorkshire lads, and a cockney, all new boys like me, plus a guy from Birmingham who was a second or third year medical student. He was always pi**ed and for years my nightmare was waking up at the scene of some horrendous accident with him leaning over me asking how I felt.

The University, or at least Owen's College, was only a 10 minute bus ride away, and I soon had the geography sussed. However it took a little longer, probably a week or 10 days, before I became totally disillusioned. I could not understand why there were no lectures on civil engineering or related topics. We did electrical engineering, mechanical engineering and pure physics and pure maths, the latter being based, apparently, on the square root of minus one, a somewhat difficult concept to grasp for someone like me with only 3 maths A levels. I was not happy. However I was happier having found the Union building and I decided to make the most of what I was already beginning to believe was likely to be a less than a 3 year stay by joining a few societies. These were the Engineering Society, whose sole purpose seemed to be to arrange Hot-Pot Suppers; the Industrial Society, visits to interesting industrial locations such as Longbridge; and best of all the Manchester University Mountaineering Society with which I went on a number of rock climbing trips to the Peak District.

But best of all I found the Union Bar and proceeded, from day 1, to have lunch there. For the whole of year 1 my lunch was always the same, a pint of Watney's

Draft Red Barrel and a pork pie.

However all good things must come to an end and I failed the year 1 termly exams in spectacular fashion; my high point being refused permission to leave the exam hall until 30 minutes had expired. I tried to leave after 5 minutes having written all I could but had to wait. It was the Pure Maths exam and when I turned over the paper to start I realised there was a problem; I could not understand a word of it!

My disillusionment was further enhanced by my vac job of junior civil engineer on a major site in Sheffield. In terms of status and pay, this job was the lowest of the low and rather insecure as junior engineers could be told "As from next Monday you will be working in West Hartlepool or West Africa." And you would be expected to be packed and ready to go. Not exactly my cup of tea.

So when the termly results came out shortly after finishing my agreed time on the vac job I was not surprised or concerned to see the word "FAIL" in capital letters in my letter. The procedure laid out was that I had to satisfy Faculty Management of my continuing interest in becoming a civil engineer and resit the termly exam, and pass, before starting year 2. I duly returned to Manchester to be interviewed by the Faculty Professor and the Head of the Civil Engineering Department and it soon became apparent to me that all 3 of us had little or no interest in the outcome of the interview and I left the meeting on the understanding that I would be unlikely to return for the resit.

In telling my parents when I got home I didn't get the reaction I was expecting. All my father said was, "I'm glad tha not going back. By the look of thee I don't think tha would have lasted another couple of months anyway."

John Terry

On 19th January Chelsea hosted Manchester United at Stamford Bridge and beat them soundly. Samuel Eto'o scored a hat trick; the first time ever this had happened against the Reds. In a radio interview after the match, involving John Terry and Samuel Eto'o, the reporter asked Samuel, "This is the first time ever that an opposing player has scored a hat trick against Manchester United. How happy are you to be the first player to do this?" His answer was framed in 3 or 4 sentences of elegant, fluent French to which the reporter's response was to say, "Oh dear I wasn't expecting that. John, can you translate? How happy is he?" Without missing a beat John explained, "He says he's very happy." Yet another unsuspected skill possessed by the Chelsea Captain.

I was reminded of this during the confrontation between Russia and Ukraine in March when a BBC reporter, standing on a deserted dockside somewhere in Ukraine, telling us that the Russians had blockaded several Ukraine ships, when an Ukrainian officer with walkie-talkie appeared possibly heralding the imminent departure of the blockaded ships. The reporter immediately asked the officer if this was so and he replied at length using the word "Blockadeski" and many other words in his own language which left us all none the wiser. And possibly a scoop missed.

Where, I thought, is John Terry when you need him?

Worst work in the world

Some years ago I visited a Safari Park in my motor caravan which at the time was a fairly large Elddis with a big square body. It had a flat reinforced roof that could be used to carry extra luggage or as a viewing platform. There was a fixed ladder giving access to the roof which had a low peripheral handrail for health and safety.

In driving round the park it was no problem transiting from enclosure to enclosure as there were staff to open and close the gates; unlike my experience at a POW Museum I had recently visited where the main access was controlled by a driver-operated barrier with a height restriction. This meant that when a high vehicle like mine approached the barrier, a "Guard" appeared dressed up in WWII uniform who then, rather insolently in my opinion, gestured to an adjoining gate, with no height restriction, and let me through.

Meanwhile back at the Safari Park all went well until the monkey enclosure. It was no problem getting in and the inmates clearly liked my out-of-the-ordinary vehicle as one small monkey immediately climbed aboard and sat on the supporting arm of one of my lorry size rear view mirrors rather like an unilluminated Michelin Man. And there he stayed until about 6 of his mates accessed the roof whereupon he joined them and, in some excitement, all enjoyed the ride and the unusually high vantage point.

Again all went well until I approached the exit gate and a rather well built girl appeared wielding a large yard brush. Clearly one of her roles was to prevent inmates escaping and my escapees had encountered this lady before and had probably felt the weight of her yard brush. Anyway she clearly terrified the monkeys and in something of a panic they all scrambled off the roof and away. I was cleared to leave the enclosure, the park and to go home.

Some days later I began to detect an unusual pong in the vicinity of the van and on climbing the ladder in order to peer over the roof I saw that the monkeys had left copious traces of their panic stricken exit from the roof. It took a few hours hard work with a hose pipe and stiff brush to clear it all up.

Planes

RAF Mildenhall in Suffolk is the USAF's European Logistics Centre and home to its European Refuelling Wing and 1 or 2 Special Operations Units. I live close enough to see most of the flying but not close enough to feel that the next one will take the tiles of the roof.

There is no fixed flying timetable but there are lots of planes to see. Mainly Boeing KC-135R Stratotankers, AWACs (airborne warning and control), Lockheed Hercules and various types of heavy lift transport aircraft.

Recently a newcomer has joined the ranks, the Osprey. This unusual aircraft joins the Hercules in Special Operations,


The Osprey

namely "the insertion and extraction of personnel." The Osprey has 2 massive engines each with an oversize propeller mounted either side of the fuselage on short stubby wings. To achieve vertical flight, uniquely both engine units rotate through 90 degrees. Having seen the Osprey fly by, its oversize and slowly rotating propellers present quite an amusing picture.

I haven't seen one land but in my imagination I am taken back to the circus clown' s car and imagine a perfect landing and as the plane taxis to its destination I can hear the pilot sounding off his hooter, one of those brass trumpet units activated by squeezing an air bulb. As the plane stops there is a huge backfire, lots of smoke and the pilot's door falls off. Then a large boot emerges followed by the pilot dressed in a lime green and yellow checked onesie and a very large bow tie that probably rotates. The pilot's face will be made up mainly in white with the usual clown accoutrements and a red bulbous nose surmounted by an orange fright wig.

However in undertaking special operations I am sure arrangements are much more serious than my imaginings but I'll wager it would severely unsettle the opposition in, say, rescuing under fire a downed pilot in Taliban territory if my scenario was tried.

All our yesterdays

As this column is rapidly approaching its 50th anniversary I wondered whether a reprint of some earlier columns might be interesting otherwise I might be tempted to take an earlier piece, give it a quick tosh over and represent it as "new and original". For example the following appeared as the first few sentences of the new column in succession to the long standing column "Yesterday's Man" as written by Dick Miller.

"ALMOST YESTERDAYS MAN

I thought the auditions queue for YM would have gone right round the block but no, just a guest column from Malcolm, with a nice picture to cut out and frame. Mine has pride of place on the mantelpiece. It keeps the kids away from the fire.

*The last issue was full of references to Cardiff and, by coincidence, I was there only the week before the AGM with that Diamond Fenland Geezer, the real YM. It was the occasion of the last STEPS Seminar of all time and County Hall Cardiff was the last stop on YM's Farewell Tour. Although his Betty 'n Bert Roadshow went like clockwork at Cambridge and Walsall, it nearly fell at the last hurdle. Adrian James was introducing Betty's pre-lunch spot whilst AYM was doing a last minute sound check on the laptop. As Adrian got to "and here she is…" we both looked up and she had disappeared! Someone muttered, "Bl**dy hell, she's b****red off", but all was well. She was actually scrabbling round on the floor recovering the contents of an upturned briefcase. So Cardiff was saved and did not miss out on its share of GN11 Update and the valuation of social housing, or a brilliant demonstration of the "Australian Position".*

YM's organisational skill will be sadly missed. Come back YM, your profession needs you."