THE TERRIER

THE JOURNAL OF ACES - THE ASSOCIATION OF CHIEF ESTATES SURVEYORS & PROPERTY MANAGERS IN THE PUBLIC SECTOR
VOLUME 18 - ISSUE 3 - AUTUMN 2013

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EDITORIAL

Betty Albon

Welcome to the Autumn Terrier.
This edition starts with reports on the Presidential Conference held at Glasgow, hosted by the President, Thomas Fleming. The cover features Tom with colleagues, guests and sponsors. As you will read, the conference was successful and very well attended. The professional papers will follow, in Asset.

Town centre regeneration figures strongly in this edition, kicking off with a summary of the July report prepared by the Department of Communities and Local Government on "The Future of High Streets – Progress since the Portas Review". That is followed by 2 contrasting viewpoints of whether the government's financial initiatives and the public/private sector responses are really making a difference. What is your view? I'll happily keep this theme going with town centre case studies from around the country. As we are all aware, economic regeneration is a completely different challenge in our various regions.

Another topical issue featured is community involvement, with an interesting case of where a community has come together to buy a pub in London, using community shares. There are also a number of features about rural issues, including legislative changes concerning town and village greens. A RICS response to government's initiatives to kick start the housing market, selling property in a difficult market, valuation and the ever-changing planning regime are also here.

Branch news is a little thin this time. I think that this is because most branches have not met since the July round and most have their meetings coming up in November. Notwithstanding this, there are some interesting features from the active London and North East branches, so thanks for your contributions. The Terrier is only as good as the contributors and our branches are the root of the organisation (rather a mixed metaphor there).

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

Cover photo: ACES Presidential Conference, Glasgow – (left to right) Sam Hockman of Serco, Andrew Wild, Anna Hutchings of DVS, Thomas and Sandra Fleming, Audrey Greenwood and Richard Wynne

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ACES PRESIDENTIAL CONFERENCE 2013, GLASGOW

Trevor Bishop

The ACES Presidential Conference for 2013, ably planned and hosted by The President, Tom Fleming, took place on the 19 and 20 September in Glasgow. The venue was located just outside the city at the 4 star Beardmore Hotel and Conference Centre; which is built on the former Beardmore shipbuilding site at Dalmuir on the River Clyde. The Centre was of high quality with all the expected facilities including an excellent lecture theatre for the presentations. The hotel complex was, unusually, physically connected to the Golden Jubilee National Hospital, (could I say cheek by jowl?), If you were lucky, you could catch a view of the majestic River Clyde from your bedroom window.

The conference commenced and Tom kicked matters off with his welcome address. He was privileged to welcome all to his Presidential Conference and thanked those who had travelled some distance to attend. He hoped that the conference would be rewarding and informative with the opportunity of making new friends and to have fun.

Tom confirmed his Conference theme as "PROPERTY!!! – MAKING A DIFFERENCE" acknowledging that property touches everybody's life in one way or another. The theme was designed to stimulate and provoke thought in terms of identifying and understanding why property makes such a difference, from a social and economic point of view; examine innovation and diversity; challenge convention; explore emerging initiatives and legislation directly related to property.

Finally, on behalf of ACES Tom expressed his sincere thanks and appreciation to the conference sponsors (Serco, DTZ and DVS) and exhibitors, whose generous support has made this event possible and to the speakers for giving their time and sharing their experiences and opinions with us.

After Tom's welcome, the Keynote Address was delivered by George Black, Chief Executive of Glasgow City Council, the largest local authority in Scotland. George gave us an interesting overview of major developments in Glasgow in difficult times and the many innovate schemes undertaken in the city, particularly in the property arena. He cited, for example, the City Property (Glasgow) LLP asset transfer initiative which had culminated in the release of some £120m for the City Council. George was also, quite rightly, very proud of the successful bid for the 2014 Commonwealth Games to be held in Glasgow, a subject returned to by many of the subsequent speakers. After wishing all a very successful conference, George was thanked and presented by the President with a traditional Scottish Friendship Cup, known locally as the Quaich. These vessels are noted for their 2 handles, presumably to ensure that a good grasp is maintained and not a drop of precious liquid is spilt other than in its intended destination.

The first main conference speaker was Duncan Mackison, Managing Director of Serco UK & Europe and his subject was "Getting the most out of Property Change". Duncan talked about his experiences in property related change in the context of the continuing drive for savings and efficiencies by organisations in the light of fiscal and financial pressures. He noted that in the area of property asset management strategy, property professionals are increasingly becoming a focus and conduit for the business strategy of the organisations that they are advising. This is because there is a growing understanding that property is an asset similar to other organisational back office infrastructure, not a commodity. Often property and estates spend is the second highest cost after people. Duncan was keen to point out that the size of benefits to be realised through property change are greatly increased when a more integrated approach is adopted.

He described a number of case studies to illustrate his point. These included a major project for the NHS Suffolk contract where a rethinking of staff journeys and application of aligned estates and ITC solutions improved working efficiency and generated cost savings through reduce space requirements. He also referred to a scenario in the Ministry of Defence where a portfolio of properties reflected historic circumstances rather than modern military capabilities and combined property and service thinking was required to transform the portfolio.

Duncan offered his thoughts on managing and delivering major property projects. Sound governance structures were critical including a project director with clout. In particular, in programme design terms, Duncan stressed that people, processes and technology were all interlinked and critical to project success. More property related change is inevitable in the public sector and suggested that it is people such as ACES members who will increasingly be expected to deliver such programmes. He did however confirm his confidence that ACES members are best placed to play a key role due to their "long-sightedness" born out of dealing with long term property issues with "whole life" consequences. This was, of course, in contrast to business and service requirements which naturally tend to have short term outlooks.

Duncan concluded that he considered ACES members equipped for the task with such skills as the ability to build detailed business cases and the capacity for the 'straight talk' required to deal with difficult issues. He felt that a key professional development area was program management capability with a reach into organisational change and transformation and this would be very much welcomed by our clients.

The next speaker was James Grierson, rightly described as an old friend of ACES. From the outset, James's very relaxed presentational style was clear to see. The title of his talk was Successful Partnership and he described his thoughts on the key characteristics. These included co-authorship, outcome focus, both parties needing to deliver outcomes and a long term relationship. James gave his impressions on what works well in strategic partnerships. Key points were clear objectives and priorities, a compelling value proposition and creating a situation where all parties should gain. Paraphrasing a quote from Milton Friedman, "a contract will not work if either party feels they are not benefitting from it".

James went on to stress that partnerships thrive on good interpersonal relationships. In picking the right partner his experience was that it was good to "spend some time together" before the contract starts in earnest. Taken further, psychometric testing should be seriously considered as part of procurement. James acknowledged that in spite of best efforts, partnerships can start to fail. However, he demonstrated how this can be effectively addressed and remedied by such measures as appointing a non executive chairman or directors onto a joint board or making use of external expert advisors to bring things back on track.

In conclusion James was confident that partnerships would become increasingly effective in the property world but only if carefully established with common objectives, good governance and agreed outcome focus. He finished with a quote from that well known Chinese strategist Sun Tzu, "If you do not seek out allies and helpers, then you will be isolated and weak".

Next was John McClimmens of the DVS/VOA whose presentation was on Helping Communities Grow and the work his team has done recently particularly in Stenhousemuir (Stennie) town centre. John gave us some good practical real case studies of regeneration delivery using the public and private sector partnership approach. Whilst the Stennie project was modest, importantly it "produced on the ground": a purpose built library & community facility; civic square; new retail space, local public park; refurbished one-stop shop; and new health centre. Even more importantly, the outcomes were greater community use of new facilities; improved community facilities; and improved health facilities, which all gave the town of Stennie a heart beat again!

John highlighted some key lessons learned: Councils underutilise CPO; the importance of 'true partnership' and public consultation; flexible master planning helps overcome unexpected obstacles; public sector organisations benefitted from a single point of contact. John was proud to note that the Scottish Government highlighted the project as a model for best practice.

On a much larger scale, John described some of the key attributes of the ongoing Clyde Gateway scheme, notably £1.5bn of private sector investment over 20 years; 10,000 new homes; over 20,000 new jobs; 400,000 sq.m. employment space; 46,000 sq.m. retail and related development space and 350 hectares remediation of derelict/contaminated land. And not forgetting the Commonwealth Games Venue and the legacy that goes with it.

John's key concluding message, underlying both projects, is that significant property schemes will not move forward in these times without a true partnership approach including respect and understanding each partner's values and offer. This ideally brought together by an independent external advisor with that separation from decision makers to enable free thinking – another role for ACES members!

An enlightening talk was then delivered by John Lelliot, the Crown Estate Finance Director. Indeed John was quick to apologise for his discipline in front of so many property specialists (but did a pretty good job in talking about the Estate in the end!). Running through John's talk was a theme of sustainability which the Crown Estate had embraced with vigour. The estate is large and diverse, not just coastal and rural assets, but the length of Regent Street in London, and Windsor Park. The estate's property value stood at some £8.1bn with an impressive return on investment of 11.3% and some £252m profit returned to the Treasury in 2012.

John ran through the rationale behind sustainability as a key driver in the context of climate change, availability of natural resources and successful place making, and amenity value. Barriers and challenges were acknowledged, such as market forces, cynicism, silo mentality etc. However, John concluded that a sustainable business is a good business; it helps create value and deliver total return and generates social and environmental benefits for all.

Ruth Newsum joined us from HS2 Ltd and her talk was entitled A Catalyst for a High Speed Britain. Naturally, the HS2 project was associated with some big numbers which Ruth summarised: 330 miles of new track; 9 HS2 stations; up to 18 trains per hour each direction; up to 225 mph; first trains running 2026, completion in 2033; budget (tentatively) £42.6bn.

Ruth expounded perhaps the most vital statistic to travellers being journey times cut by half in most cases. She then proceeded to describe the need for HS2 arising out of demonstrable increased demand, notwithstanding the digital age. Importantly (particularly for people like me living in NW England) there were predicted to be major benefits for regional growth, Ruth describing it as creating "one big powerhouse".

Ruth told us about the delivery process now in train (sorry) which included the use of Hybrid Bills at the legislation stage. She described some of the initiatives emerging with regard to the land acquisition process including Exceptional Hardship Schemes and discretionary compensation established in advance of CPO – reflecting what most of us have experienced, that statutory compensation is often too slow.

Ruth concluded by repeating some of the key statistics underpinning the rationale behind the HS2 project. The most compelling perhaps to me was that for every £1 invested, the benefit of HS2 will return £2. Not bad, but time will tell I suppose with such an ambitious project.

Day 1 was brought to a close by Andrew Standford, who attended the conference as Head of the Private Rented Sector Taskforce, DCLG. The theme of his talk was Kick starting a new private rented sector. Andrew began by presenting a chart showing a stark picture of demand changes for house tenures. This showed PRS on the way up, having overtaken social housing provision, and set to increase further over the next 5 years. Further graphs demonstrated dominance of the sector by single

Delegates preparing for the day's speakers

landlords but he indicated that the institutions (Pension Funds etc) were now looking to grow into the PRS. On top of this some notable Registered Providers were also moving into the sector. Andrew confirmed that the government was keen to support PRS growth as part of its overall housing growth agenda and initiatives were coming forward. These included "Build to Rent" funding providing low cost finance (already in place) and a Debt Guarantee Scheme which was open for dialogue.

As for local authorities, Andrew described the ways PRS could help achieve housing and social objectives such as bringing forward stalled sites, stimulating employment growth and driving out rogue landlords. In return, Andrew was looking for LAs to "provide" large sites for major PRS schemes; consider land sales with covenants restricting use to PRS only; recognise the economics of new PRS schemes in viability assessments; and consider entering the PRS world through joint ventures. You can imagine, this caused some debate around the impact on receipts from land sales, particularly from the London Boroughs.

The opening speaker of Day 2 was Ian Manson, Chief Executive of Clyde Gateway. Ian's presentation colourfully added more detail and lessons from the references made on the previous day. The scheme was a partnership between Glasgow City Council, South Lanarkshire Council, Scottish Enterprise and the Scottish Government with a project lifespan up to 2028. Ian described it as looking to achieve unparalleled social, economic and physical change across an area that was 840 hectares in size of which 350 hectares was vacant and derelict. In essence a classic regeneration scheme following the definition "Regeneration is a set of activities that reverse economic, social and physical decline in areas where market forces will not do this without support from government."

The characteristic of decline in Clydebank were clear to see and Ian described his experience in tackling the issues. He identified his priorities as creating jobs; taking away the eyesores; bringing back a sense of pride; getting involved early with schoolchildren; making sure you deliver on promises. The pictures that followed amply demonstrated the excellent results delivered so far and much more work in the pipeline. Again, a key element of the success story was the Commonwealth Games venue and the magnificent structures emerging in advance (tickets on sale at the door on the way out!).

Ian was keen to stress that the scheme would not have progressed so far without long term partnership across all areas from the local authorities putting their land into individual projects, through to a very high level of community involvement and decision making. Indeed, Ian's closing remarks and pictures were very much about the people of Clydebank and the very visible effects on well being and enthusiasm for a brighter future.

Tony Rose was Infrastructure Director of Scottish Futures Fund and he provided us with enlightenment on Unlocking Investment in Local Infrastructure. Essentially, Tony's presentation was about Tax Incremental Funding (TIF) and how it was already operating. TIF was a method of unlocking private sector investment in local authority areas. There is currently in Scotland some £300m of public sector investment available, designed to unlock around £1.5bn of private investment. Tony noted that the fund was not a grant and needed to make a return. Typically, the public sector role is to put in infrastructure to defined projects using PWLB borrowing. The business rates level in the area of investment is established and any new rates coming out of the subsequent private investment goes to the local authority. Clearly, the authority is taking on some risk as there is no guarantee of additional rates. Equally, the government is taking a hit as it is foregoing the new rates income. Tony afforded us his experience in Scotland of the 6 pilot projects currently being rolled out at various stages including the Glasgow Buchanan Quarter Project that will help to regenerate Glasgow City Centre and create some 1,500 jobs.

A very detailed description of the developments forming the Glasgow 2014 Commonwealth Games Venues was then given by Ian McKenzie, Head of Venue Development and Overlay. The content of Ian's presentation was fascinating and awe inspiring as it described how Glasgow was making use of existing sports facilities in the city such as Hampden Park, Celtic Park, Ibrox and the Exhibition Centre and combining them with new developments such as the Emirates Arena and Sir Chris Hoy Velodrome to assemble the complete Venue. Indeed the facilities were spread far and wide to accommodate the diverse sports such as triathlon at Strathclyde, shooting at the Barry Buddon MOD training camp and even the Royal Commonwealth Pool at Edinburgh for diving.

Of particular interest was the transformation of Hampden Park, the venue for athletics and the closing ceremony, which did not possess a running track to international athletics standards and the solution came in the shape of a track built on a suspended deck at a height of 1.9m. The testing and construction of a prototype preceded the real thing, which will be completed in May 2014.

Much of Ian's talk centred on the planning of the "overlay" facilities, recognising the event would only last a few weeks and of course the fantastic legacy for the city and the community including hundreds of homes plus a 120 bed care home following hand-back of the Games Village. In conclusion, definitely a spectacle to look forward to next year.

David Melhuish, Director of the Scottish Property Federation, described the SPF as a voice for the key property industry stakeholders in Scotland and the title of his talk was Making Property Work. David gave his views on why the property industry matters, some key factors being that it shapes the built environment in which we work, live and play and can be a driver of economic development. As for the SPF in particular, David went on to describe its main aims and objectives. These included delivering development and investment in a more risk averse world; increasing emphasis on the climate change agenda; taking a fresh look at re-using existing stock, noting that empty properties do not return income, and the high street needs to redefine itself; and supporting the private rented housing sector, particularly in turning round the poor reputational image.
In his summary, David made play on a couple of key factors. First a heartfelt plea that the issue of high business rates needed to be tacked urgently as it was in danger of running out of control and secondly, a reminder (not that we ACES members needed one) that the public sector had a major role to play today in pump-priming investment.

The conference presentations were brought to an end with the 2012 ACES Award for Excellence winners, Cambridgeshire County Council, ably represented by David Nuttycombe and David Bethell. The two Davids took delegates on a journey through asset management in practice in Cambridgeshire under the badge of "Making Assets Count" (MAC). Neatly, the emerging themes were very much about partnership led delivery and making a difference, not just to property but to people's lives. The combined asset value of Cambridgeshire CC and its public sector partners was in the region of £1.2bn, so lots to work with there. Some key aims of the MAC Programme were: generating savings and capital returns for the partners; contributing to the economy, growth and regeneration in Cambridgeshire; delivering better public services for local communities; contributing to the Localism agenda and providing opportunities for the community to engage in determining outcomes; and sharing knowledge and learning with other public and private sector organisations/partnerships, both locally and nationally – which is what the Davids were doing for us all at the conference.

The process of MAC was outlined and detailed and accurate mapping of the public realm was critical at the outset. This then led through workshops onto live projects and quick wins. These included the development of community hubs and joint operations centres, again reflecting community engagement and partnership based asset rationalisation respectively.

The presentation concluded with a description of the development of MAC into an established Public Property Partnership all under a single JV with a strong governance structure including a Member/Officer Governance Board with a clear view of strategy and direction. This enabled more efficient and effective MAC led investment, development and disposals, running alongside JVs with the private sector on specific projects, all benefiting the public sector partners equally. The Davids closed by stating that the development of MAC was ongoing as much more needed to be achieved.

In closing the Conference, Andrew Wild, Senior Vice Chairman gave his thanks to the President for almost singlehandedly

putting together an excellent and enjoyable conference for all attendees. The President said he was sad to be coming to the end of a memorable presidential year and gave his thanks to all the excellent speakers for giving up their valuable time to come and to delegates for attending from far and wide and making the whole conference worthwhile.

The closing social event of the conference was a visit to the Auchentoshan Whisky Distillery only a few miles away from the hotel, led by the President and attended by conference delegates and partners.

On arrival, we were conducted on a tour of the distillery by a knowledgeable guide who walked us through the long process that culminated in the precious liquid renowned throughout the world. Along the way we stopped at several sampling points, to taste the different styles and flavours depending on the particular process adopted.

The guide commenced the tour by describing the three "M's" comprising the early stages: Malting the barley by a gentle kilning; Milling the barley to a gritty texture that maximises the amount of starch that converts into sugar; and Mashing the milled barley in hot water in massive stainless steel containers to start the conversion of starch to sugar. This was followed by the critical stage of fermentation which takes place in massive Oregon pine "washbacks". We were invited to look inside the huge vats where the aroma and activity was quite enticing to some. This stage of the process produces a "beer" of around 8% ABV (Alcohol by Volume).

At this point, the guide kindly offered a sample of the beer and handed out plastic cups to some of us for the purpose. As his back was turned, and most of us waited patiently, a couple of our number proceeded to wander over to the washbacks and plunge their cups into the brew. When the guide turned around and saw what was happening, his face was a picture, and not one of delight. I remember from my own beer and wine making days how scrupulous hygiene was the golden rule. The reason he had turned away was to bring out a stainless steel implement for the purpose of collecting the sample. It was attached to a long chain and he demonstrated how the device was dropped into the liquid with a noticeable plonk and the sample extracted. Naturally, he informed us, as he glanced at the 2 aforesaid gentlemen, the name of the implement was a PLONKER. The rest of this story writes itself. No names mentioned but they know who they are!

Then on to the distillation process where we learned that Auchentoshan was unique in the 3 times distillation compared to the normal 2. The result of this was a clear concoction topping out at 81% ABV! I can tell from experience that only a tiny sip of this potion was enough to create a dramatic but not unpleasant explosion in the mouth.

And finally, we were conducted to the building housing £millions of whisky in oak barrels. This is where the clear spirit created from the distillation is matured over many years to produce the more familiar colour and flavour. The guide introduced us to 3 barrel types (bourbon, sherry and fine wine) which between them held the secret formula for the variety of hue and nose and flavour for which Scotch Whisky is famed.

A very informative, enjoyable, amusing, slightly wobbly and memorable end to the Glasgow 2013 Conference.

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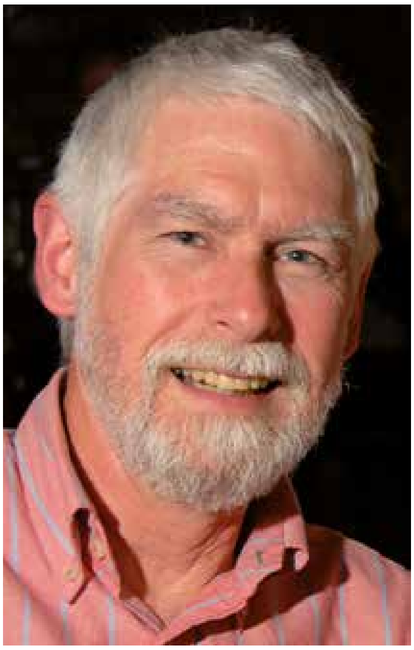


GLASGOW PRESIDENTIAL CONFERENCE – SOCIAL REPORT

Andrew Wearmouth

And so it came to pass that the intrepid travellers met up again, this time at the Beardmore Hotel on Clydeside, to celebrate President Tom's Presidential Conference.

We had been told of the venue's magnificence, but it outdid even our best hopes. The Beardmore Hospital and Hotel were built around 1992 by Health Care International as a surgical facility, aiming at capturing an international medical market. It did not prove successful, and the entire complex was bought by the NHS and The Scottish Executive in 2002. Despite its apparently remote location, it is a stunning venue, and hosts many weddings, conferences etc.

On arriving after a long rail journey, I looked around for faces I might know, and soon found some retired colleagues. A happy couple of hours were spent while we were joined by a steady trickle of friends arriving.

The tradition of an informal Wednesday evening meal started some years ago, to assist attendees who were not able to journey to conference on a Thursday morning, with the attendant rush for hotel rooms after the afternoon sessions, and it has grown over the years. This year there were over 40 of us! Our evening meal was in a private room at the hotel, and offered a superb menu, many of us wondering quite how the President might be able to top this "informal" occasion on the following night with the formal President's dinner! Networking continued after the meal, although it has to be admitted your correspondent has become something of a lightweight in his old age, having to retire soon after the witching hour...

Thursday morning was sadly not as bright and sunny as the previous day had been, but that does not deter the likes of us. After the sort of breakfast I no longer get at home, our bus left at about 9.30 to take us to the historic estate village of Luss. The trip was intended to include an hour's walk in the environs, enjoying the views, but the rain was such that this would not have been the pleasant experience hoped for, and a decision was made for a brief visit to Lomond Shores, a nearby shopping centre. To a mere man, much of a shop is a shop (sorry!), but money was spent (I'd never seen an RSPB shop before!), and then I found a lovely antiques centre on the first floor. Others discovered this too, and Roy Gregory was delighted to find an antique MG owners badge.

On to Luss where, undaunted by the rain, we looked round the village and out on to the pier. There was something ethereal in the misty view across Loch Lomond, and it must be wonderful on a sunny day, looking out across the loch to Ben Lomond. Lee took a photo of Malcolm Dawes and me with the mountain in the background, although a bit of imagination may be necessary to see it properly.

Lunch was provided at the Lodge on Loch Lomond, a restaurant with vista windows facing out on to the loch. Another printed menu was on hand, and at this stage some expressed concern at how they would be able to do justice to the evening meal yet to come, especially when we were informed of the cream tea that awaited us at the next venue...

Back to the coach, and on to Helensburgh, and the Hill House. This house was designed for the Glasgow publisher Walter Blackie by Charles Rennie Mackintosh and now belongs to the Scottish National Trust. I initially expressed the view to Susan MacAskill that Mackintosh wasn't particularly "my thing" (oops) but having seen Hill House, I am a total convert. Seeing the odd artefact in a museum is no preparation for seeing a whole house designed in the manner – seeing it all in context. It was quite special, and somewhere that I for one might otherwise never have seen.

On returning to the coach, we were one short. One of our number had mistaken the time (you know who you are!) and Susan returned to the house to find him wandering again through the empty

The Pokey Hats

rooms - it was noticeable that on the following day he was the first back on the coach!

Back to the hotel and time to prepare for the black tie dinner. The conference was well attended (someone else will be writing about that), and for this evening a larger room was needed, there being something like 150 people present. Following a reception hosted by one of the sponsors, Faithful + Gould, we all took our places. Grace was said by Malcolm Macaskill, who prefaced it with thanks to "Vicar Pilgrim" for having allowed him to take his place. For explanation, Jeremy was kitted out in a somewhat unusual (but very smart) evening outfit, reminiscent of an Amish reverend!

The cabaret was provided by "The Pokey Hats (aka The Gutty Slippers)", no, sorry, can't explain that, I'm a mere southerner... and they were highly entertaining. Three pipers and two drummers, all dancing manically round the tables while providing a pipe band repertoire. Everyone was clapping along and as they say, a good time was had by all. Dinner was followed by more networking.

Friday morning was bright and dry. After another reinforcing breakfast, our coach left again at 9.30, this time to Glasgow and the Tall Ship.

The Glenlee is in many ways an ordinary ship, and that is its importance. Built on the Clyde in 1896, it was one of many cargo ships that sailed the world, but not being individually famous like a Cutty Sark, most of them have been broken up. Just 5 of these remain in the world, and the Glenlee is the only one in Britain. She had a long career, first as a cargo ship, and then as a training ship in the Spanish Navy, when she was known as the Galatea. She was a hulk when bought by the Clyde Maritime Trust in 1992, and has been restored wonderfully, providing a fascinating insight into the hard work that life on board entailed. To quote from the leaflet, "chosen from a list of over 1,500 ships, the Glenlee is one of only 43 vessels recognised by the National Historic Ships Committee as being of pre-eminent national significance..."

Immediately adjacent to the Glenlee is the Riverside Museum, a magnificent building opened in 2011, replacing a former museum on the site. Facing the ship is a beautiful glazed frontage, which the guide on the ship said was for them "the best vanity mirror in Scotland"! The Museum displays many interesting things, including Scottish steam locomotives, Glasgow trams, and a full size display of the Glasgow subway. There are many cars, including a "ringed" Ford Escort (made out of several cars and donated by the Glasgow Police), numerous models of Clyde-built ships, and various displays showing items from prams to 1950s clothing. It has been named "European Museum of the Year 2013" an award it well deserves.

We all then returned to the hotel for lunch, and for some, including myself, that was sadly the end of an excellent 2 days. However, for those remaining, there was still the Friday afternoon trip [ED – see Trevor's report}.

For myself, I would like to thank Tom Fleming for an excellent conference (the only one I have ever attended with 3 printed menus!), and perhaps particularly Susan and Malcolm MacAskill for their sheepdog act, looking after us all through the social programme.

ACES COUNCIL MEETING NOTES, 30 August 2013

Tim Foster, ACES Secretary

ACES Council met on 30 August, in Manchester; 20 members were present. The meeting was chaired by ACES President, Tom Fleming.

Members stood for a minute's silence in memory of Arthur Tindall and Geoff Brigham, both former Presidents of ALAVES.

Matters discussed

President's report
The President reported that he had now concluded his branch visits. He further advised that the Community Ownership Support Service (COSS) is delivered by the Development Trusts Association Scotland, to support communities and public agencies in the sustainable transfer of assets into community ownership. ACES (Scotland) has been delighted to work with COSS to create a Best Practice Guide entitled Asset Transfer "From Policy to Practice" [Ed – to feature in Winter Terrier].

The President explained his reasoning behind his decision to recommend the postponement of the interviews for the post of conference co-ordinator until such time as Toby Fox (3 Fox International) had reported (see below). It was suggested that there might even be a wider marketing remit to be added to the duties of any co-ordinator role in the future.

Financial appraisal
The Honorary Treasurer presented a report showing the financial outturn for the financial year 1 July 2012 to 30 June 2013. He recommended that subscriptions should remain unaltered in view of the challenging economic climate. However, following a lengthy discussion on the revamping of the website and the added value it would provide to members, it was agreed to recommend to the AGM that the subscriptions for all classes of membership be increased by £5.

The Honorary Treasurer also produced a report showing a structural deficit in the ACES finances of about £15,000 annually, resulting from the decision to only have one conference a year and this shortfall needed addressing. The Treasurer Designate, Willie Martin, indicated that he would be carrying out a root and branch analysis of all income and expenditure. In the short term he made several suggestions including increasing subscriptions, reviewing charges for the Annual Meeting and finding a more affordable local authority venue in London.

Marketing
Jeremy Pilgrim and Andrew Wild produced a report which noted that 3 Fox International had undertaken a review of ACES publications and web site and would be attending the presidential conference in Glasgow to view and seek comment from members, prior to providing detailed proposals on the potential way forward for ACES. A draft report would be sent to Council members by 11 October with full consideration at the January meeting of Council.

Future conferences
It was agreed that it was not yet time to consider going back to 2 conferences but perhaps a CPD "Roadshow" might have possibilities as well as the Presidential conference.

Website
Paul Over produced a comprehensive report on possible improvements to the website. Council agreed to place the work with Colin Harris and for the work to provide the capability for a transactional element and authorised expenditure of up to a maximum of £4,000. This was, however, subject to Toby Fox and a "technical group" comprising Colin Bradford, Betty Albon, Tim Foster, Willie Martin and Paul Over inputting further into the brief so as to make sure that financial systems will match the transactional element.

RICS dialogue
The President reported that there had been a meeting with the RICS in May and another was planned for October. It was agreed that ACES continues to

be represented by the President and the Senior, Junior and Immediate Past Presidents. The RICS regional staff would become more involved at ACES branch meetings and the Heart of England branch was already holding a joint CPD event costing £25 for 4 hours' CPD. There would also be a series of articles in "Modus", circulation 60,000 on public sector themes to which ACES would contribute.

Valuation
Betty Albon advised that the proposal to replace Existing Use Value with Market Value was still likely to be implemented.

Compensation
Gary Sams reported that in respect of compensation for compulsory purchase, there were significant changes to the planning assumptions as a result of the Localism Act 2011, including the long overdue repeal of schedule 3 of the Town and Country Planning act 1990. He added that there was talk of more generous compensation associated with HS2 but there had been no specific announcements. He agreed to look into it further and report back [Ed – hoping for an article for a future Terrier].

Consultation – village greens, capital receipts and self-build
Andrew Wild reported that ACES had been consulted by DCLG on village greens and on the use of capital receipts. It was reported that following discussions at the ACES/DCLG working group meeting in July, DCLG wished to invite ACES members to a seminar on Thursday 26th September to discuss the issues around the flexibility of capital receipts. Betty Albon, Lee Dawson, Michael Forster, Rachel Kneale, Heather McManus, Jeremy Pilgrim and Neil Webster would represent ACES at the meeting.

Self-build had also been raised at the ACES/DCLG meeting. One of the issues raised by ACES was the desire for some consistent economic arguments on the benefits of self-build, which could then be put into a case to members and senior officers. The National Self Build Association (NaSBA) is currently considering preparing guidance for LAs on disposing of land to self-builders, which could include advice on demonstrating the economic benefits. DCLG invited a small group of ACES members to meet with self-build industry representatives, along with their own policy colleagues, to discuss how LAs/ACES and NaSBA could work together to set out and develop this guidance. In view of the fact that the meeting on capital receipts and this meeting were both scheduled for the same day, it was thought sensible for ACES to be represented by the same group.

Future meetings and conferences
The next 2 Annual Meetings would be in Cardiff on 1 November 2013 and London on 14 November 2014. The next Presidential Conference had been fixed for 11/ 12 September 2014 in London.

MEMBERSHIP Tim Foster, ACES Secretary

I list below the changes in membership between 1st April and 30th June 2013

New members approved
There were 13 new applications approved during this period

Sandra	Armstrong	Cabinet Office
Ann	Carter-Gray	Cabinet Office
Richard	Emmens	Cabinet Office
Mark	Halliday	Police Service of Northern Ireland
Marie-Laure	Huke	Cabinet Office
Kevin	Joyce	Royal Borough of Kingston-up-on-Thames
Hash	Mistry	Cabinet Office
Neville	Myers	Cabinet Office
Colin	Packman	Cabinet Office
David	Phillips	Cabinet Office
Nick	Philpott	Cabinet Office
David	Roberts	Cabinet Office
Aileen	Wiswell	Cabinet Office

Transfer from full to past membership
One members transferred to past membership during the period

Peter Burt

Deaths

One member died during the period

Geoff Brigham

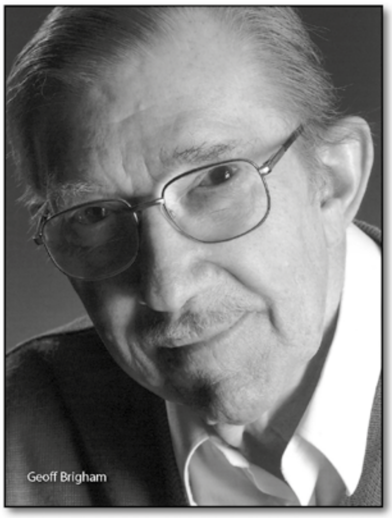
Resignations

There was one resignation during this period

Peter Weavers

The membership as at 30 September 2013 now comprises

Full	232
Additional	70
Honorary	34
Past	79
Total	415



Geoff Brigham

OBITUARY

Geoff Brigham

Geoff was a member of ALAVES since the early 1960s. He was City Estates Surveyor of Leicester City Council from 1962 to 1973. He was Honorary Secretary from 1969 to 1972. Local government reorganisation led to his appointment as County Estates Surveyor at Leicestershire County Council, where he remained until he took early retirement in 1985.

Geoff remained a member of ALAVES, as well as CLAVA. He became President of ALAVES in 1975 and arranged the Annual Summer Meeting at Leicester. The guest of honour was his grace The Duke of Rutland, who hosted a visit by members and their wives to his ancestral home at Belvoir Castle.

While Geoff maintained his strong loyalty to the 2 forerunners of ACES, he also became a member of CoPROP. After retiring, he worked part time as a consultant with a local firm of chartered surveyors.

ACES/DCLG WORKING GROUP MEETING HELD ON 11 JULY 2013

Betty Albon FRICS

This is a note prepared with the assistance of Colin Wright, Estates Specialist Team, and his colleagues at DCLG and Defra.

The Working Group discussed a number of topical areas of policy and current initiatives.

Policy update – Colin Wright

Colin started by confirming the DCLG Capital Settlement of £3.1bn for 2015/16, a significant settlement for the department from the recently announced Spending Review. Some key announcements from this include:

- Affordable Housing - £957m per year for the Affordable Housing programme as well as funding for Affordable Rent to Buy scheme to deliver 165,000 new affordable homes over 3 years.
- Housing Supply - £102m additional investment for Large Sites programme (bringing forward over 40,000 new homes) and confirming £1.6bn funding for Help to Buy and Build to Rent.
- Public Sector Land – a new cross-government role for the HCA in disposing of surplus public sector land (focussing on land owned by departments) supported by £195m investment funding.
- Enterprise Zones – additional £150m funding in 2014/15

Meanwhile the DCLG resource settlement has been cut by 10%. Savings will be made through greater sharing of services and a move from Eland House to Marsham Street to share with the Home Office in 2014.

Another major development for DCLG was the Growth and Infrastructure Bill receiving Royal Assent and becoming law on 25 April 2013. Some elements of the act were outlined such as allowing the reconsideration of economically unviable S106 agreements, changes to permitted development rights and reform of town and village green legislation (see below).

Transformation Challenge Award – Julie Stephenson

Julie circulated the letter which had been sent in March to all leaders of local authorities, inviting expressions of interest to share in the £9m Transformation Challenge Award. The closing date was the following Monday.

Julie reported that there was a good level of interest and it was anticipated that there would be 3 or 4 major awards made for district/county council shared services and around 20 smaller awards for innovative local authorities sharing with other public sector partners.

2015/16 would see the launch of the £100m transformation fund recently announced as part of CSR 2015/16.

Rights to Light – John Taylor

The Law Commission (LC) proposals to make it more difficult for late neighbour objections to developments, which are alleged to interfere with rights to light, were now being reviewed by the LC after a consultation exercise was carried out. The Minister is encouraging cross-party consideration and will decide in late autumn if the LC can draw up a bill for legislative changes.

"Community Right to" – Matthew West

- Community Right to Bid – DCLG is working with Locality. He gave a resume of the range of properties which have been adopted as Assets of Community Value. Pubs represent about a fifth of all assets; phone boxes are also popular and are being used for initiatives like mini libraries and IT hubs. DCLG want to encourage greater use of CPO powers to acquire assets for community groups where appropriate and raise awareness of these powers. The first appeals are about to be heard against nominations for community assets have been lodged and will be heard later in the year.
- An associated initiative is "Community Shares" which are available to Industrial Provident Societies. Mat-

thew explained that the scheme allows flexible amounts of money to be invested by individuals into the society, in return for one share. Capital grants are available from DCLG for community initiatives, on an equity matching basis. Community shares are also being used in association with the Right to Build and Right to Buy [Ed – see article on Ivy House pub in this Terrier].

- Community Right to Challenge – Matthew stated that this right had been in operation since the end of June, but there has been a low uptake of actual bids – around 20, of which 2 have been accepted, in highways and housing. A further 15-20 are in the pipeline. The low uptake is probably because of the risks - if a bid is received, the authority then has to undertake a procurement exercise, which can include rejecting or modifying the bid.

Town and village greens – Margaret Read (Defra)

Some of the changes to the registration process for town and village greens took effect on 25 April 2013, which establishes trigger and terminating events. Other changes in the Act – reducing the period of grace for registration following the cessation of "as of right" use and to enable a landowner (including public authorities) to make a statement to end such use will come into effect at the next common commencement date. Landowner statements, will be registered by county councils, and will be an alternative means to protect against green applications. Statements need to be renewed every 20 years. The regulations are likely to require the registration authority to erect notices advising that a statement has been made at the main entry point of the land [Ed – see separate Defra statement in this Terrier].

Regulations and guidance are currently being drafted.

Spending Review update – John Connell and Richard Enderby

John highlighted the main headlines of the CSR for 2015/16 [Ed – see 2013 Summer Terrier]. One of the main areas discussed was the initiative to enable local authorities to use capital receipts from asset sales for one-off revenue purposes, to invest in reforming services and stimulate organisational change. The consultation paper was due before the end of July and ACES was encouraged to provide a response, both in writing and at a dedicated seminar for ACES representatives [Ed – held on 26 September]. ACES welcomed this opportunity.

Self-build and local authorities – Mario Wolf

Mario gave an overview of the Government's Custom Build Homes programme. He explained that currently about 1 in 10 units built are self-build (this level was a surprise to the ACES team). He said that self-build was not just about people laying their own bricks but that the business model was much broader and that most homes were commissioned from builders using design and build contracts or working with trades. The sector is also not confined to community groups. DCLG has worked with the self-build industry and prepared a wide ranging action plan to double the size of the self-build sector over the next 10 years. There are advantages in that self-build projects are generally based on pre-sales and are helpful to SMEs as well as to volume builders. Self-builders also typically pay more for land. Known house builders involved in self-build and providing infrastructure include Igloo and Urban Splash. There is a £30m self-build investment fund available to fund projects of 5 or more units (land and build costs) and mortgage products available to self-builders are increasing.

Mario suggested that local authorities may wish seriously to consider helping to meet the demand from self-build organisations, which often make competitive bids for public sector land. He also pointed out that the self-build sector had produced a useful guide for public sector organisations but, further to feedback from ACES members, that there was scope for this to be supplemented by further information to persuade elected members to consider releasing land for self/custom build homes where opportunities arise. It was agreed that a future meeting of the group should look at the scope of what might be needed for this purpose [Ed – held on 26 September].

ACES topics and general discussions

- E-PIMS – there was a brief discussion about progress with rolling out the application of E-PIMS.

- Sheldon Ferguson requested feedback on the Empty Homes Fund, how local authority town centre assets are used to stimulate regeneration, the under-use of private sector flats above shops (actual or perceived), and the proposal (again!) to repeal s57 of the Landlord and Tenant Act 1954 (LTA), a specialist provision which allows public bodies to oppose renewal of business tenancies in addition to s30 LTA available to all landlords.

- Officers of ACES and DCLG reinforced the value of these meetings, in providing an informal forum for exchanging ideas and practice. DCLG raised the importance of having a good turnout of ACES members at these meetings, which helps in securing speakers for the group.

The next meeting is provisionally scheduled for February 2014.

THE RECOVERY, THE HOUSING MARKET AND HELP TO BUY

Jeremy Blackburn, Head of UK Policy at RICS

Jeremy develops the recent RICS statement about government initiatives for increasing house supply and subsequent press responses – and what RICS is really recommending!

With the start of a housing market recovery and the political party conferences, it has been a busy few weeks for Whitehall, Westminster and the Bank of England. It will not have escaped ACES members that RICS has been in these debates, contributing to decisions made around Help To Buy and safeguarding the shoots of growth.

As many of you know our Royal Charter requires us to work in the wider public interest, as well as representing members. It means that when we speak to government it is with a deliberate and calm assessment of a given measure, based on our members' knowledge and insight, not just a trade association grabbing a headline.

Kick starting housing market growth

The range of measures announced under the 'Help to Buy' scheme to kick start the housing market were much needed. Helping those who cannot afford large deposits by using the government's balance sheet to guarantee mortgages and using capital savings to offer shared equity loans on new build for all buyers will help prevent prolonged market stagnation.

We have been cautious in our approach to the scheme, recognising that while it had positives in the short term, there was potential for negatives in the medium term.

The recent upturn in the market however needs to be seen in the context of the package of measures (not just Help to Buy) that Ministers and the Bank of England have introduced:

- Funding for Lending - the most successful of the quantitative easing attempts, designed to increase the access to credit for consumers and companies – and although this has been extended to support small businesses growth plans, it has seen banks more willing to lend on residential mortgages;
- New Buy - brought in to help first time buyers (FTBs) access the mortgage market, and applied to new build properties only, providing loans of up to 95% of the sale value on homes valued up to £500,000;
- Help to Buy - designed to provoke demand led house building, and split into 2 parts – the equity loan to 20% value (which is itself a widening of First Buy principle and including new-buy, second-hand and remortgage markets) and the mortgage guarantee to those with less than 5% deposit trying to buy a property valued less than £600,000.
- While forward guidance has only just been introduced, this control of interest rates by Mark Carney, the Governor of the Bank of England, is meant to give certainty to the market and aid stability. It has a particular impact on housing sales by pushing down market rates to keep the cost of mortgages affordable (and Mark Carney says these will be kept at 0.5% until unemployment falls below 7%).

These measures are all aimed at creating greater demand for homes; more homes being sold would then in turn provoke an increase in the supply of units; and the building of these units would create jobs and growth through construction. Taken together in fact, these show a surprisingly activist side to the government, who in 2010/11 thought that simplifying planning and reducing red tape would be sufficient stimulus.

The outcome so far

While the Funding for Lending Scheme (FLS) has been successful with helping to lower the costs of lending for the banks, so that they have greater scope to lend and provide mortgages to people, it has been less so with getting finance to smaller businesses. The upshot of this is that we are seeing the larger house builders benefit where financially viable schemes are already in place and FLS has provided consumers the means to purchase. The local construction firm, neighbourhood plan led delivery of housing just has not happened.

Help to Buy has begun to make a difference too, more so than New Buy, particularly for first time buyers. During July 2013, the amount of potential buyers looking to enter the market grew at the fastest rate since July 2009. In tandem however, prices rose for the fourth consecutive month and grew at their fastest rate since the market peak of November 2006. While every region saw growth in activity and prices, London and the south east has undoubtedly outstripped all others. Help to Buy is not solely responsible for this, as we highlight in the package of measures, but the second tranche coming in January 2014 could magnify what is already beginning to emerge.

The risk of a 'bubble' effect is increasing, across the country, but particularly in London. We have some very early green shoots of recovery, with other sectors like manufacturing and services bouncing back, and some increased construction activity. We do not need a housing bubble to derail this slow and steady progress. The economy is out of intensive care, but it is very much still in a highly critical condition.

The Chancellor himself has spoken to the largest housing developers and has asked for guarantees on their delivery of new build; while the Planning Minister Nick Boles has been emphasising the amount of viable brownfield sites and release of public land to unleash supply.

RICS believes that there are 4 things that Ministers need to decide and announce quickly:

- A concise and clear exit strategy for Help to Buy that includes 'speed bumps', and close monitoring by the Financial Policy Committee to avoid any bubble if its identified before 3 years have passed;

- Introduce measures to target Help to Buy outside of London and south east England, in those regions which are seeing least activity and development;

- Consider Funding for Lending next stages being explicitly for small business expansion, including small and regional house builders;

- Look at the recommendations in the Heseltine Review about devolution of housing funding to local level, at least in part, to allow local authorities to target their housing need priorities (including affordable and social housing).

Economic thought leadership

And it was to back up this concept of speed bumps that our economic thought leadership piece was released to the press, with us expecting that it would be covered by the august Financial Times and one or 2 others. But the importance of home ownership cannot be understated. As the Daily Mail said in the aftermath of the week of coverage we received across all stations: 'there is surely no other country in Europe, where home ownership is thought to be so fundamental to human happiness'.

This RICS research piece actually set out a number of proposals for the Bank of England to consider, in order to create a more sustainable housing market. One of these proposals was that there should be 'speed bumps' to help moderate the rate of national house price inflation (the reference to the 5% cap).

This is on the face of it a controversial suggestion but in part reflects the fact that the Bank of England now has responsibility for overseeing financial stability. As we know both from our own experiences in the UK as well as the turmoil in both the US and Ireland, volatility in the housing market can play a significant part in undermining financial stability. Mark Carney's recent comment on house prices reflects this concern.

As Simon Rubinsohn RICS' Chief Economist was at pains to point out on radio and TV, this research also responds to what members tell us matters most - the maintenance of transaction numbers and a sustainable market, away from the boom and bust of recent years that impacted so negatively on the industry.

The debate has been loud. Two things were misinterpreted, by the media, and by members reading the media. The 5% figure referred to in the report is caveated explicitly as a starting point for discussion; it is not presented as a conclusion. The 'cap' widely referred to in the press has unfortunately been interpreted by some as direct price controls, whereas the report refers to 'limiting' average house price inflation indirectly via controls over mortgage lending conditions.

We realise that this is only one element in a strategy to deliver a more sustainable market. In the research we note a number of proposals including the need to generate much more housing supply.

Crucially, this proposal is not a reflection of the current state of the market. We have made it clear repeatedly that, nationally; the housing market could in no way be described as being a bubble. The regional picture is extremely varied and we recognise how many parts of the UK are only just beginning to see the first signs of recovery.

That was the week that was

We were pleased by George Osborne's announcement of new Bank of England powers to rein in Help to Buy, if this helps to moderate some of the highs and lows of the property market and ensure fair access for all. Additionally, the Bank of England is reported as promising to 'closely monitor' the housing market and intervene if it feels there is danger of a house price bubble. London and South East prices are edging into that territory, and the Chancellor has taken sensible action here.

The Prime Minister's subsequent announcement of bringing forward Stage 2 of Help To Buy will have to be evaluated by practical impacts on the ground in terms or prices and supply.

But we all have to recognise that the big issue that has underlined all of this debate is housing supply. The government cannot, and will not understandably, go through a second round of NPPF – which is what many commentators want, even if they do not really understand what 'more planning reform' actually means.

So the challenge for government – for RICS – for the property sector, is about how to deliver this greater supply. The Conservatives are driving it now in the coalition. Ed Milliband made clear he wants 200,000 new units each year if he is running the country by 2015. The housing supply conundrum is one that RICS will be turning our concentration onto in the next 2 years.

Aside from pulling these levers, the government needs to bring forward a successor to the CLG housing strategy. As we recommended in the RICS Housing Commission, we need a forward plan as to how government and industry are going to close the housing deficit – through a more effective multi-tenure market and boosting supply in all tenures – whether owner occupied, market rent, affordable rent, shared ownership schemes and of course a genuine institutional private rented sector [Ed – see government statement to follow].

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THE PRIVATE RENTED SECTOR TASKFORCE

Andrew Stanford spoke at the recent Presidential Conference about this new initiative. Below is a brief introduction with references.

Taskforce aims

The aim of the Private Rented Sector Taskforce (set up by the Department of Communities and Local Government in April 2013) is to work with the property sector so we can together kick-start the new private rented sector. We aim to achieve this through alerting investors to opportunities for long term investment, helping to break down barriers to investment and brokering deals. We will bring together developers, management bodies, investors, banks, local authorities and consultants.

Taskforce team

Andrew Stanford, Director of Taskforce. A chartered surveyor with over 20 years' experience in asset management, valuation and investment agency in the residential and mixed use property sectors. andrew.stanford@communities.gsi.gov.uk

Assisted by Julian D'Arcy, 20 years plus experience within the UK property market, and former equity partner and founding member of Knight Frank's market-leading residential development division. julian.darcy@communities.gsi.gov.uk

Dominic Martin, seconded to the Taskforce from EC Harris, expertise in residential investment, market research/financial analysis, and development appraisals. dominic.martin@communities.gsi.gov.uk

Tracey Hartley, seconded to the Taskforce from Grainger. Particular expertise in PRS property and asset management. tracey.hartley@communities.gsi.gov.uk

Joanna Embling, former equity partner, Cushman & Wakefield, specialises in town centre regeneration and public/private partnerships. joanna.embling@communities.gsi.gov.uk

Government Initiatives

'Build to Rent Fund' and 'Private Rented Sector and Affordable Housing Guarantee' schemes are designed to give confidence and provide a stable environment for institutional investors to invest, as well as for house builders to start building again.

Build to Rent Fund

- £1bn available, for Loan and/or Equity Loan funding.
- The Build to Rent Fund will stimulate building by supporting off-the-shelf investment opportunities.
- Designed to reduce the development finance risk for house builders/developers wishing to build large scale rented housing projects.
- Deadline for Build to Rent Fund second round applications: 12pm, 31 October 2013. www.homesandcommunities.co.uk/ourwork/build-to-rent-round-2

Private Rented Sector and Affordable Housing Guarantee

Schemes will underpin up to £10 billion of long term investment debt for housing providers investing in new, purpose-built, private rented homes and additional affordable homes.

www.gov.uk/government/news/10-billion-housing-guarantees-open-for-business

www.gov.uk/government/uploads/system/uploads/attachment_data/file/70274/Housing_Guarantees_-_PRS_Scheme_Rules.pdf

[Ed – I hope to feature both the Private Rented Sector and the Self-Build sector outlined in the ACES/DCLG note in future editions of the Terrier]

The Terrier

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ACES Secretary: Tim Foster MRICS
23 Athol Road, BRAMHALL
Cheshire, SK7 1BR
01 614 - 399 589
secretary@aces.org.uk

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

ACES

THE FUTURE OF HIGH STREETS – PROGRESS SINCE THE PORTAS REVIEW

This is a summary by the Editor of the report produced by the Department of Communities and Local Government in July 2013. The full report can be found at: https://www.gov.uk/government/publications/the-future-of-high-streets-progress-since-the-portas-review. It is the first of 3 articles on town centre initiatives.

Annex A is a useful summary of the ideas tested by the Pilots. Following this summary are 2 contrasting views of the success of these measures for sustained high street regeneration.

Annex B gives Useful Links and Resources for Helping High Streets.

Introduction

18 months ago, Mary Portas completed her review into the future of the nation's high streets. Over the last year, the government has worked hard to help communities across the country boost their high street, in particular supporting the Portas Pilots and Town Team Partners as they brought together local councils, retailers and businesses to try out new ideas to drive their local economy.

This report outlines both what the government has done in response to the report, and how the Portas Pilots and the Town Teams have acted to tackle the challenges she identified.

Progress since the Portas Review

The Portas Pilot scheme was set up to enable local councils, residents, retailers and other businesses to try out new ideas to secure a sustainable future for local high streets in response to local circumstances. 27 Portas Pilots were set up in summer 2012, 24 supported by government and 3 backed by the Mayor of London. Government gave £2.3m to the areas involved in the programme as well as a package of support.

In addition to receiving funding of up to £100,000 each Pilot has had access to:

- free mentoring and support from retail industry leaders including Mary Portas' team and from the retail industry;
- valuable access to a range of sector and industry experts, such as the Arts Council, National Association of British Market Authorities, the Local Data Company and Springboard;
- opportunities to meet and discuss with fellow pilots to share their experiences and lessons learned;
- a dedicated contact point in government to provide advice and support in identifying and overcoming challenges to local business growth.

Areas which were not selected to become a Portas Pilot were given the opportunity to kick start activity in their area by becoming a Town Team Partner, with funding of £10,000 and a package of support from the Association of Town and City Management (ATCM). This included guidance and advice, events to learn from other town teams, support from industry experts, and help to raise finance themselves.

Government also set up the High Street Innovation Fund worth £10m to help those councils with the highest incidence of empty properties and those most affected by the 2011 riots. The 100 councils who received this money have used it, for example, to offer discounts on business rates or allow businesses to use properties for different purposes than they were designed for, to attract new businesses and bring empty properties back into use.

The High Streets Renewal Awards gave £1m to 7 local areas delivering the most effective and innovative plans to bring their town centres back to life. They have demonstrated inspirational leadership in bringing change to their high street, and have exciting plans to continue their work and the ability to deliver.

Businesses improving their local areas

Business Improvement Districts (BIDs) allow the business community and local authorities to work together to improve the local trading environment. Local businesses come together to deliver a joint plan, funded by an increase in the business rates they pay. There are more than 150 now operating in England. Government has committed £500,000 for a loan fund to support areas which want to become BIDs and plan to allow them to operate across a wider area.

Encouraging shoppers to the town with markets

Identifying that markets are a fantastic way to bring a town to life, the Portas Review recommended setting up a National Market Day and removing the unnecessary regulations which inhibit people from setting up as market traders. Government also helped to fund the Love Your Local Market campaign, to encourage people, and in particular young people, to take the first step on the entrepreneurial ladder, in a cheap and supportive environment and to support local growth by increasing footfall to local markets and town centres.

This year's Love Your Local Market fortnight ran from 15-29 May 2013. Just under 700 places ran 3,500 markets during the fortnight, and almost 3,000 free or subsidised pitches were taken by new traders. This builds on the success of last year when almost 400 markets and 2,200 new traders were involved.

There has been an increase in the

diversity of organisations running markets, with farmers' markets, community and social enterprises, involving independent operators. Nearly half of markets participating in 2012 believed that Love Your Local Market had made their markets more vibrant, and footfall in participating towns was up by nearly 4% against a fall of 6% nationally.

Providing Accessible and Affordable Parking

The Portas Review highlighted the role parking has in successful high streets. Councils need to decide the best way to offer, manage and enforce parking in ways which make sense for their area.

Providing support through business rates

The government has doubled small business rate relief and extended it for another year and made it easier for businesses to access rate relief. Councils can keep more of the rates that are generated in their area, so they have a strong financial incentive to back business and encourage growth. Councils can introduce and fund business rates discounts as they see fit in ways which will benefit small businesses and retailers. Under the business rates retention scheme, government will fund 50% of discounts granted. This represents a fundamental shift in the way that local authorities are funded and will enable councils to fully play their part in creating the right conditions for local economic growth.

The government has run a 'red tape challenge' to cut down the burdens on business more generally and as a result of consultation with retailers, has removed more than 250 rules which affect retail businesses from the statute book.

Designing High Streets to Attract People

The Portas Review stressed the importance of making high streets accessible, attractive and safe. Government is committed to giving councils and their partners the powers and support to do this.

The Department for Transport is giving £1.8 bn to local authorities to improve transport infrastructure, including roads, pathways and cycle routes, with a further £560m for sustainable transport and £15m for cycle routes and facilities.

Recognising High Streets as the heart of the community

Government has made 'town centre first' explicit in the national planning policy framework. It is the responsibility of councils to promote a competitive town centre, actively managing the high street and supporting it to be sustainable, offering choice and diversity based around the strength and individuality of the high street.

Giving Communities a Greater Say

Government is committed to enabling individuals and community groups to have a greater say over every aspect of their area, including their high streets, particularly through Neighbourhood planning. More than 500 Neighbourhood Plans are being developed.

Government has introduced a number of ways in which communities can make better use of empty properties on the high street, including encouraging 'meanwhile use' and the Community Right to Bid. It has set up a £19m fund to support community groups who take on the responsibility for ownership and management of assets of community value – including support for local groups who want the opportunity to buy and run their local pub or shop. More than 300 assets have already been listed under the Community Right to Bid.

Getting Empty Properties Back Into Use

There are a number of drivers increasing the pace of change for high streets, and the rise in the number of empty properties is a symptom of this. A property may be empty on account of various issues, and the government has brought increased flexibility to open up options to landlords and prospective tenants.

The recent changes to planning rules mean that it is now easier to change the use of buildings to support high streets and businesses, help brownfield regeneration, and increase opportunities for housing. Government is supporting those who are looking for premises to try out new business ideas which will play a part in supporting our economic recovery. The new changes will mean people can bring empty properties on the high street back into use for a wide range of new uses.

Last year government increased the permitted development for flats created above shops. Together these reforms provide a substantial opportunity to bring more life into town centres and increase footfall. The government has committed £235m of direct funding, to help local authorities, housing associations and community groups tackle the most problematic empty properties, which would not otherwise come back into use. Pop-Up Britain offers practical help and advice to towns who want to adopt the same approach.

The Next Phase

The enthusiasm of those involved in the Portas Pilots and the Town Teams demonstrates the commitment there is around the country to our high streets, and shows that it is only when local authorities, businesses and communities work together that things will happen on the ground. Their experiences over the past year have informed the government's plans for the next phase in this work. At the forefront of this is the new Future High Street Forum, jointly led by the Local Growth Minister Mark Prisk and Alex Gourlay, Chief Executive of the Health and Beauty Division at Alliance Boots. This complements a programme of support to the hundreds of town teams across the country, including the Portas Pilots, and further government action to enable local communities get their high streets onto a sustainable long-term footing.

The Future High Streets Forum

The government has launched the Future High Streets Forum to build on the learning and experiences from the Pilots. The Forum brings together leaders from retail, property, business, academics, third sector, civil society and government to better understand the competition town centres across the country face and to drive forward new ideas and policies to help the high street compete and adapt. The Forum will complement the work of other groups such as the Distressed Property Taskforce.

Further information on the work of the Forum: https://www.gov.uk/government/policy-advisory-groups/future-high-streets-forum

Strengthening the Town Teams

The government is working closely with the ATCM and Business in The Community to support the Portas Pilots and other Town Teams over the next 2 years. To give dedicated support to the Portas Pilots on business engagement and mentoring, Business in The Community (BITC) has set up a High Street Champions programme.

Further information on the High Street Champions initiative and updates on their progress: http://www.bitc.org.uk/programmes/high-streets-and-business/high- street-champions

Removing barriers

Government is continuing to take action to enable local communities to tackle some of the problems faced by high streets and make the conditions right for businesses to thrive.

Over the next 6 months, government will be:

- Launching the Business Improvement Districts (BIDs) Loans Fund, which will provide assistance to towns wishing to introduce a new Business Improvement District;
- Implementing the necessary regulations to allow BIDs to operate across a wider area, and with a consultation happening soon on a new model for BIDs led by property owners;
- Consulting on further relaxation of planning regulations to help communities consolidate high streets through conversions from some retail to residential property;
- Publishing responses to our consultation on the transparency code for local authorities;
- Looking at what more we can do to enable and encourage a more flexible approach to parking provision and enforcement in local areas; and
- Continuing to explore ways of making the most of flats above shops: whether to increase the supply of housing or to change these into offices, whatever best suits local needs.

Annex A

Reflections on the Portas Pilots' experiences

The Annex is a useful summary of the ideas tested by the Pilots. Below is a list of the topics covered and the towns to which they apply. Please refer to the Annex for more detail.

Using Markets to Bring the Town to Life

- Liskeard – evening market every 2 months, with seasonal themes
- Ashford – start-up businesses £10 stalls at a weekly market; food and drink Festival
- Nelson – vintage theme to markets, including creative activities and pop up shops
- Croydon – vision and business plan for regenerating the market

Using parking initiatives to bring more people into the High Street

- Braintree – 10p parking charges after 3pm, significantly increasing footfall in late afternoons
- Loughborough – 'free after 3' initiative 1 day a week; free Sunday parking
- Tiverton – as gateway to Devon, to offer coach parking; £1 for 5 hours in multi-storey
- Stockport – proposals for hourly charging, flexible paying and improved parking environments

Using Business Rates Schemes to Support Business

- Stockton – discounted rates on range of businesses taking vacant shops in town centre
- Margate – all town centre retailers given 15% drop in rates; shared retail spaces for rates relief

Transforming Empty Properties

- Market Rasen – community enterprise 'Greens of Lincolnshire' for locally sourced and artisan produce; business to be sold as going concern
- Forest Hill, Kirkdale & Sydenham – 'meanwhile leases', short leases – 'The Shop Revolution', using 'pop up shops'
- Various Pilots looking at moving focus of high streets from retail to sustainable balanced offer

Developing Skills and a Consumer Focus

- Braintree – pilot 'pop up shop' supported by neighbouring Enterprise Agency
- Dartford – partnered small enterprises and market traders with large retailers and Bluewater to train up new employees and apprentices
- Bedford – courses on social media, online marketing, shop window displays, finance and accounting for local businesses with partnering and mentoring

Building on a Unique Selling Point

- Rotherham – customer service

training, with mystery shopping scheme; supporting wide range of independent and imaginative retailers; 'pop up shops'

- Newbiggin by the Sea – close to national cycle route, so tapping this resource by better cycle access; shop converted into arts hub for local young people to learn new design skills

Using the High Street to Benefit the Community

- Hatfield – Community Hub shop as key information point, with 'pop up shops'

- Tower Hamlets – healthy food offer, by developing 2 existing markets

- Brighton – programme shaped around agreed community priorities; branding London Road as food quarter

Improving the Public Realm

- Lowestoft – Street Ambassador scheme to improve customer service and improve security; hanging baskets, mystery shopper scheme and discount voucher scheme

- Berwick – capitalising on tourist attractions and town cleaning up; arts and culture trail

- Leamington – disused old town railway tracks turned into gardens and wildlife areas; bridge used for decorative arts

Maximising Volunteer and Community Involvement

- Liverpool – public square at Lodge Lane involving young people for cultural and entrepreneurial events; community involved in 'Loving Lodge Lane' clean-up

- Morecambe – 'MoreCanBeDone' branding, including businesses and college students

- Nelson – space in Wilkinsons store for art project; 'pop up shops'

Having a governance structure and generating income

- Bedminster – new BID of mainly independent shops and creative businesses; to improve street scene, marketing, community and arts projects around markets

- Loughborough – BID to improve trading environment; 'Love Loughborough' Partnership, including 'Trial a Trade' scheme, loyalty card scheme for students, free business recycling, free Sunday parking

- London – Waterloo Quarter BID partnership with college and schools, to sell goods in local shops and market stalls; cultural activities

The case studies in this report are supplemented by more information available on the online map of the Portas Pilots: http://bit.ly/14XC2Iz

The Portas Pilots are not - and were never designed to be - the solution to the high street. These are pilots - they will have successes and failures that we will all learn from.

Annex B

Useful Links and Resources for Helping High Streets

What to do for high streets:

- The Association of Town and City Management has produced "100 Ways to Help the High Street": www.100ways.org.uk

- Action for Market Towns provide practical ideas in "21st Century Town Centres" in http://towns.org.uk/2011/10/13/new-21st-century-town-centres-report/ and also has a toolkit to look at the strengths and needs of your town team: http://towns.org.uk/sustainability_toolkit/

- There is a Healthy High Street health check by the Department for Business, Innovation and Skills: http://www.bcsc.org.uk/publication.asp?pub_id=394

- ATCM worked jointly with Gloucestershire First LEP to produce a report, "Successful town centres - developing effective strategies": https://www.atcm.org/tools_dir/successful_town_centres developing_effective_strategies

- The British Retail Consortium "21st Century High Street" http://www.brc.org.uk/downloads/21st_Century_High_Streets_What_next_for_Britains_town_centres.pdf

- Business In The Community "Future High Streets" highlights some excellent examples of business-led partnerships and locally active store managers http://www.bitc.org.uk/our-resources/report/future-high-streets-businesses-going- local

- DCLG "Re-imagining urban spaces to help revitalise our high streets" https://www.gov.uk/government/publications/re-imagining-urban-spaces-to-help- revitalise-our-high-streets

Resources for support on skills:

- The National Skills Academy for Retail provides training and business support for retailers nationally and locally through its network of skills shops: http://www.nsaforretail.com/Pages/default.aspx

- ATCM is providing a range of workshops and training courses to Portas Pilots and Town Team Partners at free or discounted rates as part of the Government-funded support package: https://www.atcm.org/programmes/town_teams//

- The Association of Convenience Stores has produced a guide to help local businesses, communities and councils understand how town planning can be used to help support and achieve diverse and healthy local centres: http://www.acs.org.uk/en/Advice/planning-for-diverse- local-centres/

Running and funding a Town Team:

- ATCM has guidance on how to set up a town team: https://www.atcm.org/townteamuploads/1193-howtoestablishatownteam and: https://www.atcm.org/townteamuploads/a_firm_basis

- Business Improvement Districts from UK Bids and British BIDs: https://www.atcm.org/programmes/uk_bids and www.britishbids.info

- Crowdfunding enables town teams to gather momentum within the local community to raise funds for projects: https://spacehive.com/initiatives/towncentres

Setting up and running successful markets:

- The National Association of British Market Authorities: www.nabma.com

- The National Market Traders' Federation: www.nmtf.co.uk

Using Empty Shops:

- Meanwhile Space: http://www.meanwhilespace.com/

- A 'Meanwhile Lease': https://www.gov.uk/meanwhile-use-lease-and-guidance- notes-for-landlords and the Lease Code http://www.leasingbusinesspremises.co.uk/

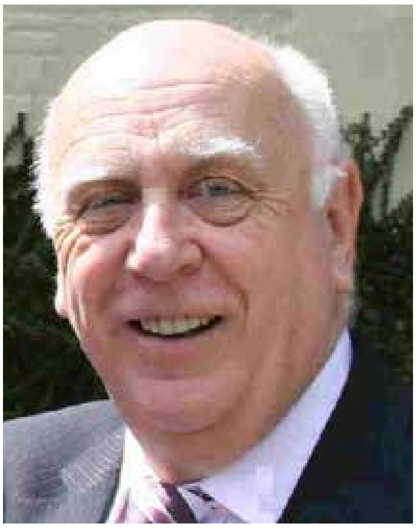
- The RICS and the British Retail Consortium small business lease: http://www.rics.org/uk/knowledge/more- services/professional-services/small-business-retail-lease/

- Related resources on pop ups are also available from Pop Up Britain: http://popupbritain.com/

Making the most of social media and community assets:

- Advice to town teams on working with the media is available from DCLG and ATCM: https://www.atcm.org/townteamuploads/1203-workingwiththemediard

- There is advice on using community assets, social media and more on http://locality.org.uk/resources/



CPO AND RETAIL – PORTAS REVISITED

Stan Edwards

Stan Edwards, a Chartered Surveyor, is a Director of Evocati Consultancy specialising in CPO process and is also visiting lecturer in retail planning and development at Cardiff University. He was formerly Vice-Chairman of the Compulsory Purchase Association and is now an Honorary Member. 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

Stan revisits Portas (see 2012 Summer Terrier). A year on and, provocatively, he believes that the Portas Pilots appear to have achieved nothing lasting. No CPOs are being promoted which relate to any proposal that would mean the wholesale restructuring of retail in towns. "The Portas Pilots have had their desired affect – temporary distraction." Stan again draws on his experience of Welsh towns.

Introduction

The UK government sought a stop-gap breather from the pressure mounting to 'do something' with town centres. Portas Pilots were going to point the way to solving the problem of town centres being depleted of shops.

Most, with a background in urban property, knew from the outset that the Portas approach was flawed:

- The underlying proposals would have meant the wholesale restructuring of government intervention through policy and statute to reverse growth in the form of retail drift from town centres.
- Even if Portas had been right, the sum of £100,000 per authority does not even scratch the surface in respect of the sum required to restructure/re orientate towns.

The Portas Pilots have had their desired affect – temporary distraction. The underlying premise of restoring the cores of our towns and major retail centres is economic fantasy, it is consumer driven. My previous article [Ed - 2012 Summer Terrier or in full, IRRV 'Valuer' May 2012) pointed out that the Portas proposals were 'supply side' when retail property is demand orientated. No matter how much business rates are reduced and shops subsidised to the hilt, without the necessary consumer demand, shops will continue to remain empty. It is the same argument to that in relation to rural post offices. My points were contrary to a retail renaissance in town centres but that does not mean that nothing will happen; restructuring and reorientation are key to consolidating and compacting a new profile of mixed use.

Assessment

I only scratched the surface in referring to just 2 of the major drivers, the forces within the retail industry and the urban process. Real property over the years has developed an economic/financial approach when a behavioural approach would assist more in terms of how the market performs and how urban change should be considered. Too often the real property of our towns are just considered as assets rather than a scarce resource.

So what sort of things should we look at to inform our decision making process regarding towns generally and retail in particular? (Ideas and principles of Dr James Delisle of Washington University have been applied to the UK model – James DeLisle "Behavioural Real Estate").

We have the:

- Retail industry economy (based on Porter, M.E. (1979) How Competitive Forces Shape Strategy, Harvard Business Review, March/April 1979)
- Nature of the market
- Urban Economics
- Behaviour of the market
- Intervention in the market

These factors will be considered in a number of town centres and then briefly analyse them in terms of those factors. In so doing, we can hope to assemble some basic tools to consider each settlement we know, recognising that each will have its own characteristics and core similarities.

The retail industry

Last time we saw that it was not as simple as putting a cosmetic Portas fix on a town because its internal market and supply side solutions can only go so far to change retail patterns. The old Soviet Russia had a 'command' economy where there was control as to what was being sold and where it could be bought. The Portasian solution ultimately says that everything should be geared to the centre as if people did not have a choice. Thankfully in the west we have a 'demand' (mixed) economy where the consumer is king. Not only do we have the bargaining power of consumers but the availability of substitute places to shop, much to the chagrin of those in planning policy. All new entrants to the market recognise the importance of accessibility and convenience with the ultimate convenience demonstrated by internet shopping.

The nature of the market

Considering the retail industry and urban dynamics is not enough. We have to look at the major partnerships in the retail real estate process - space producers, space users and space facilitators/infrastructure providers. The roles overlap and are linked.

The market tends towards an equilibrium state going through cycles but the advantage eventually shifting from space producers (developers) to space consumers (owners/occupiers and shoppers). This is particularly seen in the high streets of town centres – the consumers have moved out.

Sometimes (as in the early noughties) one group exerts undue influences causing turbulence in the market. In this case cheap credit created over-building and what ensued from overheating.

As the groups go through cycles, in a balanced market each acts in ways consistent with their relative strengths. Many times, however, we have seen interventions that create dramatic changes in the space producer/user interaction. This is particularly true when space facilitators in the form of infrastructure or regeneration projects change the underlying nature of real estate market; these create windfalls and wipe-outs. In many instances these involve the high street. Intervention in the form of planning policy and regulations may not be unacceptable in themselves based upon the opinion of well-meaning urbanists seeking to create 'better' urban form. However their impact on the market's ability to function should be scrutinised far more than they are at present attempting to identify potential unintended consequences that might render them unacceptable.

Urban land economics

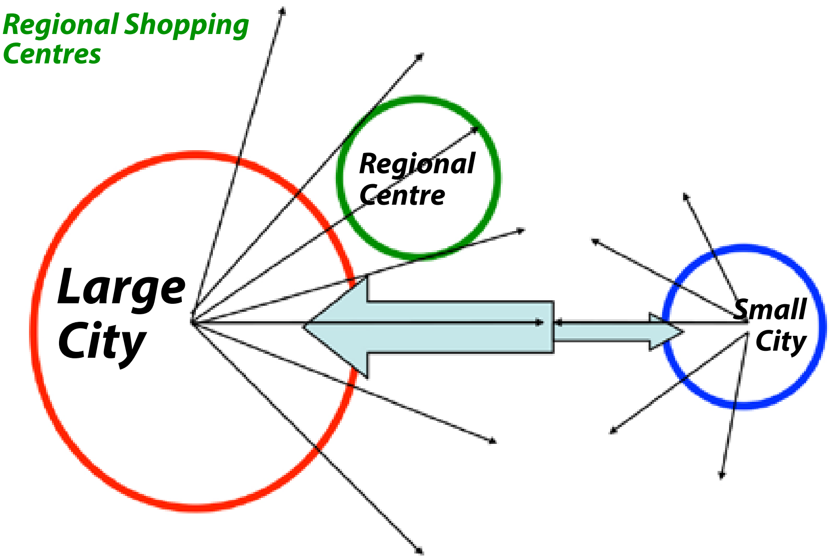
This cannot be ignored. The problem comes with an inability to understand that urban environment is constantly impacted by change through the processes of growth and decay. The structure of our towns and cities is considered in terms of static equilibrium models when the whole city is dynamic. Citizens, planners and politicians almost live in bubbles, trying to work against inevitable change. This is why the Portas proposals were so readily accepted like mackerel snapping at feathers – it was/is a distraction from an unpalatable reality.

Another dimension is succession focussing on the natural evolution or transitions of properties, neighbourhoods and assets over time. The succession process goes through – growth, maturity, decline followed by uncertainty, further decline and then perhaps some kind of renewal. The succession process is modified (apart from government intervention) in respect of the population/distance gravitational effects producing the critical mass of large cities. Consider Bristol with Cribb's Causeway, Birmingham with Merry Hill, London with Bluewater in that the only reason that these large regional centres exist is that they are almost parasitical to the critical mass of the large city (see diagram).

The other component, Situs, is critical in that it considers in depth the real estate location decision-making process. Situs recognises that there are time dimensions where a town centre is passing through the succession life cycles. The total urban environment means that the whole of urban activities and relationships that impact on specific functions like retail generally and within that town centres in particular. It involves factors external to the centre the influence the economic performance of a centre and its use. As a process situs analyses:

- Key activities
- The nature of associations between activities
- Accessibility to the surrounding area
- Environmental impact of the total area on the town centre

Analyses define how activities agglomerate (cluster) and the economies derived from that, and the diseconomies we see when there are diminishing returns to agglomeration that forces growth outwards forming sub-centres (edge and out of town and beyond). Satellite uses (eg out of town) compete with dominant uses and their agglomeration benefits increases choices and draw. Accessibility addresses the degree of convenience or inconvenience involved in moving people, goods and services between different of centres of activity. It is a



Gravitational pull in. Expenditure push out. Regional centre locates close to larger centre. Uses the larger centre's pulling power. [Stan Edwards 2013] major factor in not being able to attract shoppers back into town centres. All the foregoing considerations and those to follow do not appear to have been on Portas' radar - they are, however, not new; just conveniently forgotten.

Behaviour of the market

An understanding of the behaviour of real property is becoming an increasingly important factor in understanding the processes to ensure effective decision making, avoiding wasteful projects to demonstrate activity, rather than a cogent well considered intervention. The concepts of perception, market segmentation, rational behaviour and market involvement are key to analysing decisions made by space producers, users and facilitators.

<u>Perception</u>

Properties in town centres are physical tangible assets but while some attributes can be quantified, others are less tangible and qualitative. A space consumer buys a set of assumptions about that property rather than a set of facts. Before perceptions can be factored in they must reflect the consumers sensing 'just noticeable differences' between retail centres. For space users, measures of the physical elements have to be combined with how they are processed and interpreted by the decision maker. There are also many perceptual and behavioural biases a few of which we can readily identify with:

- Authority bias – relying on expert opinions
- Bandwagon or herd bias – the lemming phenomenon
- Optimism bias – 'developers syndrome', believing and working to make it happen
- Ostrich bias – ignoring facts so they go away and therefore change the circumstances.

<u>Market segmentation</u>

By segmentation we can develop a better understanding of what drives components, identifying new opportunities, increase existing penetration, capture complementary customers or predict market behaviour for differentiated products including customising the marketing mix and predict marketing behaviour. The bases of segmentation include geographic, demographic, psychographic, behavioural and sectoral. In trying to ensure success, the developer may try to **think like a tenant**. However, to ensure long-term success is the ability to **think like a shopper.**

<u>Rational behaviour</u>

This addresses the question as to how segmental information is processed to make retail property decisions, what drives their spatial demands and the combination of segments for certain retail locations. At a segmented level peer establishments will tend to behave in a similar manner in making competitive decisions. If rational behaviour is assumed, then there can be more valid and reliable predictions. However, in retail some property decisions may not appear rational in that spatial consumers do not always do what is expected. Indirect spatial consumers (shoppers) from Wales travel miles over the bridge to shop at Cribbs Causeway without care for travel costs or tolls. This may not be rational in a strict economic sense but perfectly rational to the respective decision maker. The inability to predict behaviour may be due a lack of understanding of the consumers' spatial decisions, and how consumers exercise choice in alternatives and how they make complex highly involved property decisions.

<u>Market involvement</u>

Given their nature, decisions in retail property tend to be in terms of high involvement and formal decision making. Some decision-makers make quick decisive property decisions without much thought of the process. To many this is a coping mechanism related to the enormity of the task. However, when it comes to CPO and a compelling case in the public interest, all decisions must hold up to the scrutiny of being justified.

The decisions for our towns should be market based and socially responsible. The importance of the market is to ensure that demand is satisfied today and into the future. Social responsibility should recognise the externalities of environmental effects and congestion caused by space user decisions. But the UK government goes beyond that simple approach.

Government intervention

Surely the government can help – they know everything! Policy (NPPF and Planning Policy Wales [PPW]) should be able to assist but it is noticeable that the government found that NPPF could not solve the current problem – this is why they attempted the Portas approach. Welsh Government, to its credit, did not pursue the Portas Pilot approach but it is unlikely due to any logical reason. The defect in national policy is that it can intervene in the market negatively to attempt to limit the perceived influence of out of town coupled with a green anti car ideology; it otherwise fetters itself. In Wales PPW 10 describes how to restrict out of town growth, believing that it is the cause of the town centre demise when actually in-town, congestion and constraints are a town's own worst enemy.

Competition

The question is what level competition impacts on town centres and whether it is a good thing? It depends to a large amount on the state of the macro economy and the type of intervention taking place. Competition is laudable in thriving market conditions, regulating prices and a rationing role. The problem in a faltering economy is that having competition as a driver for growth is difficult for those who would start a business and a threat for those existing traders struggling at the core. The recession has seen the market spiral downwards in that there are fewer customers for whatever reason and competition means that there is less of the cake to be shared. Customers in a demand economy need to be able to make comparisons and travel to those locations where they can do this – the historic success of the traditional centre is exported.

Small town settlements

The socio/economic stability of small town settlements are provided no protection from competition. The problem is not even out of town but the very policies that drive the competition to the centre of a stable settlement. These small high streets are threatened by the very policy and statute that purports to assist town centres. Here settled villagers see, perhaps, the only village pub close, only to find it reoccupied by a competitive 'metro' line of one of the superstores. Destabilisation occurs by the traditional family business not being able to compete and the ensuing, socio/economic implications change the traditional core forever – such is the nature of the market, such is the ineffectiveness of intervention to counter it. Examples can be found everywhere.

Sequential and needs tests

The rationale behind these test are almost unbelievable. The sequential test is on the premise that extensive growth impacts on the centre when lack of opportunity and constraints/congestion at the centre has forced the growth outwards. The sequential test actually forces retail towards the centre where any new development competes with what is left in a core attempting stabilisation.

The 'needs' test also creates anomalies. It is used by developers in its crudest form to show that there are leakages from the centre which they argue could be adjusted by producing shops with that missing profile within the centre. No one is able to say with any certainty where these leaky spenders currently shop or that even just producing shops or encouraging space users to locate in a development that the customers would be dislodged from their existing spending patterns. The developer's objective in many instances is to obtain a let development (and if not let, transfer the risk through a lease to authorities) and quickly sell on to an institution and disappear, leaving the authorities/ratepayers to pick up the ongoing cost of a 'soon to fail' white elephant. This is a highly cynical view to make a point.

Case Studies

Once it is understood that retail is a highly integrated part of the market and that as such is difficult to control positively, it starts to lead to an understanding of irreversible change incomprehensible to politicians and those who would seek to intervene in the market.

<u>Newport</u>

Newport is characteristic of many similar retail settlements not only in the valleys of Wales but throughout the UK.

Newport's solution to a faltering centre was (and still is) to plunder Commercial Street against the Council's own policies and re-establish it in the Friars Walk scheme alongside the centre. The Council rationale can be seen in stated obsession with failing town centre ranking and the desire to once again compete with Cwmbran, hoping to have Debenhams as a flag-ship attraction. The Friar's Walk scheme, after 10 years still has no green light. Newport had more than a Portas £100,000: it had £2.6m to be spent on similar things. Implementation and the perception of the lack of confidence and clarity in decision making is a significant factor. We see perhaps, optimistic and ostrich biases.

Whilst fumbling goes on regarding the city centre, the evolved convenient and accessibly Newport Retail Park at Spytty just 2 miles north east of Newport has accommodated the M&S disassociated from the centre to accompany Boots and other nationals alongside a redeveloped Tesco of almost aircraft carrier proportions. Additionally, an enlarged Sainsbury's relocated from edge of centre to a position off a distributor alongside the M4, with a high degree of success. Whereas the centre of Newport cannot compete with Cwmbran, to some large extent its new satellites do. Out of town for Newport is also partially Cwmbran's out of town.

Here is a strange observation. Some weeks ago there were complaints that on one or 2 days Spytty was encountering traffic management problems. This is to be expected in that it is popular, accessible and convenient. Here's the rub and the essence of my argument, in that for Newport city centre to be half as successful as Spytty (should Friars Walk proceed) it would be almost permanently congested – the diseconomies of agglomeration would have set it. QED!

<u>Haverfordwest</u>

The changes in Haverfordwest should also be salutary for Newport. This traditional hub for west Wales is experiencing the problem of growth in a cramped town centre. Sainsbury's on the back of a large residential scheme has received permission to develop on the edge of the core. M&S in a new venture located at the out of town 'Hospital site', to be accompanied by Boots moving out of the centre, but guess who joined the party – Debenhams.

Debenhams, applying segmentation, see that they have a role at the centre of cities where critical mass is found and in significant out of town locations where there are retail features attractive to high earners who would not entertain coming into town and all the hassle. Differentiated markets! No wagering on which way for Newport.

<u>Pontypridd</u>

Pontypridd is another town where the related spending power has departed. Once the pride of the Taff and Rhondda valleys, its decline matches Newport. Ten years ago there were 2 developers fighting over promoting a scheme for the abandoned 1970s Taff Vale Centre. Now that is demolished and the town struggles to find that equilibrium level in the succession process. Diseconomies of agglomeration are found in constrained highway accessibility, the river and Ynys Angharad Park. The bus station brings some convenience shopping to the centre as does the adjoining residential area, but the railway at the other end of the main street easily transports shoppers to Cardiff. Car owners travel to out of town centres such as the retail park at Talbot Green. Convenience is found in satellites and other centres, where the A470 easily carries trade away from Pontypridd.

Bridgend

Bridgend too is severely constrained by the river and topography and the arguments for Newport and Pontypridd also apply here. The centre is ringed by convenience stores with a retail park half a mile away on the edge of centre. Sainsbury's operates very successfully alongside the BAA McArthur-Glenn factory outlet centre which has a wide catchment. Further development in this vicinity is however constrained by the highway capacity of Junction 36 M4. Bridgend argues that the development at J36 caused the demise of the centre, but it was feeling the diseconomies of agglomeration long before then, in the retail parks in close proximity.

The politicians would seek to restore the power of the central core, even attracting a Debenhams, but the arguments in this article demonstrate the futility of that. It is a sorry centre that has to hang its success on the attraction of one particular store. The Council was complicit in attracting Asda alongside the centre but as any one would guess, it acts as a destination in itself and is topographically disconnected from the core.

Barry

Barry was once a major shopping centre, now relegated to a town district centre.

It suffers from its linear nature as do the valley towns and Newport. The centre is ringed by edge of centre and edge of town superstores which cater for most daily population needs. Like Newport it has a close indigenous population and the town centre operates at a core town centre level to provide many of the basic daily needs. The constraints are such that spill-over demand for comparison goods is taken up by Cardiff, Culverhouse Cross and the Barry Docks regeneration area.

The politicians here would sincerely 'love to do something' but its over-shopped linear nature leaves itself a challenge common to many high streets.

Llanelli

The town centre is a serious problem but only if it is attempted to replace what has gone forever through the factors of retail growth characterised in other centres. Like other centres in Wales, it attempts to cope finally with the loss of important basic industries. Leisure and tourism are important but less substantial employment factors. It too has its convenience superstores and retail parks, but the connection to Swansea and its retail outlets provides an additional competitive factor preventing real expansion.

What can be done?

Many decision makers end up as if they are rabbits caught in headlights. The unpalatable truth of town centres is that we watch succession take place and even interventions to try to defer this can only really accelerate the process. Commercial Street in Newport would have felt the changes of urban growth as well as the economic recession in a 'no-scheme' world had Friars Walk not been conceived. As it is, the interventions in respect of Friars Walk hurried along the change.

Many of the 'tools' mentioned above can enable a better prediction of our future town centres. Certainly there is no transporting to centres of the past where the images on the photographs are fading. Even successful towns such as Cwmbran, built fit for purpose in the 1970s as a car friendly sub regional shopping centre, will eventually change. The retail market is a bit like Le Chatelier's principle: "If to a system at dynamic equilibrium a constraint is applied the system will readjust itself so as to overcome the constraint."

So, we tinker with the retail market at our peril. Heavy handed intervention by government in any form can only achieve an over-planned market requiring us to exist within a 'command economy' mentioned above. As it is, the greatest difficulties for any town centre scheme will be a compelling case in the public interest. Why is it compelling and is it in the public interest?

I finish on my earlier point that although a retail renaissance in town centres is unlikely it does not mean that nothing will happen; restructuring and reorientation are key to consolidating and compacting a new profile of mixed use.

The Editor acknowledges the support of John Roberts, Managing Editor of IRRV magazines (The Institute of Revenues Rating and Valuation) to publish an abridged version of this article. The full article can be viewed in IRRV 'Valuer' August 2013.

REGENERATION – TALK OF THE TOWN

Daniel Webb BSc (Hons) MRICS MAPM

Daniel Webb is the lead director of Watts' London-based Project Consultancy Group, which includes the firm's project management and public sector teams. As a specialist in project management and integrated project coordination, Daniel has extensive experience in refurbishment and redevelopment projects for investor and occupier clients in the local authority, health-care, education, higher education, office, retail, residential and industrial sectors. He also has a particular experience in complex projects executed in live often safety-critical environments daniel.webb@watts.co.uk

Regenerating our high streets is vital for the economy of local communities around the country. Daniel continues the discussion on Portas and argues that "many town centres around the country may be on life-support but they are still alive. Local authorities have a pivotal role to play as facilitators in ensuring the infrastructure required to bring shoppers back into our towns and cities is put in place in as timely and cost effective a way as possible."

Much has been written in the last few years about the death of high street shopping, with figures such as 37% vacancy rates in towns like Maidstone helping promote the view that there is no future for retail in our town centres.

The high street is not dead. It is, by definition, central to communities large and small throughout the UK. It is true that the traditional occupiers of our high streets are struggling due to the rise of the internet and the dominance of supermarkets. But thanks in part to the work carried out in response to the Portas Review and the advent of the pop-up shop movement, empty space in many high streets is now being used to good effect. Former retail space is even being used to host temporary museums and gallery space and to hold parties and other events.

A retail study by PricewaterhouseCoopers and the Local Data Company published in September revealed that the pace of shop closures on the high street has slowed in recent months, offering better prospects for retailers. According to the report, shops are now closing at a slightly improved rate of 18 a day, compared with 20 a day during 2012. At the same time, there has been uplift in numbers of charity shops, cheque cashing outlets, pawnbrokers and betting shops. This growth reflects the current economic problems being faced by many people around the country but if shoppers are to be attracted back to the high street in meaningful numbers, a more vibrant mix of retail and other outlets must be encouraged. Think about all the services that you cannot buy online or even in every out-of-town retail park: shoe repairs, picture framing, boutique clothing, local crafts, decent food or a good cup of coffee. And what about spaces to showcase local events, show off work from the local school, listen to music or hold a food festival?

The Portas Review, published in 2011, has been instrumental in enabling local councils, residents, retailers and other businesses to try out new ideas to secure a sustainable future for local high streets in response to market trends and the decline of traditional shopping habits. As a result of the review, Portas Pilots in 27 UK towns and cities were each given £100,000 to fund innovation and overcome challenges with the aim of revitalising high street shopping around the country. The Government also set up the High Street Innovation Fund worth £10m to help those councils with the highest number of empty high street properties and those most affected by the 2011 riots. Local authorities have been putting the funds to good use. The money has been used to:

- offer discounts on business rates;
- allow businesses to use premises for other purposes than they were designed for;
- attract new businesses into town centres, including market and other street traders; and
- bring empty property back into use.

Where councils own town centre property, ensuring leases and business uses are flexible is key to opening up the high street and creating new commercial opportunities. However there are other aspects of town centre shopping that councils can influence and which have a major impact for both shoppers and retailers. Access is key. If shoppers cannot easily get into town centres or park their cars, they will choose an out-of-town alternative. The Portas Review highlighted the role of parking in successful high streets, emphasising that, "councils need to decide the best way to offer, manage and enforce parking in ways which make sense for their area". A range of initiatives are now underway to enable local authorities to act on this advice. Taking steps such as making land adjacent to town centres available for accessible and affordable park-and-ride schemes, or scrapping parking fees during certain times, encourage people to revisit town centres and are within the remit of councils.

Other issues which councils are able to address and which all boost footfall include ensuring bus routes bring shoppers as close as possible to town centres; increasing and upgrading toilet provision; addressing the strategic location of ATM machines and facilitating good wi-fi provision to enhance the shopping experience. Reviewing policies towards the licensing of market and other street traders is also a way of making the high street experience more vibrant and exciting for shoppers, who are likely to be attracted into town by special events such as farmers and Christmas markets, food festivals and street entertainment.

Public realm has almost as much of a part to play in regeneration as buildings. This is one aspect of high street regeneration in which local authorities have the opportunity to make town centres accessible, enjoyable places to visit by incorporating creative and attractive solutions, such as using shared pedestrian/car space. Shared surfaces is a concept where the road way is elevated to the same level as the pavement, giving car drivers a feeling of being in a pedestrian area so they slow down. Priorities are negotiated by eye contact rather than signs and traffic lights. The single surface is good for wheelchair users and buggies and it enhances the aesthetic appeal of town centre streets. Tactile and colour contrasting surfaces can be used to differentiate between pedestrian areas and those with vehicle access so that pedestrians, particularly elderly and sight-impaired people and small children, feel safe. Brighton city centre is a good example of where this has been used to great effect, particularly outside the Grand Theatre. Many other towns and cities around the country are now adopting this approach, replacing the pedestrian precincts of the 1970s and 80s, particularly in areas where traffic cannot easily be re-routed to give full pedestrian access.

Ladywell Village, London - proposals

In Ladywell Village in London a project funded by Transport for London and the London Borough of Lewisham is creating wider pavements with pull in spots for cars, making it easier for people to stop for short periods of time and use local shops and businesses. Street furniture and trees enhance such schemes and encourage people to spend more time in the area. As well as creating a more pleasant environment for people, town centre enhancement schemes such as these can also contribute to climate change mitigation for example by using street trees to combat heat island effects.

Following on from planning reforms announced earlier this year to enable empty offices to be converted to housing without seeking planning permission, the government is now proposing to apply the same permitted development rights to empty retail space. The new rules would cut red tape and make it easier to bring empty and underused buildings back to life. It is hoped that removing such barriers to residential development will bring more people closer to their town centres, providing a much needed boost to local shops and help improve the local economy.

The challenge for councils is to ensure that the high street changes to meet the varied demands of shoppers and the wider community but still remains a focal point. Many town centres around the country may be on life-support but they are still alive - we now need to learn how to promote and use them in a different way. Local authorities have a pivotal role to play as facilitators in ensuring the infrastructure required to bring shoppers back into our towns and cities is put in place in as timely and cost effective a way as possible.

COMMUNITY OWNERSHIP FORUM – MEETING ON 10 July 2013

2013 Summer Terrier included a note about the new Community Ownership Forum, which has replaced the Asset Transfer Unit. This is a note of its first meeting. It is taken from the minutes prepared by Locality [adapted by the Editor].

Meeting Purpose

The Community Ownership Forum (COF) facilitates the networking and exchange of ideas between key agencies involved in promoting community asset ownership, with an emphasis upon problem solving at the national level to benefit government and communities across the country and to bring together the key players to discuss latest developments and ways forward for the community ownership agenda.

Empowering Communities: PROD, Community Asset Transfer, Meanwhile Use, Compulsory Purchase for Communities, Community Rights - where next?

DCLG outlined the highlights from the latest comprehensive spending review. Government is preparing to make publically owned land more available for ownership. This Right to Contest remains 'under development' for the time being. The Right to Bid and Asset Transfer were being kept under review by DCLG.

In Scotland they the 'Community Right to Buy' legislation is being reviewed, to simplify and strengthen it.

Locality reported that there were over 400 assets of community value listed to date and over 2,500 enquiries about the Right to Bid. One 'multiple asset transfer' project in Ledbury involves 7 heritage buildings where the income that can be generated from some of the other more profitable assets will fund the restoration and development of the others.

It was important to consider what can be done with buildings 'in the meanwhile' before they are transferred. The Meanwhile Foundation has been set up to help make it easier for people to do this.

Spending Review 2013: How can we enable communities to work with local government to take ownership of assets against a backdrop of continued austerity?

There are proposed structural changes within English Heritage, whereby the 'property' portfolio will be separated and set up as a new national charity by 2015.

There was increasing interest by government in social investment, using funding from sources such as Big Lottery, Strategic Investment Board, Big Society Capital, etc. The concept of raising finance through a mechanism like 'community shares' would be a welcome addition for other legal forms, eg: charities. Social investment tax relief is currently under review. As an example, a steel works in Sheffield has recently come into community ownership and over £200,000 has been raised by selling community shares. There is a Community Shares Unit Steering Group that would welcome anyone from the COF to bring a relevant issue for the group to consider.

How can community ownership contribute to the revitalisation of our town centres?

It was stated that in some places 50% of the high street income goes to just 2 supermarkets. COF felt that more could be done to turn public land and green spaces into food growing initiatives. Food outlets could be set up in the high street and that this fits well with the community ownership agenda. A people's supermarket has been opened in Camden. There were other good examples of organisations that distribute locally grown food and produce at competitive prices. Ledbury sustains an increasing number of local shops, delicatessens, local food markets and food suppliers that are improving the economy in the area.

The Portas Review was bringing more 'pop up shops' into the high street which provided a good opportunity for people to test the market and their business ideas without committing too much time and money initially. However, pop up shops had a very short time to test their business idea - can a business really know if it is going to be a success in a matter of weeks?

The issue of betting shops and pay day loan companies dominating the high street was raised and it was felt that more needed to be done to make it more difficult for certain businesses to be in the high street, such as imposing higher business rates. However, more community/locally run shops and services should pay less as a result.

There needed to be more diversity in the high street. In Brighton those that are succeeding are ones providing services that you cannot buy on the internet, such as nail bars, tattoo parlours, payday loan companies, pawn brokers etc. More affordable housing on the high street could bring people back into town centres.

Enterprising Community Assets – business models, social finance, repurposing public assets and digital assets/enterprise development

It was rare for community owned building/enterprises to be funded from one source:

- The new Heritage Enterprise Fund has been founded on the basis that businesses based in historic buildings do better financially. The grant fund welcomes partnerships between private investors and community organisations. One recent example to the fund is an organisation that wants to run a music venue in an old art deco theatre which had been derelict for decades. This business could be a model that many would want to adopt;

- Enriching Places Fund - the Big Lottery will launch in 2014. This fund focusses on community enterprises. £150 million is available over 5 years. The brief for this fund is fairly broad and can include asset transfers but it must be enterprising and sustainable. Projects have to be new: if the asset transfer has already taken place then the activity/enterprise/approach has to be new and innovative.

It was often difficult for community organisations who are outside of London to attract 'high net worth' investors/philanthropists. Work still needs to be done to help those outside of London to access investors for their projects.

COMMUNITY OWNERSHIP CASE STUDY

Matthew West - *Head of Community Assets and Services Team*

Matthew gave this example of a community initiative at the recent ACES/DCLG meeting. It shows how a small focussed steering group, using a community share issue scheme and expert help, has meant that people could buy a part share in the pub to help run it and keep it open in the long term.

A group of local residents in Nunhead were the first in the country to use the Community Right to Bid mechanism to save their pub and bring it into community ownership.

The Ivy House in Nunhead is a well-loved South London local, with a splendid 1930s interior and a place in music history, with acts including Elvis Costello and Joe Strummer having played on its stage. But in April 2012, the owner of the Ivy House pub, Enterprise Inns, announced that it was selling off the pub.

Nunhead resident Tessa Blunden, a solicitor, was a regular visitor to the Ivy House, and held her wedding party there a few years ago. On the day Tessa heard that the Ivy House was closing she went there after work to see what was going on. Tessa said: "Turns out a lot of people had had the same idea. There were about 80 people in there when I arrived."

"As I had a notepad and a pen, I started collecting people's email addresses for a mailing list." This mailing list grew into a group who were determined to save the pub. Tessa is one of the 5-strong steering group including a chartered surveyor and a town planner, with day jobs formidably well-suited to the task of rescuing the Ivy House.

The campaign to save the Ivy House began well, with their facebook page gaining over 1,000 likes, the local paper reporting on their plans, and the local MP getting involved. English Heritage gave the pub a Grade II listing for its rare 1930s interior.

But in October 2012 Enterprise Inns sold the Ivy House at auction to a businessman, who almost immediately put it back on the market for £750,000, with plans to turn the pub into flats.

Tessa said: "We knew the Localism Act had just come into force, so with help from the Peckham Society and advice from Locality, we applied to Southwark Council to list the Ivy House as an asset of community value. It was certainly the first asset Southwark had listed, and quite possibly the first asset to be listed in the whole country". The council listed the pub in the nick of time to prevent it going back to auction.

The Community Right to Bid gave the Save the Ivy House campaign a moratorium period of 6 months to raise the money and buy the pub if they could. Raising a sum of over £750,000 in 6 months was a daunting prospect. Luckily the team's dedication and hard work paid off when the Architectural Heritage Fund stepped in and announced it would offer them a loan of £500,000 for the purchase, plus a £50,000 working capital loan for start-up costs.

At the start of March 2013 the group purchased the Ivy House for £810,000, with funding from the Architectural Heritage Fund and others. Once the Ivy House was bought, it was opened up to a community share issue scheme, which meant people could buy a part share in the pub to help run it and keep it open in the long term.

The Plunkett Foundation gave them business support, legal advice and help with the community share issue. Offering community shares in the pub has provided working capital and given local people a financial stake in the enterprise.

The Ivy House exceeded their target of £100,000, raising an impressive £142,600 from 371 shareholders.

The Ivy House, London's first co-operative pub, opened in August 2013.

PLANNING- LOCALISM AND GROWTH

Bob Pritchard

Bob Pritchard is a solicitor specialising in planning law at Leeds City Council. The views expressed here are personal.

Bob gives a summary of an important planning judgement, some of the recent planning reforms in the Growth and Infrastructure and Enterprise and Regulatory Reform Acts 2013, and more changes in CIL.

Introduction

The last few months have witnessed a number of fairly significant changes to the planning system. A key theme of these adjustments is the need to harness the system to promote growth. This contrasts with earlier reforms introduced by the Coalition administration which were aimed more at devolving power to communities. On the latter point, there has also been a recent court decision which considers the impact of the localism agenda on the planning system.

Tewksbury and Localism

The extent to which localism has made any real impact on the planning system was the subject of debate at a hearing in the High Court in Birmingham (Tewkesbury BC v (1) Secretary of State (SoS) for Communities & Local Government, (2) Comparo Ltd (3) Welbeck Strategic Land LLP [2013]). The case concerned proposals to develop an additional 1,000 dwellings in the village of Bishop's Cleeve, population 10,700. The planning application was refused by Tewksbury but permission was granted on appeal. The SoS took the view that the development was necessary in order to provide what he regarded as much needed local housing. Tewksbury's lack of enthusiasm for the development remained undimmed and they challenged the grant of permission.

It is evident that the Council had its work cut out in opposing the appeal proposals. Their development plan was seriously out of date and their local plan preparation had been hampered by a series of delays and postponements.
In addition the Council (by its own admission) was unable to demonstrate a 5 year housing land supply. So, in attempting to vitiate the appeal decision in the face of some considerable odds, the Council sought to demonstrate that the landscape of planning decisions had been completely transformed by the Localism Act 2011 and in failing to recognise this the SoS's decision was fatally flawed. However, the Council's barrister faced a significant problem in advancing a case based on a shift of power from central to local decision makers, namely the absence of concrete and tangible statutory provisions which supported this position. He was simply unable to support his submissions by reference to the wording of the Localism Act 2011 or its associated regulations, but was obliged to rely instead on broad statements made by government ministers and others as to what the Act was intended to achieve. For example, he referred to the Plain English Guide to the Localism Act published by DCLG in November 2011 and its declaration that "For too long, central government has hoarded and concentrated power. Trying to improve people's lives by imposing decisions, setting targets and demanding inspections from Whitehall simply doesn't work. It creates bureaucracy. It leaves no room for adaptation to reflect local circumstances ………" Powerful stuff – but unhappily for Tewksbury, sentiments that were simply not replicated in statutory provisions.

In delivering his judgment Males J made the point that this would not be the first time that more has been claimed for a legislative reform than has actually been delivered. He acknowledged that the Localism Act had made significant changes to the planning system, (notably the abolition of regional strategies). However, he did not accept that the effect of those changes was to eliminate the role of the SoS in determining planning applications opposed by local planning authorities or to abolish long-standing policies and principles.

More Planning Reforms

Spring heralded a busy period for legislative activity in the planning sector. Perhaps not entirely in the spirit of simplification, there were 2 separate Acts of Parliament that ushered in these reforms, the Growth and Infrastructure Act 2013 (GIA) and the Enterprise and Regulatory Reform Act 2013. (ERRA)
On the plus side, the Acts include some helpful (and in some cases long overdue) tweaks to the planning and related regimes which will tackle some procedural deficiencies and should go some way to enhance the responsiveness of the system. Other measures are less likely to be greeted with general enthusiasm.

The GIA finally tackles an anomaly in the general disposal consent process. If local authorities wish to dispose of land at less than the best consideration reasonably obtainable then they cannot do this without the consent of the SoS. For the last decade there has been in place a general consent to dispose of land at an undervalue of up to £2m without the need to obtain a specific consent. This general disposal consent has not previously been extended to land held for planning purposes. This has proved particularly inconvenient for both developers and authorities as there is a fair chance that land they wish to dispose of at less than best to kick-start development will be held for planning purposes (perhaps following the implementation of a 1990 Planning Act compulsory purchase order). S8 of the Act rectifies this and extends the general disposal consent regime to land held for planning purposes.

Another relatively modest but helpful measure is contained in s11 and 12 of the Act which allows the submission of applications to stop up or divert highways and public paths without the need to have first obtained planning permission. So at a stroke an unnecessary delay to the development consent process is avoided without compromising the rights of those who wish to make representations.

More in the way of process simplification is contained in s6 of the Act which seeks to restrict what LPAs can ask for by way of information from applicants for planning permission. In a nutshell if a LPA requires further information from an applicant the requirement must be reasonable, having regard in particular to the nature and scale of the proposed development.

Other measures include changes to the periodic review of minerals planning permissions; amendments concerning registration of town or village greens [Ed – see separate article in this Terrier]; amendments to inquiry costs provisions to enable the SoS to recover part only of his costs (as opposed to all of them as is the case now) and amendments to the costs regime for compulsory purchase inquiries, allowing awards of costs where the inquiry does not take place and also in favour of a party who does not attend the inquiry.

The ERRA also includes some potentially useful measures to improve the heritage protection system. A general theme here is to bring the system more in line with development management. So the separate requirement for conservation area consent for the demolition of buildings in conservation areas goes – the sole authorisation will be provided by planning permission. Tried and tested development control mechanisms such as permitted development rights and certificates of lawfulness are imported into the listed building regime. Heritage partnership agreements allowing owners of listed buildings to enter into agreements with their LPA for measures including works, maintenance and public subsidy, are given a statutory footing.

Moving to the more controversial reforms, the GIA has introduced the option to make planning applications directly to the SoS, when a LPA has been designated on the basis of not performing adequately in determining planning applications. Councils that determine fewer than 30% of major applications within 13 weeks over a 2-year period will be caught by this provision.

Amendments to permitted development (PD) rights include rights for dwellings. As the result of concerns relating to the extension of rights to extend domestic properties, the GIA introduces a provision requiring PD proposals for development within the curtilage of a dwelling house to be notified to neighbours and in the event that objections are received, then the LPA will consider whether the PD right should be exercised. The LPA may only permit the proposed development if it considers that it would not have an unacceptable impact on the amenity of the adjoining premises. So a process very similar to a planning application will be engaged.

Perhaps the innovation that may have the most profound impact is the new application and appeal regime for affordable housing provisions in planning agreements. Briefly, s7 of the Act introduces a new section into the Planning Act which includes a power to apply to the LPA for the modification or discharge of affordable housing requirements in planning obligations. In the case of the first application to the LPA, if the affordable housing requirement means that the development is not economically viable, the LPA must take steps to modify or even remove the obligation altogether to ensure that the development becomes economically viable. When it comes to second or subsequent applications, the LPA is not under the same obligation to consider economic viability. If the LPA does decide that a different approach to affordable housing is warranted it may not impose a more onerous obligation than in the case of a first application. In the case of second and subsequent applications this restriction does not apply but the determination by the authority must not have the effect that the development becomes economically unviable. There is a right of appeal to the Secretary of State. The intention is that these measures are temporary and will be repealed on 30 April 2016 – although there is the possibility that they may be extended beyond 2016.

CIL Restructured (Again)

Since it was first introduced in 2010, the CIL system has been subject to repeated reforms with a view to addressing perceived shortcomings. While the last major set of reforms in 2011 could be seen as an attempt to 'localise' what is a system designed to fund the wider infrastructure needs of an authority, the most recent proposals are aimed more at reducing the potential impact of an additional development levy on scheme viability. In this context there is a raft of proposed amendments and this note will focus on 2 of the more substantive changes.

A simple measure that is likely to be supported by many in the development industry is the extension to the deadline for the abolition of pooled contributions. To recap, regulation 123 of the 2010 CIL Regulations restricts the local use of planning obligations for pooled contributions towards items that may be funded via the levy. Pooled contributions may be sought from up to 5 separate planning obligations for an item of infrastructure that is not locally intended to be funded by the levy. The limit of 5 applies as well to types of general infrastructure contributions, such as education and transport. In assessing whether 5 separate planning obligations have already been entered into for a specific infrastructure project or a type of infrastructure, LPAs must review agreements that have been entered into since 6 April 2010. The restriction applies after the local adoption of the levy or nationally after a transitional period. This was going to be

6 April 2014 but the deadline has been extended to 6 April 2015.

Another proposal that is likely to be generally welcomed is the extension of the payment-in-kind option available to developers to the cost of on or off site infrastructure (currently the CIL Regulations allow for land to be transferred to the charging authority as a payment-in-kind). The authority must be satisfied that this is an appropriate route in terms of cost, timing or other benefits. Only infrastructure that is included in the authority's CIL Infrastructure list (and is not required to be provided under s278 or s106 Agreements) can be used as a contribution in this way. DCLG is also proposing that the infrastructure costs should be limited to those below EU procurement thresholds (currently £4.3m for works and £173,000 for services). The credit against CIL will be equivalent to the cost of the infrastructure provided which will need to be independently assessed or identified via a benchmarking exercise. If it turns out that incurred costs are lower than anticipated, a balancing payment will be required.

Concluding Comments

Planning continues to be a fertile area for reform. Despite this, the fundamentals of the system, notably the plan led approach, remain intact and key policy concepts including green belt protection and town centre first continue to be reflected in the National Planning Policy Framework. The inherently complex CIL regime continues to be work in progress and time will tell if it will be an effective mechanism to deliver much needed infrastructure.

TOWN AND VILLAGE GREENS – ANNOUNCEMENT FROM DEFRA

Grant McPhee at Defra has provided the following statement. This is complemented by the article from Mills & Reeve in this Terrier

The Growth and Infrastructure Act 2013 has amended the law on registering Town and Village Greens (TVG) under the Commons Act 2006. As of 1 October, all the reforms will be in force. The reforms provide that planning decisions to develop land cannot be undermined by TVG applications, which will help support sustainable growth.

Landowner statements allow landowners to prevent their land being registered as a TVG. These reforms represent savings to developers and landowners who can proactively protect their land and avoid costs of opposing TVG applications at public inquiries or in court.

From 25 April 2013

- Until 25 April it was possible to submit TVG applications on land on which planning permission had already been given or had been identified for development through the planning system. This could lead to the stopping of building work until a TVG application was determined, which could take several years, or court action, all of which has been costly to developers and other landowners. Many development projects throughout England have been delayed or abandoned over the past decade.

- New section 15C and Schedule 1A to the 2006 Act prevents this by excluding the right to apply to register TVGs where a trigger event has occurred in relation to land. Trigger events are decisions within planning system to develop land. The right to apply remains excluded until a corresponding terminating event occurs in relation to the land. Trigger and terminating events are set out in Schedule 1A to the 2006 Act. DCLG (jointly with Defra) recently consulted on additional trigger and terminating events.

From 1 Oct 2013

Three changes come into force:

- introduction of landowner statements;

- minor amendments to law on highways declarations under the Highways Act 1980, including extending the relevant period from 10 years to 20 (only applies to applications made on or after 1 October!); and

- the 2 year grace period for TVG applications is reduced to 1 year. The grace period applies where use of the land as of right ceases before a TVG application is made.

There is a single application procedure for both landowner statements and highways declarations, including a combined application form which can be obtained from the local commons registration authority/highways authority. The form itself is in Schedule 1 to the Commons (Registration of Town or Village Greens) and Dedicated Highways (Landowner Statements and Declarations) (England) Regulations 2013. The application form contains notes for completion.

Guidance for Commons Registration Authorities has been published on the www.gov.uk website but can be read by anyone.

Direct links are:

Regulations: http://www.legislation.gov.uk/uksi/2013/1774/contents/made

Guidance: https://www.gov.uk/government/publications/guidance-to-commons-registration-authorities-in-england-sections-15a-to-15c-of-the-commons-act-2006

TOWN AND VILLAGE GREENS

OR

Not so "green" deal ... the Growth and Infrastructure Act 2013 further helps landowners prevent town and village green registration

Lucy Whipps

Lucy Whipps is a solicitor in Mills & Reeve's real estate team. Lucy acts for a wide variety of public and private sector owners and occupiers, on a range of commercial property matters lucy.whipps@mills-reeve.com

Lucy gives more detail and advice for landowners concerning protecting their land from village green registration.

The registration of land as a town or village green ("green") remains a critical consideration for landowners and occupiers due to, amongst other things, the restrictions upon the ability to develop and use the land.

Application to register a green - a brief recap

Anyone can apply for land to be registered as a green if the criteria set out in s15 of the Commons Act 2006 (the "Act") are met, namely:

Where "a significant number of the inhabitants of any locality, or of any neighbourhood within a locality, have indulged as of right in lawful sports and pastimes on the land for a period of at least 20 years and either:

a. they continue to do so at the time of the application to register a green; or

b. they ceased to do so before the time of the application to register a green.

In the case of (b), the timing of the application to register a green will depend upon when the use ceased:

- If the use stopped after 6 April 2007 the application must be made within 2 years of such date.

- If the use stopped before 6 April 2007 the application must be made within 5 years of such date, except where:

    - planning permission was granted before 23 June 2006 in respect of the land; and

    - construction works were commenced before 23 June 2006 in accordance with that planning permission on the land or any other land in respect of which the permission was granted; and

    - the land

    - has by reason of any works carried out in accordance with that planning permission become permanently unusable by members of the public for the purposes of lawful sports and pastimes; or

    - will by reason of any works proposed to be carried out in accordance with that planning permission become permanently unusable by members of the public for those purposes.

The 20 year period required for registration disregards any period of time where by reason of statute it was not possible to occupy the land.

Prevention of registration of land as a green

There are several tools available to landowners to prevent the registration of land as a green. Firstly, landowners can prevent applications to register their land as a green by giving permission to occupiers for such use (ending the use "as of right") and/or preventing access to the land (preventing the use).

Landowners also have the protection offered by section 15(c) of the Act where a "trigger event" creates a protected period where an application to register a green cannot be made. Trigger events are set out in Schedule 1A to the Act and include the publication of a planning permission or the adoption of a development plan which identifies the land as relevant land for potential development.

The protected period ends on the

occurrence of a "terminating events" set out in Schedule 1A to the Act. Terminating events include the withdrawal of the planning permission and/or the withdrawal of the development plan document.

New protection for landowners since 1 October 2013

Since 1 October 2013 landowners have gained a further tool to prevent an application to register their land as a green, as introduced by the Growth and Infrastructure Act 2013. Landowners can now lodge with the relevant registration authority a statement (in a prescribed form) together with a plan of the land being used for lawful sports and pastimes to bring the "as of right" use to an end. The statement lodged by the landowner acts as evidence of the landowner's intention that the land should not be registered as a green.

This new procedure mirrors section 31(6) Highways Act 1980 by which a landowner can rebut a presumption of a deemed dedication of a right of way. In fact, the highways and green prescribed form statements have been merged into one standard form. So when making an application the landowner may chose to make both applications simultaneously, or a singular application, by completing the relevant section(s) of the statement.

The effect of a lodged statement will depend on the duration of the use of the land. If the land has been used "as of right" as a green for **under 20** years the period of use is disregarded and if the use continues, the 20 year required period restarts. If the land has been used "as of right" as a green for **20 years or more**, an application to register the land as a green can be made within one year from the date the plan and statement are deposited with the relevant commons registration authority.

Landowners can (and should) re-lodge statements with the relevant authority as the statements are only valid for 20 years.

Occupiers who continue using land for "lawful sports and pastimes" following a statement being lodged can re-accrue the required 20 year period of such use and so landowners should carefully diarise the renewal of the statement to reset this period.

The relevant authority has certain publicity requirements. The authority must:

- publish such applications on their website; and
- notify by email anyone who has requested to be advised of such applications; and
- post a notice of the application for at least 60 days at or near one obvious place of entry to the land; and
- keep a register of the lodged documentation.

Buyer beware

The new provisions give helpful assistance in shortening the jeopardy period where land could be sterilised whilst green claims emerge from the woodwork. Notwithstanding these processes, the best form of protection for landowners intending to develop land, or wishing to preserve that possibility for the long-term future, is effective pre -acquisition due diligence.

Buyers will continue to ask the seller of land for assurances relating to the use of the land in question and should be mindful of the risk of rights existing outside the seller's period of ownership where the seller has acquired the land within a relatively short period. This, combined with effective post acquisition protection through the lodging of the required statement, will help protect landowners' options in respect of the development of their land.

In conclusion

Practically speaking, landowners, their agents and managers should continue to be vigilant in respect of who uses their land and the purpose of such use.

If development is contemplated in the future, preventative steps can and should be taken in advance to help manage the risk of the land being claimed as a green. In particular, landowners should consider carefully the length of the use of the land as a green and the available options.

Lodging a prescribed form statement allows the continued use of land as a green whilst development is considered. This maintains the status quo from a more protected position, provides comfort to prospective purchasers and investors, as well as serving as evidence of intent in the event of a potential claim.

ASSET MANAGEMENT OF RURAL ESTATES FOR LINCOLNSHIRE COUNTY COUNCIL

Johnny Dudgeon

Johnny Dudgeon is a Director with Savills and Head of their Lincoln Office. He provides advice for private and institutional clients on all aspects of rural property throughout the Midlands encompassing strategic advice, estate management issues and valuation work. He has 25 years experience in the sector jdudgeon@savills.com

This is a useful practical case study which complements the articles in the 2012 Winter Terrier on ACES Rural Practice Branch involvement in developing the Rural estate asset management planning good practice guidance and the County Farms Review of Suffolk..

Introduction

Lincolnshire County Council's County Farms estate extends to more than 19,000 acres of let agricultural land, farm buildings and 73 dwellings spread throughout Lincolnshire. Savills has managed the portfolio since 2000 2000, having successfully been reappointed through a competitive tendering process in 2003 and again in 2012.

Issues

The report looked at issues of:

1. The sustainable holdings which should be retained by Lincolnshire CC.

2. The key holdings which are to be amalgamated to form a more viable block of land for the County Farms tenants.

3. The key County Farms tenants and also possible successors to existing County Farms tenants to facilitate the long term future of the estate.

4. The infrastructure on the County Farms estate, identifying where improvements to buildings will be needed to enable the farms to remain viable in the modern day agricultural climate.

5. A clear strategy for the future of the County Farms estate.

Background to the estate

When the report was commissioned the County Farms estate consisted of a total of 20,261 acres (as at February 2008) which comprised the following:

104 equipped holdings comprising land, house and buildings

52 holdings comprising land and buildings

124 bare land holdings.

With a total of 224 tenants, the average size of the holdings was 89.56 acres.

Age and Profile of the Tenants

The age profile of the tenants meant that there were re-structuring opportunities to present themselves when the older tenants wished to retire and give up their holdings. There are a mixture of lifetime tenancies and retire at 65 tenancies, depending on the date they were granted.

The Longer Term Structure of the County Farms Estate

The amalgamation of farm units will

gradually mean that farmyards will be centred more on site and the careful strategy of upgrading or building new grain stores and general purpose buildings to cope with the requirement of modern day agriculture was seen as crucial to the long term viability of the estate.

This was also required because of the need for compliance with assured combinable crop schemes and the utilisation of modern day farming equipment. The gradual centralisation of farmyards and the creation of modern buildings capable of servicing the amalgamated holdings will also save tenants time, and enable them to upgrade and modernise their farm machinery.

Longer Term Strategy

Opportunities were identified on some of the core retained estates for the development of farm buildings which are capable of conversion to residential units. These buildings were monitored through the planning system so that planning consents could be obtained when applicable.

Letting Strategy

A revised succession policy, which is operating by Lincolnshire CC, where tenants' eligible relatives meet the required criteria, provides a valuable opportunity to reduce the age profile on the estate. Successors commence on a 5 year farm business tenancy and progress to a longer term farm business tenancy at the end of the term if suitable farming standards are met.

This policy of allowing longer farm lets allows the tenants to invest and plan longer term for the future of the holdings.

Financial Information

A forward maintenance budget was compiled to look at potential maintenance expenditure over a period of 15 years to anticipate peaks of expenditure. A similar exercise was undertaken on the capital expenditure to see where reinvestment should occur in strategic holdings, to allow for sustainable units for the future.

Benchmarking

The estate is benchmarked against other rural estates to ensure it is performing financially. Savills has a benchmarking survey on over 1,000,000 acres and 200 estates which is the largest sample in the Country. Lincolnshire CC's estate compares favourably with this benchmark, with average rents above the benchmark for both the old style Agricultural Holdings Act tenancies and the new farm business tenancies.

Conclusion

As a result of the strategy review in 2008, the estate's rent roll has increased by some 37% from 2007/08 to the current financial year, with scope for further growth. This has been achieved by the implementation of the strategy, including rent reviews, reinvestment which has provided 11 new agricultural buildings to date, with more planned.

Strategic sales have reduced the size of the estate from 20,224 acres in 2008 to a current size of 19,175 acres.

The capital receipts extracted from strategic sales allow for reinvestment with a sustainable estate for the 21st century, which also produces a sound revenue surplus for Lincolnshire County Council.

INDEXATION OF ASSET VALUATIONS

Why is this an issue?

Susan Robinson and Chris Brain

Susan Robinson MRICS is a Construction and Property Advisor with CIPFA Property. Her remit is to promote best practice in property asset management within the public sector. This includes the development and delivery of CIPFA's Asset Management Network and Construction and Property Advisory Service, production of best practice briefings in relation to current topics and provision of specific consultancy projects. Susan formerly worked at Durham County Council. susan.robinson@cipfa.org.uk

Chris Brain FRICS is a Senior Property Advisor within the CIPFA group. Chris delivers the CIPFA's Asset Management Network and Construction and Property Advisory Service, advises on asset management issues and undertakes a range of related consultancy. He has worked with a range of authorities, providing consultancy and training including strategic approaches to asset management and delivering efficiencies. chris.brain@cipfa.org.uk

Susan and Chris from CIPFA provide a compelling and detailed defence to the worrying trend of applying indexation to asset valuations for accounting purposes.

We have detected in our recent contacts with local government finance and property practitioners, that indexation of valuations has started to arise as an issue on a more frequent basis – most often by auditors. There could be a number of reasons for this. It is most likely the continuing ripples of downturn in the property market caused by the current recession. But, more generally, one thing that auditors do not like to see are fluctuations in value, and some auditors are promoting indexation as a means of 'smoothing' out changes in carrying amount in the balance sheet. This is often seen by auditors as a means of ensuring that carrying amounts 'keep pace' with market movement.

But does indexation assist in keeping carrying amounts in line with changes in the market, or can it actually result in equally material misstatement in value of property assets? This article explores some of the issues involved.

Is indexation appropriate, as a general valuation principle?

Valuation is more of an art than a science. In providing an asset valuation, the valuers are expressing their **opinion** of value. Different valuers may hold different opinions, and in many cases will. So there is always a 'margin of opinion' in any valuation.

In arriving at an opinion of value, the valuer will consider a range of comparable transactions within the market they are looking. This will often involve triangulation of a number of sale transactions. The market is not perfect so not every valuer will have knowledge of every transaction. They will form their opinion of value based on their knowledge and experience. That same valuer with different knowledge may well form a different opinion.

Furthermore 2 valuers may interpret sale transactions in a different way. So 2 valuers with the same knowledge of the market may nevertheless form a different opinion of value.

One reason for this is that in order to arrive at an opinion of value, a valuer will need to evaluate a number of other property transactions. It is very unlikely that the properties which are the subject of other transactions will be a precise match for the asset being valued. They may differ in size, location, proximity to services or infrastructure, topography, restrictive covenants, options etc. This 'raw' data needs interpretation by the valuer in terms of how the comparable transactions are either an impediment or a positive characteristic compared to the asset being valued, and to one another.

Valuation is about interpretation of the market and about forming an opinion based on that interpretation.

The adjustment of valuations by reference to an index, takes away the interpretation of knowledge of the market. It could be argued that it attempts to deliver accuracy whereas in fact it introduces inaccuracy.

One thing is for certain, is that any indexation is NOT an opinion of value. It is an adjustment to an opinion of value.

The CIPFA Code requires that all valuations should be undertaken by a qualified valuer. The RICS Red Book is silent on the question of indexation, but given the fairly tight restrictions around the use of 'desktop' valuations, I think we can be fairly certain that the authors might not see indexation as a valid valuation approach that meets professional practice standards.

Ask yourself: - *If an indexation adjustment is made other than by the person who originally formed the opinion, is there a question as to whether the end result is a valid valuation figure as required by the CIPFA Code or the RICS Red Book?*

What are the general flaws around indexes?

The majority of 'indexes' draw upon the transactions known to the entity compiling the index. It is not necessarily an accurate reflection of the full spectrum of activity within the market. It is just that entity's knowledge of the market.

By their nature, transactions that find themselves included within an index have done so based on their 'raw' data. This data and the transaction is unlikely to have been interpreted by a valuer. It will not be known by those accessing the index, what the individual transactions were that made up the index figure. It is an index of an average of a range of transactions, across a geographic area.

It is not known where the transactions included within the index were sourced. Equally it will not be possible to verify that all transactions included within the index were at 'arm's length'. The index could include transactions involving a special purchaser or the release of marriage values or even 'ransom'.

Finally, any index relies upon an adequate volume of transactions. Most indexes do not reveal the volume of transactions and in periods of low market activity – which currently characterises many parts of the UK property market generally – indexes are at their weakest.

Any index is also of course an amalgam of transactions across a wide area. Some indices might be on a national basis, with transactions drawn from areas where values are rising and also from areas where values are falling. The average of these transactions is not that helpful and does not represent a market change. Also, as the number and type of transactions is not known, it is not possible to know whether in any particular reporting period for the index, there was a domination of transactions in a particular high value or low value area.

Similar things can happen even with a regional index as values and market direction of travel can vary considerably even within small geographic areas.

Surely indexation could be quite useful in the non-land element of DRC valuations, where there seems to be good reliable cost inflation data that we could use?

There are indeed indices that might at first glance be attractive and useful, such as BCIS, BIS, Davis Langdon etc. As with any index, there will always be issues regarding the volume of construction projects that feed into the index, and the quality of the build on each project, and how this might affect the resulting index figure.

That given, the index produced by the Department of Business Innovation and Skills (BIS), is reasonably well regarded as it draws out data on construction projects from within the public sector and so the data is not 'tainted' by construction projects within the private sector.

Similarly, the Davis Langdon index, which is used as a basis for SPONS is also well regarded.

As such, on the face of it, the data is probably as reliable as an index goes.

But there is the question of building obsolescence. Even if there has been cost inflation, meaning that the build cost has moved, it is also the case that the actual building being valued, and for which the valuer makes obsolescence adjustments, is now older and hence has suffered additional wear and tear which should also be adjusted.

Such obsolescence adjustments are generally made on a straight line basis. An asset with an assumed life of 60 years will, on a straight line basis, be subject to obsolescence equivalent to around 1.7% per annum. If this obsolescence is ignored and the DRC of the non-land element adjusted using an index, could the resulting valuation be materially incorrect?

Are there any problems with using published indices to adjust the land element of a valuation?

Other than those assets valued using Fair Value (MV) in carrying out a valuation, the valuer is arriving at an entry value not an exit value. This means that it is the value of the operational asset to the entity, not the price it would achieve if sold by the entity (which would be market value instead of existing use value).

Where the asset being valued is valued using market evidence, any indexation would need to draw upon an appropriate index that contains transactions of a similar nature of the asset being valued. There are no published indices relating to purely local government or public sector land uses which means that most indexes could be very unreliable.

What about using indexation for the land element of DRC valuations, where the valuation is based upon what the prudent purchaser might have to pay to acquire a site?

It is true that in DRC valuations, the valuer applies the concept of the modern equivalent asset, based upon what the 'prudent purchaser' would pay in seeking to replace the current service potential.

The valuer therefore has to explore the market for different types of land in the vicinity of the asset to determine what type of land is the cheapest, and if this cheaper land would be an adequate location to deliver the service. Depending upon the location of the asset, and its 'catchment area', the range of opportunities open to the valuer will vary from valuation to valuation.

For some valuations the valuer might have assumed residential land values. Elsewhere they may have assumed industrial, retail or commercial land values. Indeed for assets which could be located near to the edge of a development boundary, the valuer might well have assumed agricultural value land use for part of the site and a higher value for another part of the site.

This means that the valuer, in arriving at an overall opinion of value for each asset, will have drawn upon their knowledge of the market in the vicinity and in many cases will have used a range of land uses.

Ask yourself: - *Would a single index be able to appropriately adjust the land element figure?*

Surely it is safe to assume that most DRC valuations would have been based upon residential land values?

In many cases residential land might well have been assumed, but the difficulty is that you may not know the cases where this was assumed and the cases where it wasn't assumed. The valuer uses the 'prudent purchaser' principle, so if they will select the land that has the lowest price, that can still deliver the service potential.

As mentioned above, in some valuations a different land unit cost might well have been used for the building footprint, the playing field or green areas and the external areas (such as access roads, car parking, hard landscaping etc).

If we know that residential land used was assumed, could we use the Land Registry figures as a proxy?

As a general principle, land has a value that reflects the economic benefits that can be derived from its use. That is why land that can be developed is generally worth more than land that cannot be developed, as economic benefits increase with development.

Applying this principle to residential land values, the value of any land for residential development is of course the product of what may be constructed on the site in that vicinity (house type and size, plot size, s.106 payments etc) and the price that individual house units would reach. In other words, after determining the sale proceeds from development and deducting the cost of construction, ground works etc. and allowing for developer's profit, the residue is what is left for the land. This is how housing developers will price land they would like to acquire.

The difficulty is that most housing developers will sit on land banks for many years before bringing them forward for development. The planning horizons for such developments are very long and developers will take a longer term view. Whilst they will have an eye to the movement in house prices in determining what they will pay for development land, they are interested in general trends not quarter to quarter house price fluctuations.

Ask yourself: - *While, in the absence of direct comparable evidence it is useful to look at house prices as part of a valuation, is reported movement in house prices safe for use as a land price index?*

If we know the valuer used agricultural land values in the valuation, how safe are the indices relating to the agricultural land values?

Several property agents publish market reports and indices relating to agricultural land prices. Each firm will have drawn upon its knowledge of the market in publishing its view on movement in farm land prices. This will be based upon land transactions where they have represented one of the parties, or perhaps transactions where they have not been directly involved but of which they are aware.

One cannot be certain that none of the transactions involved special purchaser situations, marriage value or even 'ransom'. Nor do we know the volume of transactions that fed into the index.

Index figures are often quoted for UK regions and are at a fairly high level and are rarely directly relevant to a particular local authority area.

Often auditors will quote the IPD index. Is this of any use for indexing local authority asset valuations?

IPD is a well-respected organisation and its indices are regarded very highly in the industry for its objectivity and integrity. However, the clients that will most often refer to the IPD indices are property companies and developers. As such the pool of data that feeds into the index tends to be dominated by 'prime' properties. As prime properties are generally the ones that carry the highest value, they do not necessarily represent what the 'prudent purchaser' would buy. Equally, movement in values within the prime market could well be totally different to movement in secondary markets.

Ask yourself: - *Would the typical local authority property portfolio be likely to reflect those transactions and values used in compiling the IPD index?*

Conclusions

<u>Property Indices</u>

We believe there are no published

indices that track property values to sufficient depth or complexity that could possible reflect the range of values required, or the relative movement in value over time. If a national or regional index were to be used, it is very likely that this could result in material misstatement of property values and may indeed result in a less accurate valuation than would have occurred without applying indexation.

There is a very real danger that by simply applying an index to a value, the figures could become inaccurate. The market for different property types is very different across different parts of the UK and indeed within small geographical locations.

In our view the only practical and reliable way of adjusting the property valuations is for a valuer to revisit each valuation on a desktop basis.

<u>Cost based valuations</u>

Where part of a valuation is cost based,, such as the non-land element in DRC, indexation might appear more attractive. However, the estimated build cost is of course multiplied by an assumed building floor area to arrive at a gross build cost, with this gross build cost then adjusted to reflect differences (obsolescence) in say condition, functionality and efficiency of the actual asset.

The concept of adjusting the build cost is a flawed one, for the following reasons:

- The building floor area to be assumed for the valuer will be based on that required to deliver the existing service potential. If the build costs were to be 'indexed' to reflect construction inflation between balance sheet dates, it would be remiss not to consider any adjustment required to the assumed building floor area also, as demand might have also changed in that period. Given the interplay between the land element and the non-land element, in terms of the price the prudent purchaser would pay, it is dangerous to amend the floor area of the building without also reviewing the land area;

- The valuer adjusts the gross build cost to reflect the obsolescence of the actual asset compared with the brand new hypothetical modern equivalent asset. If the build cost is indexed for construction inflation or deflation, any such adjustment would not reflect the fact that the actual buildings are also another year older and the obsolescence adjustment might also need to be updated. Changes to obsolescence are difficult to predict and to measure, but they do have a real impact on value produced through using the depreciated replacement method of arriving at fair value. Simply uplifting the building value to reflect inflation or deflation in construction cost without reviewing obsolescence could result in material misstatement in the value of the asset.

Summary

Indexation of property asset valuations is a risky path, fraught with many hurdles. In our view it would be best to avoid indexation altogether, but if indexation is to be used then it should be approached with tremendous care. It should only be done where there is sufficient certainty that the transactions comprising any index are comparable to the asset valuation being adjusted, and where there are not contra-movements in other aspects of the valuation.

Indexation, if applied without care, could result in apparent 'movement' in value having to be reversed out of the balance sheet at the next formal valuation, particularly following several applications of an index. As such, indexation could introduce less accuracy, not more.

Finally, every RICS valuer must ensure that they comply with the professional standards for valuation as set out in the Red Book. In our view, they should approach the idea of indexation with extreme caution.

PUBLIC SECTOR CAPITAL RECEIPT CHALLENGES

Mohammed Mahroof

Mohammed Mahroof joined Mark Jenkinson & Son in 2010, having been Head of Property at Sheffield City Council for many years and having over 25 years' experience of the property market. He has an in depth knowledge of public sector property asset management and has been involved in many major local authority projects. He has an understanding of local authority service delivery objectives and property needs. mahroof@markjenkinson.co.uk;

This article looks at budgetary challenges in the current market and gives some useful tips on both preparing properties for sale and the method of sale, drawing particular experience on auctions.

Introduction

Many local authorities faced with budgetary issues will have their Finance Departments and politicians relying on capital receipts to fund budget shortfalls. Inevitably the property asset register will assume greater significance and interrogation.

Achieving capital receipts is far from simple. There are a number of key questions faced by the chief estate surveyor/property manager, including the following.

Internal/external politics

If the authority does not have a corporate landlord system, then convincing an owning department to release property without an incentive becomes a challenge. The positive aspect is that this gives property specialists the opportunity to raise the issue of how property is managed in the authority with executive directors and leading politicians. It may also help in implementing a rationalisation programme in different service areas, an opportunity which does not present itself very often.

The whole bureaucracy of obtaining a surplus declaration can be fraught with obstacles which sometimes means important fiscal deadlines are breached, resulting in a negative attitude towards the property people.

Once you have a surplus declaration other issues will develop.

Community objections

My experience of dealing with local authority property has bought me in contact with many stakeholder challenges from the community who may wish to use the property for community projects. Or they may wish to have the asset transferred. Or simply they do not want the service such as library, school, care home and community building to be closed in their area.

Clearly this will involve a great deal of sensitive negotiation and will involve colleagues from other departments and elected members. These challenges are becoming ever stronger as more and more authorities are forced to release properties which have become community buildings.

If you have been successful so far you will inevitably be faced with further challenges.

Planning permission

Do you sell with planning permission or without? This is a dilemma that is sometimes faced by many. Sold with planning permission gives the purchaser certainty and in theory you should obtain a better price. But as we all know, this is not always the case and the time and resources involved in obtaining consent can run into months. With ever increasing financial problems the delay will be challenged.

Selling without planning permission but with a planning guidance note will give the potential purchaser the opportunity of speculating. A lot of developers seem to like this as it gives them different angles and entrepreneurial freedom. My experience suggests the price you obtain may not be significantly different from a sale with planning permission. The positive outcome is that you will get a quicker sale without confronting the long and sometimes arduous process of obtaining planning permission. In my experience this can take upwards of a year.

Once you have got through the planning process you are then faced with obtaining the best price - which is easier said than done. What sale method do you chose? How do you ensure you benefit from an uplift in value?

Clawback /overage

These are well used tools to ensure that any major uplifts in value are shared by the local authority and the purchaser. In a rising market this is an excellent way of ensuring that any unlocking of latent value is recognised and shared. When the market is in the situation we find ourselves in now, potential purchasers are not so keen to be involved in such deals which could be legally resource intensive and cumbersome.

It has to be well thought out if you chose to follow such a route and not as a catch-all tool to accommodate any s123 concerns there maybe. Entrepreneurs/developers were happy to engage in such contracts in the past. My experience in the last few years has suggested that they will not readily engage - the consequence being a lot of abortive and expensive resources being wasted.

Having got through some or all of these hurdles and possibly a whole host of others which I have not mentioned or thought of (because one challenge of working in the public sector is that you will always face unexpected challenges) what disposal method do you use?

Private treaty/sealed offers

This method of sale is often used by local authorities as the first line of disposal for development sites in particular. The advantages are that it is generally dealt with in-house. There is a degree of control and it gives the authority the opportunity to discuss the possible sale with other departments, such as planning, as to the viability of proposals. If it all goes well this can be a very effective disposal method.

This process can run for some time, even if you have deadlines in place. It takes a great deal of officer time and resources and in today's property market where there is a great deal of choice, purchasers are reluctant to get involved. Many times this scenario can end up in an aborted sale and a blighted site.

Joint agency

The recession has had the benefit of the private and public sector working together on disposals: sharing of experience does aid a good and successful disposal.

Auctions

This method of disposal is becoming very popular as it has many advantages but with it you need to be aware of the disadvantages and be selective in the choice of property you chose to enter into an auction. Below is a headline guide of my experience.

Advantages of the auction room

- It can be demonstrated in the most public way that the price obtained is the best that can be achieved at that particular time. It is important to note "at that particular time", as I am sure we have all seen properties sold at auction reappearing on the market at much higher prices. This is sometimes a very difficult scenario to explain to the layperson.

- Completion is within 28 days or the purchaser forfeits the deposit (and it does happen).

- Purchasers enjoy buying at auction. There is a cultural buzz amongst buyers that no other method of disposal can create.

- The capital is received quickly.

Properties for the auction room

Not all properties are suitable for auction. Therefore be selective:

- Freehold reversions - there is a very strong auction market for these. Prices are not as high as they once were but the pull of such lots is strong.

- Amenity land - most local authorities have such land ownerships. Some have immediate potential, some need a little imagination. Buyers enjoy the challenge of purchasing such land.

- Depots and service properties – generally these would be designed for service delivery but offer the purchaser options and do well in the auction room.

- Agricultural land – it seems that the recession has not affected the enthusiasm of purchasers for such land with prices reaching as high as £28,000 an acre.

- Public conveniences – generally looked at as fun entries for the uninitiated but with endless potential. There are many examples of these being converted into small retail units.

- Farms/smallholdings – these do attract recession breaking bids although the marketing has to be very good.

- Unmodernised/derelict properties – these are the mainstay of most auctions and will remain so.

- Others – sub-station sites, easements, woodland and any unusual property.

Disadvantages of the auction room

- Not all properties are suitable. You should consider strongly the private treaty route for large development sites especially with a regeneration angle.
- The auction room is arguably the wholesale market for property.
- Price expectations need to be realistic, or the property has the danger of being blighted.
- Not all potential buyers are able to bid at auction as they do not have finance in place.

Instructing an agent

An increasing number of local authorities are choosing to dispose of large regeneration sites through private agents. The advantages are that they will expose it to a wider market place. Also they may have clients that can be matched to these opportunities.

Conclusion

It is important to bear in mind that the sale of property will help resolve budget issues but it could be a short term fix. As we all know, once you have sold your assets then what do you do? Therefore, any sale of assets should be done strategically. Could we be in a scenario in the future that some of these properties have to be bought back because they are in a good strategic location for service delivery? It has happened in the past and will no doubt happen in the future.

It is very clear from experience that colleagues in the public sector have huge responsibilities in the management of local authority property assets whilst at the same time raising capital receipts in a very challenging market place. The foreseeable future does seem to be very much disposal led but proceed with extreme caution. The time is right for property people to have their say.

JOHN READ, NORTH EAST BRANCH PRESS OFFICER

The branch has not had a meeting since the last Terrier as we only hold 3 formal meetings each year and our next meeting is to be held in York on 25 October 2013. The City Council will be hosting the meeting which will include a speaker from the RICS covering ethical standards. This will help members in meeting their CPD requirement to maintain a relevant and current understanding of RICS Professional and Ethical Standards.

Whilst we have not had a branch meeting since July, the Executive has been keeping in touch about branch matters and held a meeting in Durham on 27 September at which we finalised the agenda for the York branch meeting. Immediately following this we will hold our AGM at which Daniella Barrow will be handing over the chair and badge of office to John Murray of the Valuation Office Agency. At the meeting in Durham the Executive also considered the programme of events for the next year and John explained how he would like to use his 2 year of term to help forge links between member authorities/organisations and the VOA and provide more technical information on initiatives and developments in the areas of rating and valuation.

Over the summer the branch has also been working on forging its contacts with Northumbria and Sheffield Hallam Universities and has made decisions on 2 student prizes which include a special discretionary prize in memory of David Roxburgh who sadly died last year. Whilst the award of the Sheffield Hallam Poster Prize will not take place until November this year, the Northumbria University prizes were awarded on 15 July 2013 with Mark Lloyd of Newcastle City Council representing the branch at the award ceremony [Ed –see article in this Terrier].

ACES NORTH EAST BRANCH - STUDENT PRIZES

The NE branch usually awards prizes each year to students from both Sheffield Hallam and Northumbria Universities. In memory of David Roxburgh who was both passionate and expert about both rating and compulsory purchase, the Branch Executive thought that the branch should offer a discretionary prize to a student who produced an excellent piece of work on either of the above topics.

ACES North East Branch - David Roxburgh Memorial Prize

This special prize was awarded to Michael Goodare of Northumbria University for an essay which he submitted as one of his assignments in the Land Acquisition and Compensation Module for his Estate Management/ Planning & Development Surveying degree.

In summary, the essay examined the use of compulsory purchase powers by Thanet District Council in relation

to the Dreamland Amusement Park in Margate and assessed whether or not the Council's scheme complied with the relevant statutory powers and the guidance set out in DCLG Circular 06/04.

Dreamland enjoyed its heyday in the 1920s and 1930s but closed in 2007 after struggling for many years. Thanet DC is seeking to acquire the site in order to facilitate the creation of a heritage amusement park and public open space. The intention is to restore the heritage rides within the park including the Grade II Star listed railway and cinema. The Council initially tried to acquire the site by negotiation with the owners. The parties agreed that regeneration was necessary and that the listed structures should be preserved but the owners argued that residential development should be allowed on part of the site to enable the project to proceed. The Council determined that the owner's residential proposals were not viable and successfully sought funding for the scheme from the Sea Change Programme and the Heritage Lottery Fund.

Following the breakdown of negotiations with the Dreamland's owners, the Council made a compulsory purchase order in 2011 under Section 226(1)(a) Town and Country Planning Act 1990. The Council asserted that the CPO scheme would promote the economic well -being of Margate town centre by creating jobs and enhancing tourism. Unsurprisingly the main objections to the CPO came from the site's owners who questioned whether or not there was sufficient funding for the works and the long term viability of the scheme. Following the CPO inquiry, the inspector recommended confirmation of the order but noted that the business plan contained some errors and that there were limited funds available for future phases of the scheme.

The CPO was confirmed on 16 August 2012 but the Council faced a further obstacle to the scheme when the site owners applied to the High Court under Section 23 of the Acquisition of Land Act 1981 challenging the validity of the CPO. This claim was dismissed in May 2013 and it is anticipated that the Council

will make a General Vesting Declaration this summer to secure the land so that the site can be transferred to the Dreamland Trust and work on the park can commence.

ACES North East Branch Prize

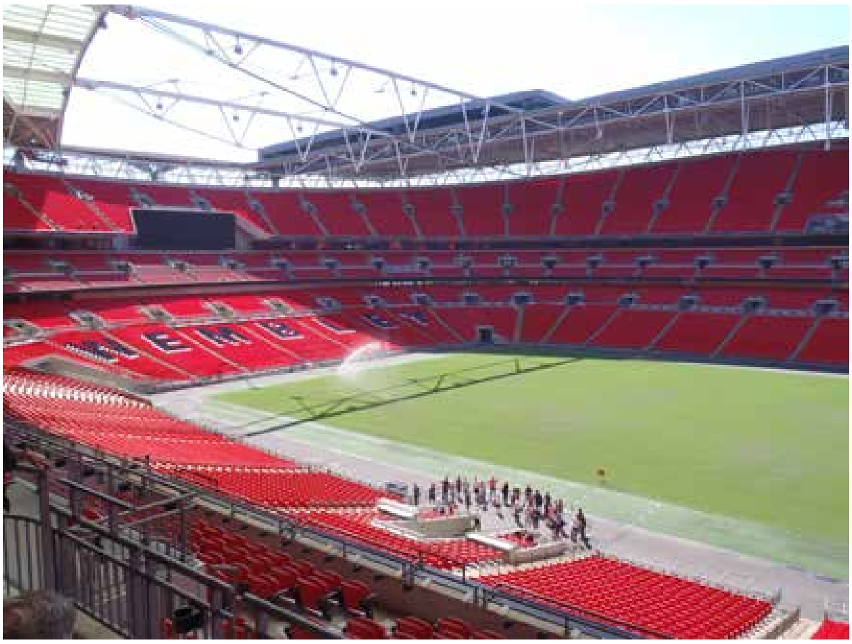
This prize was awarded to Chris Smith for an assignment he submitted as part of the Urban Regeneration Module.

The report involved an appraisal of the performance of the Borneo-Sporenburg regeneration project in the Eastern Docklands area of Amsterdam in the Netherlands. It was a very well written and thorough piece of work which outlined the history, background and master planning of the project aimed at regenerating this area of the city. It went on to discuss the policy context behind the scheme, its aims and objectives and the public sector intervention required to bring it about. Finally, the report evaluated the performance of the project using economic, environmental, physical and social measures. It concluded that the scheme had met its objectives of providing around 2,500 low rise but high density residential units on a site of just 2.5 hectares.

The prizes were awarded to Michael and Chris on 15 July 2013 with Mark Lloyd of Newcastle City Council representing the North East Branch at the Northumbria University Faculty of Engineering and Environment Award Ceremony.

MARCUS PERRY, LONDON BRANCH

Since our last round-up in this year's Spring edition of the Terrier, the London Branch has met on 3 occasions.



Meeting at Southwark, 17 May 2013

Southwark Council hosted our meeting to which we welcomed ACES National President, Tom Fleming, who joined the London Branch Executive for lunch in a restaurant overlooking the River Thames. After lunch Tom walked the short distance with us to Southwark's headquarters where 25 branch members and guests were gathered.

Branch Chairman Andrew Wild officially welcomed our President and thanked him for sparing time in his busy calendar to join us. Tom then gave a brief resume of the key issues being considered by himself and ACES Council and a progress report on his own activities to date during his year in office.

We welcomed guest speaker Ian Lindsay who gave us a progress report on the Crossrail Project. Ian's informative briefing included an update on the project's costs and the development opportunities over the new stations. The naming of the latest tunnel boring machines caused amusement when Ian concluded his excellent presentation, which was well received and appreciated by Branch members.

Social Meeting followed by Business Meeting at Wembley, Brent, 19 July 2013

This year's Branch Social meeting took place at Wembley Stadium, where 25 members and guests gathered for a tour of the new National Soccer Stadium. Our knowledgeable guide showed us around the impressive and extensive behind-the-scenes facilities as well as the main playing arena, where we indulged in the touristy bit by holding up a replica of the FA cup, to canned applause – tacky but harmless fun! Some of us with money to burn even purchased the embarrassing souvenir photographs, to show the great grandchildren one day.

Past Member Colin Beever raising the FA Cup

On conclusion of our enjoyable tour we crossed Engineers Way and headed for the new, purpose built Brent Civic Centre, which had recently opened. Branch members for LB Brent, Richard Barrett and James Young, kindly hosted the branch meeting for us in their very impressive new facility, and in addition to an excellent buffet lunch we were given a brief tour of the new Civic Centre, which made those of us housed in old civic buildings most envious. I hope that a stand-alone article for the Terrier on Brent's new civic centre is to follow; I will not spoil its thunder by providing too much information here, but that said, a few key statistics are warranted:

- The Facility - a new civic centre for Brent Council, of overall size 34,420 GIA sq. m., replacing the 1939 Town Hall complex on Forty Lane. Equivalent to an 11-storey building it comprises conference facilities in

The Drum @ Wembley and admin areas from first to eighth floors.

- Location - a 4.5 acre site adjacent to the National Soccer Stadium in the heart of the Quintain's Wembley Park regeneration area. Neighbours are Wembley Stadium and Wembley Arena.

- Accommodation - a spacious, full height central atrium separates the council offices from the civic and public areas.

- Council offices - 2,500 staff are in open plan layout, with break-out areas and meeting room space and interview rooms. Work stations are planned at 8 to 10 desk share ratio and under 8 sq.m. per person.

- Public and civic space - a public library on ground level with a mezzanine level Customer Services Centre, a modern high spec IT Conference Hall which can be used for a variety of purposes ranging from community events through to private and corporate functions. So far it has hosted UEFA Champions League events, X Factor and in October will host events associated with the NFL American Football games taking place at Wembley. Directly above is the Council chamber and committee rooms which are also available for hire and can be configured in a multitude of ways. There is a restaurant for staff, Members and residents as well as a café and a soon to be unveiled multi-national retail coffee outlet. There is also a relatively small basement car park.

- Cost - total project costs, under £100m, including site purchase.

- Capital funding - prudential borrowing, in part paid back by the sale of the Forty Lane complex and other property sales in progress.

- Revenue savings - from the closure of 8 major civic buildings and centralisation of staff into the new Civic Centre, savings on property running costs will exceed £ 3.5m p.a.

The project has been awarded the coveted BREEAM 'Outstanding' rating, the highest possible, and is the first project in its category to have achieved this. As such, it features a 33% reduction in carbon emissions thanks to a combination of solar shading, natural ventilation, high-performance façade, and combined cooling, heating and power which utilises waste fish oil. It is the most sustainable local authority building to be completed in the UK.

For a video tour of the building go to: http://toplinecomms.wistia.com/medias/lnvltf5lzv

Post prandial, 22 branch members and guests convened in one of the Civic Centre's meeting rooms, with external balcony and views over Wembley, for the afternoon Branch meeting. Vice-Chairman Jeremy Pilgrim chaired the meeting and welcomed to her first London branch meeting Heather Hosking, Head of Strategic Property at LB Bromley. Jeremy also welcomed Luay Al-Khatib, Regional Director of the RICS to our meeting.

The meeting commenced with a presentation by Malcolm Sutherland from the Cabinet Office (kindly standing in for Stuart Ladds) on the Cabinet Office's role in rationalising the government's property estate – and the current "state of the estate". Malcolm informed us that the London area is scheduled to provide half of the total savings expected nationally from the current rationalisation.

Luay Al-Khatib gave us an update on recent policy and activity within the RICS.

Following the usual branch exchange of information session the meeting was closed. Richard, our host, had arranged for the Civic Centre's new bar facility to open for the very first time, so it was highly appropriate that ACES christened the facility.

Meeting at Southwark 27 September 2013

The branch returned to Southwark for its autumn meeting. Branch Chairman Andrew Wild welcomed Detlev Munster from LB Enfield to his very first branch meeting which was also attended by 23 other members.

First up was a presentation by Bob Thompson of Remit Consulting on the results of the Remark Survey 2013. The survey measures the performance of mostly large property companies in collecting rent, staffing costs per lease issued, and the number of leases per surveyor issued. The conclusion of the latest survey was "should do better", in that:

- rent collection performance at 80% by the due date was poor

- the pricing of leases (£ 1,500 to £ 2,000 per lease) is not fit for purpose
- there are a wide range of efficiency issues
- bigger is better – meaning performance of the larger companies tends to be better than that of smaller sized companies

During the short Q & A session which followed Bob's presentation, members resisted the temptation, or were too polite, to comment that all boroughs present happened to manage their commercial property portfolios considerably better than the companies surveyed by Remit.

Lee Dawson and Jeremy Pilgrim gave updates on recent meetings with DCLG, including ACES response to the consultation on the Use of Capital Receipts.

Andrew Wild provided feedback on the President's Conference the week before on Clydeside, Glasgow. The London Branch mustered 11 – 4 members in post, 4 past members, and 3 partners. Both the business part of the conference and the social programme were excellent and enjoyed by those present. Andrew urged members to attend future ACES conferences, then happened to mention that his induction as National President, as successor to Tom Fleming, is due to take place in Cardiff on 1 November 2013, and hoped branch members will attend this auspicious occasion to lend their support. Watching Andrew being "done" on the day must be worth the train fare to Cardiff.

Future Events

Friday 25 October 2013: ACES London Branch Annual CPD Event. Topical updates in development and planning and property law with case studies. 3 hours formal CPD for the bargain price of £15. For further details contact Neil Webster: neil.webster@enfield.gov.uk.

Friday 6 December 2013: London Branch AGM at City Hall, when Jeremy Pilgrim succeeds Andrew Wild as Branch Chairman. Given Jeremy will be sailing across the Atlantic at the time, it will be interesting to see how he communicates with us during the meeting, which he has threatened to do. Following the AGM and Branch OGM the Branch holds its annual dinner, and this year we will muster at the Watling pub nearby for what is usually a very enjoyable evening. Numbers are limited to 30, and the price of the dinner with wine is likely to be circa £25. Details on how to reserve your place will follow shortly.

THREE MEN IN A BARGE

This article has been provided by Malcolm Dawes. It relates to Lee Dawson's Presidential Conference in September 2009, when 2 ACES' stalwarts had decided to travel to his conference by barge.

Black Swans can be described as random events that underlie our lives, their impact is huge, they are nearly impossible to predict and yet after they have happened we always try to rationalise them. Examples of Black Swans are the 9/11 terrorist attack and the Beatles. The Chaos Theory studies the behaviour of dynamic systems that are highly sensitive, manifesting themselves in exponential growth of error, the behaviour of which appears to be random – that is, tiny differences in the starting state can lead to enormous differences in the final state over a comparatively small timescale.

And so it was that 3 members of ACES, namely Malcolm "the Purser" Dawes, Derek "the Navigator" Barnden and Ian "the Captain" Doolan decided to take charge of a 55 foot long, 7 foot wide, 26 tonne narrow boat called Jessie. The purpose of the cruise was to travel to Brentford in West London and minimising their carbon emissions. This is their story.

Monday

The Purser deemed it essential that embarkation should take place at 12 noon, but crew members had to make their way to Broxbourne in Hertfordshire where the boat "Jessie" was based. However on arrival, the Captain was found in the Crown Public House opposite the boatyard, so cast off took place at 3 pm sharp with a very refreshed crew. With total confidence (but no experience) the Navigator took the helm to steer Jessie in a southerly direction towards London down the River Lea Navigation at her maximum speed of 4 knots, through Waltham Abbey, under the M25 Motorway, past the King George Reservoir to Enfield, where the conveniently located Greyhound Public House was identified off the starboard bow. The problem of where Jessie had been tied up for the night was solved by a local out late walking his dog.

Tuesday

Due to heavy heads it was decided to examine Jesse more closely (constructed by the Liverpool Boat Company in 2002). A galley was discovered with a refrigerated drinks cabinet, a bathroom with a toilet and the engine (a 2 litre Barrus Shire Diesel) the latter requiring daily maintenance by the Purser involving checking the oil dipstick, tightening the stern tube greaser as well as opening the weed hatch to check the propeller (after turning the engine off) and rudder for flotsam but not jetsam (only found on the sea shore).

In the company of swans, coots, mallard ducks, herons and Canada geese, the idyllic peace and quiet of the countryside and the slowness of life passing by, lulled the crew into a false sense of security. Suddenly, the Captain noticed that the canal had been closed off with 2 great wooden gates and sought the advice of the Purser. He confidently waived a nautical tome informing the awe struck crew that Pickett's Lock had been reached and that he had read the instructions on how to open the gates, which involved winding spindles with windlasses that raised paddles, which allowed the water level to rise to Jessie's level, which enabled the gates to be pushed open – ably done by the Purser (there is no limit to his talents) and the Navigator albeit with extreme difficulty as this required a certain level of fitness.

Passing under the North Circular Road, the daunting Tottenham Hale lock was next. Fortunately this one was electrically operated just requiring the push of some buttons. Unfortunately during the second half of the lock filling process the weed blocked the paddles, slowing the flow of water to a trickle badly affecting the performance of the lock, which attracted unfavourable comparisons with the local football team.

Although Jessie was now entering north London, the canal continued its pastoral path passing reservoirs, Walthamstow

and Hackney Marshes and Springfield Park. The nearly completed Olympic Stadium gliding by at Stratford with the Bow Locks on the port bow which leads in to Bow Creek. There is sudden confusion on board as the Purser approaching from below with a tot of rum for the Captain, hits his head on the underside of the hatch and yells "oh dear" (a well known naughtycal term) [Ed – some editorial license required here]. The Captain, misunderstanding the Purser's instructions, alters course to port for the "Bow Locks" when he should be turning off to starboard into the Limehouse Cut. The Navigator, after consulting his charts, directs the Captain back on to the correct stretch of water and before long Jessie noses into the Limehouse Basin. The Purser compliments the crew on their teamwork.

To mark Jessie's progress, the crew repair to the Grapes Public House in Narrow Street for a celebratory ale before wandering around the Canary Wharf Office and shopping centre on the Isle of Dogs. Dinner was held in the appropriately named Devil's Tavern, better known as the Prospect of Whitby.

Wednesday

The crew woke up in their hammocks yards from the pool of London knowing that their greatest challenge lay ahead. Beyond the Limehouse Lock lay the notorious River Thames, probably the most dangerous and unpredictable stretch of water in the ACES London Branch area. Due to the complete lack of maritime expertise, Gerry "the Pilot" Evens joins the crew. Following Jessie down the Lea Navigation was her sister ship Emma, captained by a mad South African who had demonstrated some extraordinary skills of boat control which were obviously learnt from Elephant hunting in the Kruger. It was with Emma that Jessie shared the lock, which has no mechanism for levelling the water in the dock with that of the Thames. So when the gates opened, Jessie was jettisoned into the swirling currents and bouncing on the waves of the Pool of London. The Pilot advises the Captain to turn Jessie to starboard and up river, but a one foot long rudder at the stern of a 55 foot long flat-bottomed hull made control almost impossible by cross currents and the waves created by refuse barges, "pleasure" boats and 220-seat Thames Clippers river taxis travelling at 35 knots. The mad South African keeps going crabwise either because he is out of control or to meet the large waves bow first. What happens next is that Jessie catches the incoming 8 knot tide and has accelerated to 12 knots land speed, as demonstrated by these times below:-

Limehouse Dock
10.10 am
Tower Bridge
10.25
London Bridge
10.31
Canon Street Railway Bridge
10.34
Southwark Bridge
10.36
Millenium Bridge
10.38
Blackfriars Bridge
10.40
Waterloo Bridge
10.45
Charing Cross Railway Bridge
10.47
Westminster Bridge
10.51
Lambeth Bridge
11.00
Vauxhall Bridge
11.04
Chelsea Bridge
11.09
Albert Bridge
11.12
Battersea Bridge
11.16
Wandsworth Bridge
11.28
Putney Bridge
11.40
Hammersmith Bridge
11.55
Barnes Bridge
12.12
Chiswick Bridge
12.20
Kew Bridge
12.35
Brentford Tidal Lock
12.42

The 2 hours and 32 minutes of being tossed like a cork whilst trying to keep Jessie on the straight and narrow went

by in a blur. The unique river view of some of the most famous buildings in the world was amazing – the Tower of London, City Hall, HMS Belfast, Globe Theatre, Tate Modern, Somerset House, London Eye, Tate Britain, Houses of Parliament, Battersea Power Station, the Ship Public House at Wandsworth (the Captain's local), Fulham Football Club and Kew Gardens. It remained for the Pilot to direct Jessie off the Thames into Brentford Creek and the Brentford Gauging Lock.

Thursday

We had moored the previous night in Brentford Dock outside a large hotel in which, as luck would have it, ACES was holding its Presidential Conference. After the day's business was concluded, a few ACES luminaries, including the President, Senior and Junior Vice Presidents were invited on board for a "Bilge Water Cocktail". The maximum number of people Jessie could have on board without turning turtle was 12, so when a number count revealed 24 and some, the Purser used his extensive initiative and started a tow path party.

Friday

Heading north on the Grand Union Canal, the next challenge was to negotiate the Hanwell flight, a series of 6 locks which would test the skill and fitness of the crew – time was also tight. The first lock needed to have its water level reduced to Jessie's level. To save time the Captain positioned Jessie in the middle of the canal so that a quick entry into the lock could be effected without delay. The Navigator, who was on the lock, signalled to the Captain that he was releasing the water from the lock and the Captain acknowledged by waving his glass of wine in the air. Shortly afterwards 20,000 gallons hit Jessie's bow and gradually 26 tons of steel was driven back into overhanging tree branches and bushes, with the result that the stern of the boat and the Captain disappeared from view except for an arm that reappeared to retrieve the glass of wine that had been left on the poop. Two hours later the flight had been climbed including the aptly named Asylum lock, and Bulls Bridge Junction reached, where a sharp turn to starboard was made onto the Paddington Arm of the Grand Union, a lock free canal originally used for transporting bricks, coal and timber into central London. Jessie reaches Greenford just as the sun disappeared over the yard arm, enabling refreshments to be taken at the Ballot Box Inn.

Saturday

After the Navigator's full English breakfast, Ealing, Kensal Green Cemetary, Wormwood Scrubs and North Kensington floated by and Little Venice hoves into view. Jessie is now in the Regent's Canal and negotiating the 960 yard long Islington Tunnel. Originally barges had to be legged through, hence the expression "legging it". Unfortunately the Purser had discovered that Jessie had a horn which he now operated with enthusiasm for no discernable reason. After passing London Zoo Jessie enters Camden Market where there are hundreds of shoppers to watch her enter the lock and see her descend to the lower water level. The Purser has secured her to the side of the lock wall using a new tie he has invented called the Flying Slipknot, to keep Jessie steady as the water rushes out. At Jessie's first tug, the slipknot flies off and the boat crashes into one side of the lock, then crashes into the other, which greatly impresses the watching shoppers who think this must be what good seamanship looks like. Lunch is taken at the appropriately named Battlebridge Cafe next to the London Canal Museum by Kings Cross Station. Through Islington, Hackney and Victoria Park where the Navigator instructs that a turn to port is made into the Hertford Union Canal for a short stretch before turning to port again back north into the River Lee Navigation. After negotiating the notorious Tottenham lock the crew repair to the nearby Ferryboat Inn, an ancient hostelry. At this point the Pilot leaves the crew considerably older and wiser.

Sunday

For the last day, a leisurely pace is set with a well-cooked breakfast from the galley and a long lunch taken at a vast barn of a building at Ponders End right on the canal where Jessie is tied up to the railings. Although there is no signage it is called the Navigation Inn. The last leg included 5 more miles with 5 locks but the light was fading fast from a glorious autumn day. Jessie has no navigation lights but the Navigator comes to the rescue with a torch, suggesting that it may be a good idea to head for Liverpool now.....after all Jessie had taken the crew 44 miles and 25 locks so far.

Conclusion

The voyage definitely qualified as a Black Swan in that although a number of ACES members knew about it beforehand no-one thought it would happen, it had a huge impact on those ACES members who will now think of the barge option in their travel plans for future ACES conferences, and ACES members tried to rationalise the event by attending the Bilge Water Cocktail party. It will not be necessary to go into the Chaos Theory except to say that all the crew are now enthusiastic exponents.

THE SUFFOLK SCRIBBLER

Faugéres

In the last edition I forgot to say what prompted me to write about Faugéres at this time. Well out of the blue I saw the name mentioned in the weekly advert of my local Waitrose and I thought, "I'm having some of that!" But I couldn't find it on the shelves anywhere and had to ask the wine-man for help. It took us quite a time to locate it during which I told him the tale of my long unrequited love for this particular wine.

So when he spotted me the following week he was agog to discover how I had got on. "Tell me," I said, "have you ever come across some young lady you were very sweet on 20 years or so ago and then spent the evening together for old time's sake?" He nodded. "And how did you feel during and after that evening?" I asked. "Disappointed," he replied, "we had all moved on."

"Exactly," was my response.

Blundeston Prison

It has just been announced that Blundeston Prison is to close before the end of this year. Blundeston is a small village about 4 miles north of Lowestoft. Apart from its modern prison, the village has little else to offer apart from a mention in the Charles Dickens novel, David Copperfield.

Do you remember Wayne Hemingway MBE who spoke so entertainingly at the ACES Annual Meeting of 2012 and contributed a piece called Town Centres Now in 2013 Spring edition of the Terrier? In that article he imagined a modern flat development as a prison with before and after photographs, the latter being photo shopped with added high security fences and watch towers.

Photos of Blundeston look quite like this and I wonder if Wayne fancies the challenge of taking on the former prison and turning it into some lovely and loveable flat development after removing the high fencing and other security features?

Heathrow

The good old BBC can always locate the right member of the public to back up its corporate view of a news item. This item was the possibility of expanding Heathrow by the addition of a further runway in order to provide the estimated additional capacity to satisfy an assumed ever increasing demand for air travel. Cut therefore to a man-in-the-street, or it might have been a woman, I can't remember, standing in a street of rather plain semis, facing the camera. Before any speaking takes place, Vox Pop is the technical term; a jumbo jet appears stage right at an altitude of about 50 feet, flies across the frame before disappearing behind the gable end of one of the semis.

It is a location we know well and the usual scenario is, "Heathrow should be closed as all this makes living here intolerable," or "Heathrow should buy up our houses and let us all move on to somewhere more salubrious." However this time, and with a completely straight face, the message was, "The new runway proposed will require the acquisition and demolition of our beautiful houses and would be the end of our delightful neighbourhood."

Last Night of the Proms

I have watched this event on TV for nearly half a century and then just missed the start as I had fallen fast asleep during a preceding programme. These days, when I wake up, it takes a minute or 2 for my vision to clear so the first thing I saw was a very blurry picture of the conductor, Marin Alsop, and in my befuddled state I thought I was seeing Angela Merkel dressed in a Salvation Army uniform waving a big stick. Crikey, I thought, all my fantasies have come in at the same time; is it my birthday? [Ed – I'll let this one pass!]

Apart from that I thought it was an excellent evening. Perhaps it was because a woman was conducting for the first time since the proms began in1895 but the Promenaders were much less jingoistic than usual, the featured singer, mezzo soprano Joyce DiDonato, sang like an angel and violinist Nigel Kennedy just played his violin and resisted the temptation to treat us to another demonstration of his "mockney."

Health

I have never been to Glastonbury and feel that at my age the prospect of a visit is now beyond my physical capabilities, given the need to live in a field for the duration, the possibility of inclement weather and the medieval toilets. I did however watch the best bits on TV including Mick Jagger who is, I discover, a year younger than me. Clearly he must have adopted long ago a strict regime of exercise and diet that allows him to reprise his singing and dancing and still be able to entertain 100,000 people and keep them happy.

I wish I had adopted a similar regime years ago too. As it is I remain haunted by the words of Eubie Blake, the American composer, songwriter and ragtime and jazz pianist who lived until he was 100. He died in 1983. In his later years he stated that, "If I'd known I was going to live this long I'd have taken better care of myself."

Two Berts

Bert Trautmann died in July this year. According to my copy of Football Parade, Presented by Stanley Matthews, Christmas 1951 edition, Bert was a regular member of the Manchester City League Division One team in the 1950s. At this time this was the topflight. Bert was a German ex paratrooper who fought on the Russian front and later in the Ardennes and at Arnhem before his capture by the British Army and transfer to a POW Camp in the northwest. His football career started with his POW Camp team before moving to amateur football and then to Manchester City. He never left the northwest and retired at the age of 42. He had 2 unique claims to fame:

- He played in the 1956 Cup Final, broke his neck tackling an opposing forward but played on!

- He is the only footballer to have been awarded the Iron Cross, an OBE and Footballer of the Year.

In contrast the other Bert, Bert Williams, was in the RAF during which time his football career began to take off. After demobilisation he joined Watford then Wolves. He played his first match for England in the Victory International against France in May 1946 before 60,000 excited Frenchmen in the Colombes Stadium Paris. Oh hang on wasn't that the game with Sly Stallone in goal and Pelé and half the Ipswich team against a German Army side?

PPI

Help, I think I've been mis-sold PPI; is there no-one out there who can help?

SNIPPETS

The Editor has found herself with a spare page. Here is a filler kindly provided in the past by The Scribbler.

FOUR THINGS YOU PROBABLY NEVER KNEW YOUR MOBILE PHONE COULD DO PLUS AN ATM TIP

There are a few things that can be done in times of grave emergencies. Your mobile phone could be a life-saver or on emergency tool for survival. Check out the things you could do.

1. Emergency

The Emergency Number worldwide for all Mobile Phones is 112. If you find yourself out of the coverage area of your mobile network and there is an emergency, dial 112 and your mobile will search any existing network in your area to establish the emergency number for you, and interestingly this number 112 can be dialled even if the keypad is locked. This works on all phones worldwide and is free. It is the equivalent of 000.

2. Have you locked your keys in the car?

Does your car have remote keyless entry? And do you own a cell phone? This may come in handy someday. If you lock your keys in the car and the spare keys are at home, call someone at home on their mobile phone from your cell phone. Hold your cell phone about a foot from your car door and have the person at your home press the unlock button, holding it near the mobile phone on their end. Your car will unlock. This saves someone from having to drive your keys to you. Distance is no object. You could be thousands of miles away, and if you can reach someone who has the other remote for your car, you can unlock the doors, or the boot.

3. Hidden Battery Power

To activate, press the keys asterisk3370 hash, (remember the asterisk). Do this when the phone is almost dead. Your mobile will restart in a special way with this new reserve and the instrument will show a 5O% increase in battery life. This reserve will be recharged when you charge your mobile next time. This secret is in the fine print of most phone manuals but most people skip this information without realising it's there.

4. How to disable a STOLEN mobile phone

To check your mobile phone's serial number key in the following digits on your phone – asterisk, hash, 06 hash. A 15 digit code will appear on the screen. This number is unique to your handset. Write it down and keep it somewhere safe. If your phone is stolen, you can phone your service provider and give them this code. They will then be able to block your handset so even if the thief changes the SIM card, your phone will be totally useless. You probably won't get your phone bock, but at least you know that whoever has stolen it cannot use or sell it. If everybody does this there would be no point in stealing mobile phones. This secret is also in the fine print of most mobile phone manuals. It was created for the very purpose of trying to prevent phones from being stolen.

Also ATM PIN Number Reversal

Should you ever be forced by a robber to withdraw money from on ATM machine, you can notify the police by entering your PIN Number in reverse. For example, if your pin number is 1234, then you would put in 4321. The ATM system recognises that your PIN Number is backwards from the ATM card you placed in the machine. The ATM system will still give you the money you requested, but unknown to the robber, the police will be immediately dispatched to the location. All ATMs carry this emergency sequencer by law.

BE ON THE ALERT FOR A NEW SCAM

There is a new and clever credit card scam so be wary of those who come bearing gifts. It works like this.

My friends had a phone call from someone who said that he was from an outfit called "Express Couriers" asking if they were going to be home because there was a package for them. The caller said that the delivery would arrive at their home in roughly an hour. Sure enough, about an hour later, a delivery man turned up with a beautiful basket of flowers and wine. They were very surprised as it did not relate to any special occasion or holiday, and they certainly did not expect anything like it.

Intrigued about who would send them such a gift, they asked who the sender was. The delivery man's reply was, he was only delivering the gift package but a card was being sent separately. There was also a consignment note with the gift. He then went on to explain that because the gift contained alcohol, there was a £3 delivery charge as proof that he had actually delivered the package to an adult, and not just left it on the doorstep.

This sounded logical and they offered to pay him cash. He then said that the company required the payment to be by credit or debit card only so that everything was properly accounted for.

Accordingly they offered a credit card, and the delivery man, asked for the card to be swiped on a small mobile card machine and for the card's PIN and security number supplied. A receipt was printed out and given to them.

To their surprise, between Thursday and the following Monday, £4,000 had been charged/withdrawn from their account at various ATM machines, particularly in the Midlands area. It appears that the mobile credit card machine which the deliveryman carried was able to create a duplicate card with all the card details.

WARNING! Be wary of accepting any surprise gift or package, which you neither expected nor ordered, especially if it involves any kind of payment as a condition of receiving the item. Also, never accept anything if you do not know and/or there is no proper identification of who the sender is.

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- Fund management
- Housing consultancy
- Occupier services
- Performance improvement
- Procurement and outsourcing
- Planning
- Project and building consultancy
- Property management
- Rating
- Sustainability
- Technical assurance
- Town centre development
- Town planning
- Transactions
- Valuation

STRATEGY AND PERFORMANCE

James Grierson
james.grierson@dtz.com
+44 (0)20 3296 2264

Andrew Smith
andrew.tc.smith@dtz.com
+44 (0)113 233 7306

DEVELOPMENT AND REGENERATION

Paul Ellis
paul.ellis@dtz.com
+44 (0)20 3296 3120

Keith Hardman
keith.hardman@dtz.com
+44 (0)113 233 7334