ACES TERRIER

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

VOLUME 25 ISSUE 2 SUMMER 2020

ACES

SINCE 1908 MANAGING PUBLIC PROPERTY FOR THE PUBLIC GOOD

VOLUME 25 - ISSUE 2 - Summer 2020

ACES TERRIER

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

EDITORIAL

Betty Albon

Welcome to the Summer Terrier.

As to be expected, there is a whole range of topics covered in this edition, many of which are contextualised by our current Covid-19 constraints: it is astounding how many elements of our built environment and lives are affected by its fallout (in fact, what isn't?).

A big thankyou to all colleagues and friends across the public, private and third sectors who have found time to write in their areas of expertise. A particular thanks to ACES' branch secretaries: 6 of the 10 branches have submitted actual, not virtual, reports. What comes out is the immeasurable value of scheduled and consensually agreed meetings between members, who can openly discuss and share concerns, responses, and initiatives. This is also reflected in many of the articles.

What is clear to me is that surveyors are versatile. Our broad training and experience stand us in good stead, both short term, and in helping to shape whatever the 'new normal' looks like - whenever that is. I have today received notification of 2 already-rescheduled concerts being rescheduled again – now well into 2021. It's going to be a long haul.

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Back cover photo: courtesy of Marcus Macaulay

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ACES WEBSITE

New ACES website launched on 1 July 2020

Paul is an Honorary Member of ACES, Website Liaison Officer, member of ACES Council and former President.

In the usual modest way of ACES, Paul here outlines the features of our new website, which has been the culmination of much hard work. In these times of increased reliance on web communication, this is perfect timing (if only we'd known!). Please all interact with it, as our organisation's strength is through member participation and sharing our experience.

Following its appointment in 2019, Ten Creative (part of the Norse Group) has been redesigning the ACES website to a specification approved by ACES Council. Delivery of the new site has been delayed by the impact of Covid-19, but following vigorous testing by the Secretary, Trevor Bishop, and Paul Over, the site was launched on 1 July. The site development has also been informed by a small group of officers from ACES Council who have input into the process at key points in the development. The old ACES site also ceased to work on 1 July, but the new website retains the existing address i.e. www.aces.org.uk .

As well as being fully compliant with Data Protection/GDPR and having a more modern, clean look, the new site offers the following new functionality that I hope all members will find useful, including:

1. The ability to apply for and pay for membership renewals and new applications online
2. The ability to register for, and pay for, if charged, events organised at both branch and national level e.g. conferences and CPD
3. The ability to search past publications based on key words – copies of the Terrier dating back to 2018 have been added to the new website and more will be added over time
4. An improved Forum page with enhanced search facility – Forum posts from 2020 have been transferred to the new website
5. The ability for members (and others) to input job adverts directly online (subject to sign off by the Secretary)
6. Improved functionality and usability across a range of mobile devices
7. Flexibility easily to add pages of topical interest to the website. We have, for example, created a "Covid-19" page, to highlight how this impacts on asset management and how ACES members are responding to the crisis [Ed – see also Tony Bamford's note in this edition of ACES'Terrier].

What existing members need to do – if you are already registered on the old website - you should have received an email from the Secretary notifying you that you will need to re-register to the new site. You can use your existing password for registration if you wish, or create a new one. Please take this opportunity to explore the new functions of the site and provide the Secretary with any feedback on the features, and where you think further improvements could be made. Please ignore the auto-generated invoice. The Secretary will reset your renewal date and activate you on the database, so it ties in with your payment renewal date.

If you are a Branch Secretary, you will receive a specific email from the Secretary regarding the additional functionality available to you e.g. posting events, meetings and news. You are encouraged to use the website to perform these functions and it will ensure that the organisation projects the active and vibrant community that it is.

Sponsors are also able to renew their support online and new sponsors are always welcome.

ACES Council has further website developments planned. These are possible now with the new web platform utilised. News of these developments will be publicised in due course.

NATIONAL COUNCIL

Notes of ACES Council Meeting 24 April 2020

Trevor Bishop MRICS, ACES Secretary secretary@aces.org.uk

As a result of the lockdown restrictions brought about by the Covid-19 pandemic, ACES Council, for the first time in its history, was conducted by remote video and voice conferencing. Simon Hughes, Senior Vice President, kindly hosted the meeting through the MS Teams platform and 23 members joined the meeting.

Detailed reports on the majority of these headings are published on the ACES website.

President's report

The President, Peter Gregory, reported on his activities since the last meeting. While he had arranged a busy diary of branch visits and other meetings and events, this had been seriously curtailed by the Covid-19 lockdown. However, he was keen to see ACES responding to the crisis and he set out ways in which this could be done, by embracing communications technology and stepping up use of the website.

The President reported that he had managed to attend several branch meetings before the lockdown and thanked the branches for their hospitality. He was also able to attend a SPACES Board Meeting in February and explored ways the 2 organisations could work better together.

Secretary's report

The Secretary, Trevor Bishop, reported on matters arising during the period from the last Council meeting, and provided an update on membership changes and progress with collection of membership subscriptions. Time had also been spent on arranging the 2020 AGM, working with Paul Over on the new website, supporting the Editor on production of the Terrier and organising the virtual ACES Council meeting.

Financial matters

The Treasurer, Willie Martin, presented a report on the financial position of the Association, including a detailed breakdown of the various heads of income and expenditure. He reported that the association's finances continue to remain in good health and predicted a significant surplus for the year. Because of the nature of the conference cash flow, this will show a detrimental effect on the accounts for 2020/21 but not on the financial success of the conference itself.

ACES' website

Paul Over presented his report on progress with the new ACES website. He was pleased to report that Ten-Creative had now begun to construct the live new website and a test site was available to view [Ed – see Paul's report in this edition of ACES' Terrier].

The Secretary noted that a significant piece of work involved transferring data from the old website to the new. This could not be easily automated, in view of the different software used on the respective websites, but it would be progressed as soon as possible in line with the launch date (1 July) and, if necessary, some data may be added at a later date.

Branches

A number of Branch reports were submitted for the meeting and these are published on the ACES website for the information of members. Branch representatives were able to join the virtual meeting and their contributions were appreciated.

Membership matters

The secretary reported on the changes in ACES membership since the last report. This included approval of 12 new applications, with good representation from the Heart of England, 3 transfers to past membership and 7 resignations. The total membership at the end of March 2020 was 391 continuing a slight upward trend [Ed – see full report in this edition of ACES' Terrier].

ACES' Terrier

The Editor, Betty Albon, reported on the current status with advertising revenue, the Spring edition of the Terrier, and branch submissions to the ACES Terrier.

As a result of the enormous efforts of the Editor and contributors, the 2020 Spring Terrier was by far the biggest ever, comprising 39 articles and 112 pages. This had been made available immediately to members and to all website visitors. This increase in size had implications for printing, cost being one of them, and the Editor described the pros and cons. It was agreed that the Spring 2020 Terrier would not be sent for printing at the present time. It was also agreed that further consideration be given to options such as printing at a later date or a smaller print run. while noting that these options also had implications.

Business Plan

The Business & Marketing Manager (B&MM), Neil Webster, reported on business and marketing activity that had taken place since the last meeting. This included production of the e-brief in conjunction with the Secretary (which seemed to be well received), a number of branch visits, collaboration with other public sector bodies as well as private sector partners, and progressing the recruitment initiative.

Recruitment focussed initiative

The Business & Marketing Manager reported on proposals to address recruitment problems faced by members. The B&MM noted that he had now entered into detailed dialogue with the major recruitment service, Hays Consulting, which had culminated in an encouraging proposal being made by Hays. This will focus on market overview, availability of candidates, market demand, trends, salaries and perceptions. It was proposed and approved that the President and B&MM continue discussions with Hays to work up a detailed workplan.

Annual Conference 2020

The President reported on the progress with organisation of the conference and the serious implications for delivery of the event arising from the Covid-19 crisis.

The President talked through the results of his recent survey of members on the options, and noted that while views were split, most wanted to continue with an event in some form and still under the Presidential/National Conference banner. There was general consensus that the President continue to plan for the event, but that the date and format be kept under review, as more information on release from the lockdown emerged.

The Senior Vice President, Simon Hughes, advised that due to limited access and suitable venues, the 2021 Conference would be held outside Norfolk and investigations into a venue in the cathedral city of Peterborough were being progressed.

AGM 2020 venue

The Secretary reported that contact had been made with Antony Phillips of Fieldfisher. It was confirmed that the meeting room had been provisionally booked and the usual arrangements will be made for the annual lunch. It was noted that action was now required to identify a sponsor and speakers for the event.

ACES Award for Excellence

The Senior Vice President reported that he was working on the proposed timetable for the Award for Excellence. He noted that the Covid-19 implications were that many projects had been shelved and this might impact on the quality and number of submissions. It was considered that an alternative award for responses to the current crisis would be appropriate and this was generally agreed. The SVP confirmed that he would now prepare the award documentation and notify members. The Editor advised that a number of submissions were likely to be proposed on the back of Terrier articles.

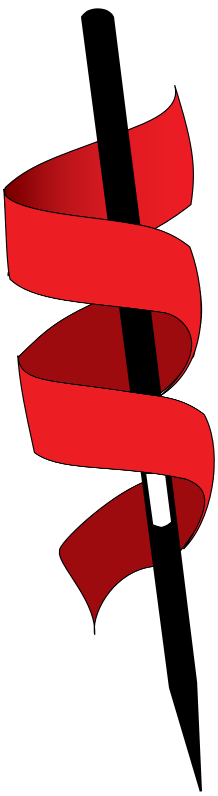
RICS regulation

Jeremy Pilgrim reported on progress with following up his earlier discussions with RICS. Since the introduction of the Covid-19 lockdown position, it had not been possible to hold face to face discussions, but RICS was engaging on a timetable for progressing matters; Paul Bagust had expressed a desire to assist.

Asset management in the public sector - diploma

On behalf of Malcolm Williams and Jeremy Pilgrim, Neil Webster reported on detailed discussions that the 3 officers had been having with CIPFA on a post graduate course in Strategic Asset Management for the public sector [Ed – see Malcolm's report in this edition of ACES' Terrier].

CIPFA is keen to promote this course in conjunction with ACES and would like



co-presenters from each organisation for each module. There was considered to be a number of benefits to ACES in the proposals, in terms of exposure and other returns.

Council endorsed ACES' association with the initiative.

Coordinators and external working groups

A number of Liaison Officer reports were received, and these have been published on the ACES' website. Verbal reports were also given by officers present at the meeting, notably from Daniella Barrow and Sam Partridge with regard to ongoing communication with RICS. Once again, thanks go to the Liaison Officers for their efforts at this difficult time, in producing detailed and topical reports which are appreciated by members.

The Secretary reported on actions he had taken to fill the vacant Liaison Officer posts. On the Valuation role, Chris Brain, ACES member, had confirmed that he would be very pleased to take on the role. The appointment of Chris Brain as Valuation Liaison Officer was approved [Ed – see Chris' report in this edition of ACES' Terrier].

An approach had been made to an ACES member concerning the Rating and Taxation role, following the early retirement of John Murray.

Other business

The Secretary, on behalf of Gerry Devine, raised the issue of staff in the public sector being furloughed. Government advice was that this should not normally be taking place where staff were diverted to Covid-19-related tasks, and where the public sector was funded substantially by central government. It was noted, however, that some organisations were considering circumstances where furloughing might be appropriate, such as in cases where staff were employed by wholly owned trading companies.

The President referred to the major changes in the way organisations conducted business under the present circumstances. He noted that ACES needed to increase its use of technology to improve communication with members. He requested feedback from members on current practice, with a view to determining the best format for ACES.

The President also noted that as he could not physically attend branch meetings at the current time and he was concerned that he may not be able to complete all 10 visits before the end of his term. He therefore expressed his willingness to attend virtual branch meetings where these are being set up.

The Senior Vice President was thanked for his time and effort in setting up and hosting the virtual meeting. Many members considered that the meeting had gone very well, and the experience had been valuable in formulating the arrangements for future virtual Council, and other meetings, including more robust mechanisms for voting on proposals.

Future meetings

Annual Conference
TBA

Annual Meeting
13 November 2020
London

Annual Conference
September 2021
Eastern Branch location

Annual Meeting
12 November 2021
Cardiff

ACES Council
10 July 2020
Virtual Meeting

ACES
www.aces.org.uk

We are currently reviewing the arrangements for the ACES 2020 Conference and we are proposing a series of webinars later in the year

Please watch this space and check your emails for further updates

NATIONAL CONFERENCE 2020	
Event Title	To be advised
Date	To be advised
Venue	To be advised
Sponsors	We are inviting interest from potential partners to support this key event in the ACES calendar.

For more information please contact:
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ACES

ACES MEMBERSHIP

Trevor Bishop MRICS, ACES Secretary secretary@aces.org.uk

I list below the changes in membership between 1 April 2020 and 30 June 2020.

New members approved

There were 8 new applications approved during the period:

First Name	Surname	Organisation	Branch Ref
Justin	Kingdon	Bridgend County Borough Council	W
Julia	Greenwood	Lancaster City Council	NW
Howard	Hillier-Daines	London Borough of Tower Hamlets	L
Sally	Stark	Somerset West and Taunton Council	SW
Alex	O'Brien	Swansea City Council	W
John	Veale	TDA	SW
Cassie	McAteer	West Dunbartonshire Council	S
Steve	McMorran	Wirral Metropolitan Borough Council	NW

Members transferred during the period.

Three members transferred during the period.

First Name	Surname	Branch Ref
Andrew	Bond	NW
Matthew	Jones	W
Peter	Scarlett	SW

Resignations

The following 10 members resigned during the period:

First Name	Surname	Organisation	Branch Ref
Brian	Ablett	Associate	NE
David	Mather	Associate	NW
Jonathan	Fothergill	Align Property Partners	NE
Stuart	Ladds	College of Policing	L
Philip	Evans	Erewash Borough Council	HoE
Gary	Watson	Lancaster City Council	NW
Catrin	Mathias	Somerset West and Taunton Council	SW
James	Dunn	Stoke-on-Trent City Council	HoE
Moira	Walker	West Dunbartonshire Council	S
Tony	Simpson	Wirral Metropolitan Borough Council	NW

We also report with great sadness the deaths of John Overs and Mark Radford, full ACES members [Ed – see obituaries in this edition of ACES'Terrier].

Membership

Summary of current membership at 30 June 2020:

Total Membership	
Status	Number
Full	225
Additional	63
Honorary	33
Associate	22
Retired	45
Total	388

OBITUARY
John Mellship Overs MRICS, 1947-2020

The North West Branch reports with great sadness the passing of former branch member, John Overs. John was a great supporter of ACES, a valued member of the branch, and a regular attendee at, and contributor to, branch meetings.

In common with many other ACES members, John started his career as a trainee surveyor and began his training at Lancashire County Council. John subsequently worked for a number of authorities in the North West region and was a well-respected chartered surveyor in the area. He was Principal Estates and Valuation Officer at Blackpool Borough Council before taking early retirement in 2004, although he was later "head-hunted" and served the community with his property expertise for a few more years.

John possessed a cheerful and likeable personality and he will be very sadly missed and fondly remembered by his former colleagues and the many ACES members who knew him.

OBITUARY
Mark Radford

It is with sadness to report the death of ACES' member, Mark Radford, who was the chief executive of Swale Borough Council and a founder member of South East Branch.

Mark had been undergoing treatment for cancer since last year, but during a recent stay in hospital, he contracted coronavirus. This proved to be one fight too many.

Councillor Roger Truelove, leader of the council, said: "We are all deeply saddened that our Chief Executive Mark Radford has passed away. This is so very sad because he has fought so long against his illness, only to catch the Coronavirus while receiving treatment for his condition. He has been so brave and sustained himself with the conviction that he would return to work with us.

Councillor Truelove went on to say: "He was dedicated to the council and loved the borough, and he and I have spent much time discussing the future, as well as talking about our respective football clubs. It is a very sad day, and my thoughts and prayers are with Mark's family and friends."

Mark began working at Swale in 1987 as the council's estates officer and valuer, responsible for managing property assets. In 1996 he was promoted to director of corporate services and was responsible for running the business of the council as well as transforming service delivery of key services.

Mark became interim chief executive in February 2017 following the departure of Abdool Kara and the post was made permanent in January 2018.

ACES' Council member and a former President, Paul Over said: "Yes, Steve, Mark and myself formed the South East Branch in the late 1980s/early 1990s. I recall Mark being extremely dedicated and enthusiastic regarding the branch and ACES and put tremendous effort into engaging support for the branch in its early days. He was a personable, honest and true friend of ACES South East Branch who could always be depended upon. Unusually, he is one of the very few ACES members who have succeeded professionally at chief executive level – I am certain he had more to offer. I am deeply saddened at his parting."

ACES AND COVID-19

Anthony Bamford, ACES' Covid-19 Liaison Officer anthonybamfordmba@gmail.com

A Covid-19 National Liaison Officer role has been created at ACES, which I have taken up, to act as a centre point for this urgent and crucial issue. It is hoped it will be a temporary role. Unfortunately, at the time of writing, according to John Hopkin University, there are now over 10 million cases worldwide and the number of deaths from this novel coronavirus has exceeded 500,000. I recently attended a World Health Organisation webinar on neglected tropical diseases, which just emphasised how many diseases have receded into the shadows, as Covid-19 has grabbed the world's attention. Some of these have insects, especially mosquitoes, as vectors, and global warming will greatly extend their range and reach.

I am keen to engage with branches, individual members and organisations in "both directions", to be a central point of advice and also hear what members and their organisations are doing. As a member of the RICS, the Institute of Workplace and Facilities Management, and the Chartered Management Institute, I have been absorbing enormous quantities of professional, technical and managerial good practice, to help deal with the present environment. I hope you have also been able to take advantage of the RICS CPD offer during the lockdown months.

The ACES discussion forum continues to be very busy and any information that you would like prioritising there on the Covid-19 issue would be really helpful. We are conscious that a lot of good practice exists, and the aim of ACES is to be helpful and valuable, rather than repeat or regurgitate information that can be found elsewhere. There are major ramifications for operational properties, especially offices and leisure centres, as well as investment portfolios. Retail property has been particularly hard hit, and offices will be subject to major upheaval as well. Recently in the Financial Times, it was reported that in the US, exchange traded funds for retail had dropped to 50 cents on the dollar, and the major Simon Properties acquisition of Taubman is likely to collapse. Likewise, in this country, Intu having struggled forward to this point has finally gone into administration.

More broadly, with the time benefits lockdown brings, I have been able to review the last 5 years of Fortune Magazine and the Harvard Business Review. This pandemic will greatly accelerate existing trends around home working, to reduce organisation costs, emphasise the importance of strategic and scenario planning, and enable the best prepared to prosper going forward. For instance, Shell had scenario planned for a $30 to 40-dollar range per barrel of oil 4 years ago when it was trading at around 4 times that level.

Given the importance of property and assets, as the second largest resource after staff in many cases, it is important for us as senior managers and leaders to provide knowledge, support and effective advice at the top table. After SARS and MERS (both coronaviruses) during a scare in January 2011, I bought hospital grade sanitiser, masks and other items for an epidemic "grab bag". I even left the receipt in the bag, hence knowing the month and year I bought them. As I said, it is important for us to be ready to deal with the foreseeable eventualities, rather than evidently be unprepared compared to others when disaster strikes. An interesting article in the Harvard Business Review drives home the point concerning a second Fukashima power station, which closed down safely close to the one we have all heard about, despite battling the same problems due to effective leadership.

Additional details for Tony are:
linkedin:Anthony-bamford-mba-mrics
07969 651840 or 01952 242723

VALUATION UPDATE
ACES Valuation Liaison Update July 2020

Chris Brain FRICS, Valuation Liaison Officer chris@chrisbrainassociates.com

Undoubtedly the most important issue affecting property valuations at the current time is the Covid-19 emergency, given the impact this is having on global, national and local economic conditions.

In response to this emergency and the challenges this may create for valuers, the RICS has issued guidance on material uncertainty in valuations https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/valuation/2020-05-19-mvulf-criteria.pdf

The guidance reminds valuers that the overriding requirement is that a valuation report must not be misleading or create a false impression, and advises that the insertion of Market Uncertainty Clauses (MUC) in valuations may be appropriate in certain circumstances, such as:

1. There is evidence of disruption to markets because of one or more unforeseen events, accompanied either by a. 'inconsistent, or an absence of, data' or b. 'an unprecedented set of circumstances

on which to form a judgement' (VPGA 10 Section 2 paragraph 2.4)

2. There is a 'degree of uncertainty in [the] valuation [that] falls outside any parameters that might normally be expected and accepted' (VPS 3 Section 2.2 (o) paragraph 1)
3. The valuer's concerns about the greater degree of subjectivity involved in the valuation need to 'be expressly signalled in the report' (VPS 3 Section 2.2 (o) paragraph 4).

The guidance emphasises that an opinion of value is exactly that – an estimate, not a fact. And the reference to data above is not confined to direct sale price comparisons – cashflow projections, discount rates, yields and other factors may also be highly relevant.

The guidance recognises that in some instances, e.g. for financial reporting, a value may need to be provided to comply with statutory requirements notwithstanding, and in such instances, it is still possible for a skilled and experienced valuer to form a valuation judgement.

To oversee the impact on valuations of current market uncertainty, the RICS formed a Material Valuation Uncertainty Leaders Forum (MVULF). This has representation of most of the major commercial firms.

The MVULF engaged with the public sector by inviting members of the RICS Public Sector Valuation Group (PSVG) onto 2 conference calls. As a member of the PSVG, I was party to those 2 calls. They both took place before Easter, and there has not been any follow-up engagement since that time.

Local authority response

In discussions and communications that I have had with local authority valuers, the biggest impact at the moment has been on balance sheet valuations for accounting year 2019/2020.

Irrespective of the actual valuation date, all property valuations must be materially accurate at the balance sheet date of 31 March 2020. The current economic conditions and absence of market data has made many valuers nervous and uncertain as to how to proceed.

It should be remembered that the material certainty requirement applies to all balance sheet valuations, irrespective of the year they were carried out.

In my experience, the vast majority have inserted MUC into their valuations. In my view, that is a perfectly reasonable response, although my advice has been to avoid a blanket approach and to consider each type of valuation, to assess whether an MUC is appropriate in every case.

For example, it may be appropriate in the case of residual valuations or development appraisals, to reflect on risk and how this might impact yield, development periods and developers' view of risk.

Audit

Clearly whatever approach each valuer has taken in providing their opinion of value for balance sheet purposes, this will quite rightly be scrutinised at the audit stage. So long as valuers have followed a logical and evidence-driven approach, they will be well positioned to respond robustly to the inevitable audit challenge.

Other valuations

The guidance of course applies to all valuations, although with the drop in market activity in most sectors, the impact on other areas may currently be of less impact that on balance sheet valuations. Nevertheless, any valuations that a local authority valuer is undertaking in the current health emergency needs to consider whether an MUC would be appropriate.

Lifting MUC

The MVULF has been meeting periodically since 14 May to consider when and whether MUCs might no longer be appropriate in certain sectors. The guidance is clear that declarations of material valuation uncertainty should only continue for as long as the criteria set out in the guidance apply.

The guidance stresses that while theoretically possible that a single moment in time will be recognisable as the point at which all, or even most, material uncertainty clauses can be removed, this is in practice unlikely. And this has been the case. Set out below are the MVULF updated recommendations after each of their recent meetings, listing market sectors where it believes that a MUC might no longer be appropriate.

Recommendations 14 May 2020

- long dated annuity income with at least 20 years unexpired term certain with a secure covenant such as government or very strong investment grade
- institutional grade primary healthcare facilities

Recommendations 21 May 2020

- non-reversionary residential ground rents (in excess of 80 years)
- all types of rented social housing or leased shared ownership, owned by housing associations and valued on the basis of Existing Use Value for Social Housing (EUV-SH) only, and therefore assuming that all homes remain within the regulated, Registered Provider sector (but excluding social housing owned by local authorities where valued for Housing Revenue Account purposes under government guidance)

Recommendations 28 May 2020

- standalone food stores, including smaller format food stores, let to major operators
- commercial forestry (excluding amenity woodland)
- specialist supported housing of all types, designated either C2 or C3 use class, let to Registered Providers on FRI leases, and usually with a third-party care provider involved in providing care and support to residents, valued on the basis of Market Value

Recommendations 11 June 2020

- All industrial and logistics
- Build to rent residential property of institutional grade, which is professionally managed.

I have seen public announcements from at least one major firm confirming their alignment with these recommendations, and I suspect that most will have been doing likewise.

What is local government doing?

Ultimately any decision on whether to lift the MUC from asset valuations will need to be taken by valuers on their assessment of the market. It must be market driven.

Irrespective of the recommendations of the MVULF, reference should be made to the market in which the asset sits and there should not be a blanket approach. It is still necessary for the valuer to make a judgement as to whether to include the clause on a case by case basis, based on the specific asset and its location.

There has been some debate in the local authority valuation community about lifting MUCs in their asset valuations, with many reluctant to do so, despite the MVULF recommendations.

While lockdown arrangements vary across the different nations of the UK, markets in those geographic areas will of course mean that judgements made in one part of the UK may not be appropriate for other parts of the UK.

At the time of writing, the city of Leicester is going back into forced lockdown, in response to a high prevalence of positive virus tests across the city. This may be the first, but may not be the last, of these geographic lockdowns. The situation remains very fluid.

Notably the MVULF has yet to recommend that a MUC clause should be lifted for offices and non-food retail, the sectors that have been most affected by the movement restrictions.

COVID-19 AND LANDLORD AND TENANT

Below is a Mills & Reeve LLP "Real Estate Law blogs" posted on 22 June 2020, concerning restrictions and the proposed Code of Practice for commercial property relationships. Thanks to Mills & Reeve for letting me reproduce it. www.property-matters-law-co.uk

The government has now published its proposed Code of Practice for commercial property relationships, codifying actions that many landlords and tenants were taking already as a result of lockdown and its impact on the March quarter day. Of more immediate importance, the government has also confirmed its intention to extend the current protections provided to commercial tenants.

Restrictions on landlords' remedies extended

As expected, the government has signalled its intention to extend the restrictions on landlords' remedies in relation to commercial property:

- The moratorium on forfeiture will be extended to 30 September 2020
- The restrictions on commercial rent arrears recovery (CRAR) will be extended so that a landlord must be owed 189 days' rent before exercising CRAR. This means that a landlord must wait until 30 September to exercise CRAR in relation to non-payment of rent on the March quarter day
- The temporary ban on the use of statutory demands and winding up petitions where a company cannot pay its bills due to coronavirus will be extended to 30 September 2020 (1).

The statutory instruments necessary to enact the extensions will be brought into force before the current extensions expire.

These new measures follow the recent extension to the stay of possession proceedings to 22 August 2020.

Code of Practice

The government has also published its Code of Practice for commercial property relationships (2).

The Code is voluntary and it does not alter the underlying legal relationship between the parties, making it difficult to predict its impact at this early stage. Many of the proposals and ideas contained in it will be familiar to those who have been tackling the issues of rental payments since the March quarter day.

Some clear messages are apparent on an initial review of the Code:

- The government's objective is to provide the right support to all those in the chain of property payments. This is in response to the concern of many landlords that the current restrictions require landlords to shoulder the burden of non-payment, notwithstanding their own commitments and obligations
- Tenants who are able to pay their rent in full should do so. Tenants seeking concessions should be clear with landlords about why concessions are needed and be prepared to provide appropriate financial information about their business
- Landlords should also provide support to tenants if they are able to do so (having regard to their own financial commitments and fiduciary duties). Landlords refusing concessions should be clear with their tenants about why they are doing so
- It is expected that both sides will communicate with each other, transparently and in good faith
- UK Finance has confirmed its members' continued support for commercial landlord customers, including amendments to facilities and capital payment holidays (3)
- Government support measures can be used to pay rent and other lease costs

- Service charge and insurance costs should be treated separately to annual rent. The Code makes the point that it is important that buildings are insured and safely maintained. The service charge should take into account any changes caused by the pandemic, such as increased cleaning costs or, equally, certain reduced costs as a consequence of lower occupancy during lockdown or during a phased return to the workplace
- In the event that a landlord and tenant are unable to reach an agreement on concessions, they should consider employing a mediator to assist with negotiations
- Agreeing to and adhering to a new arrangement under the Code should protect against forfeiture once the current moratorium is lifted.

The Code provides a list of concessions and options available to help alleviate rental payment pressures. None are novel and some, such as lease extensions, would benefit from further governmental support (SDLT payment and reporting reliefs, for example) to make them more attractive. Other measures, such as turnover rents, will likely require sharing of a lot more financial data between parties than has historically been the case.

One question that is likely to be asked of both landlords and tenants is whether they are supporting the Code, in the same manner as the industry asks if other codes are being supported, such as the Lease Code.

Another issue is whether the Code can be effective while it remains voluntary. It may prove necessary for the government to intervene further, whether by making the Code mandatory, or by introducing further measures. It is also not clear how the courts may view the Code or its lack of use when a claim comes before it.

The Code is described in its foreword as a starting point on the road to economic recovery. It also represents the first step towards transitioning away from the current restrictions on landlords' remedies. Time will tell whether the Code becomes the main replacement to the current restrictions, or whether it is one of several measures to be introduced in the coming months.

Further advice

If you need further advice on this topic, please get in touch with Mills & Reeve LLP (Dominic Hordern or Christopher Bartley).

1. https://www.gov.uk/government/news/government-provides-further-halt-to-business-evictions-and-more-support-for-high-street-firms
2. https://www.gov.uk/government/publications/code-of-practice-for-the-commercial-property-sector
3. https://www.ukfinance.org.uk/press/press-releases/lenders-confirm-support-for-commercial-landlords

Richard has over 15 years of building surveying experience, working with a variety of clients in the public, privates and third sectors. As head of building surveying within Carter Jonas, Richard is responsible for all elements of service delivery including brief definition, delivery strategy, resourcing, client reporting and dispute resolution if required.

COVID-19 AND CONSTRUCTION

Covid-19 implications for construction

Richard Love Richard.Love@carterjonas.co.uk

It is astonishing how many areas of public sector surveying activities are impacted by Covid-19. Here Richard usefully outlines those affecting construction, both short and long-term. "This could be the catalyst moment for the industry finally realising the advantages of a BIM compliant design and delivery process." He also sees an increased role for off-site modular build.

Lockdown measures introduced in March to curb the spread of the pandemic led to numerous reactions as to how our built environment might change, both temporarily and permanently, as a result of new working practices and an altered awareness of health, hygiene, and wellbeing issues. While it may be too early to make any real predictions on the full impact of Covid-19, challenges that the construction industry faced over the last few months have meant that change has had to be embraced. It is worth considering this immediate response and the potential long-term impact it may have on projects.

Covid-19 impact

In the first weeks of the pandemic, government advice in relation to construction focused on operational sites, introducing processes to enhance levels of safety, while maintaining a certain amount of activity. At the same time, many developers either mothballed their sites or delayed commencement. However, as the economy starts to stimulate, these projects are now going live. We look at 5 ways in which the pandemic will impact new projects:

Use of Standard contracts
Could the days of the standard form of construction contract be a thing of the past? Formalised systems created under the Joint Contracts Tribunal and The New Engineering Contract may now be viewed with greater caution, and unamended contracts treated with suspicion. In the short term, this will likely result in bespoke amendments being made which, in turn, will take more time to produce. It is perhaps inevitable that updates to the standard forms by the publishing bodies will be made. New additions could include:

- Clarity around extensions of time related to government initiatives such as the measures introduced in March
- Express measures around the pandemic
- The detail on express rights to suspend works
- The introduction of options, or ways of dealing with, extended warranties, in the event of a building not being used for a prolonged period during the rectification period.

Financing
Though interest rates remain at historically low levels, lenders are concerned about a growing list of factors, including the costs of any future delays and the broader economic uncertainty. Therefore, it is anticipated that rigorous financial standing tests will be used more widely, even on contracts which might previously be deemed low risk. Such enhanced levels of scrutiny will work through the supply chain, including greater analysis of subcontract and supplier contracts. In turn, contractors will look for bonds and other mechanisms to protect themselves. Greater attention will be given to the wording of collateral warranties and professional indemnity arrangements, to shift risk to the more robust party in a contractual relationship, while those parties look closely to mitigate this.

Project duration
Construction durations have been impacted already, and we expect to see this on a wider scale, even when restrictions are lifted. New procedures, including major safety measures such as limiting personnel on-site, will inevitably slow processes. The task of construction programming will become more complex and difficult to schedule for all parties. These additional time constraints should be a key consideration for anyone embarking on a new project. Bringing together multiple trades in confined areas will require careful planning of clusters of working. The introduction of client-direct suppliers or tradesmen to a contractor's site is likely to pose a greater challenge than before.

Technology
As consultants, we have implemented digital recording and documenting for works progress and quality management which, in addition to the core purpose of avoiding unnecessary or risky site visits, has provided a superior record of works.

Electronic site security and site attendance logs will become more commonplace, both to control and evidence the quantity of labour on-site, particularly while site access is restricted. Coupled with this, a shift in the biometric technology used from fingerprint scanners to facial recognition is expected. Already, some clients have started to install non-contact temperature screening in their facilities, in readiness for a return to work, and it is almost inevitable that construction sites will benefit from this technology as well.

Other technologies are being utilised at the pre-contract stage. Limiting of labour forces on site has placed an emphasis on getting the work 'right-first-time'. Accurate and well-coordinated design information is key. This could be the catalyst moment for the industry finally realising the advantages of a BIM compliant design and delivery process.

More widely, the success of remote working methods embraced during lockdown has enabled business decision-makers to consider alternative operating procedures. Videoconferencing is now an even more viable and accepted option, and will be used more effectively in the construction process, particularly for meetings which have historically been pushed back to a time when everyone is on location. Moving forward, sub-contractor and design coordination discussions, for example, could be carried out remotely and at an earlier stage. This will serve greatly to increase the positive impact they can have on the delivery of a project.

Technology is also accelerating off-site construction methods, for both buildings and components. The benefits of this type of modular build, including enhanced quality and environmental control, is likely to be prompted, particularly as it allows for the reduction of labour pressures on site.

Site safety
The emphasis on cleaner worksites and better welfare provisions, to limit the chance of cross-contamination, requires a number of protocols to be introduced. This may well impact on delivery, particularly on constrained sites. However, more stringent hygiene standards are likely to create healthier and better-presented sites. Additionally, as well as the standard 5-point PPE that is required, face coverings or masks will be needed when working in proximity, or circulation spaces of an occupied property. Industry-standard provisions do not negate the need to follow government guidance as it evolves. The role of the Construction (Design and Management) Regulations 2015 is expected to develop because of the pandemic. In the meantime, the expertise of health and safety consultants is being called upon more than ever before, to provide guidance. Many clients are now taking a lead and setting standards for site welfare and working practices, instead of leaving this to contractor discretion.

Conclusions

Anyone embarking on new development is advised to take longer in the planning phase of their project, factoring in the likelihood of extended completion times. This should include more time in design development, as late changes will be more difficult to accommodate. Additionally, greater attention should be paid to contractual provisions. Of course, all of this will come at greater costs, so clients will need to ensure rigorous financial planning.

However, several of the provisions discussed above could be of benefit to the industry. Once new standards of hygiene and site security are accepted, why would we go backwards? We will see healthier and safer construction environments because of the new measures. Focus on the planning stage could result in a better product overall, while greater thought and attention to contractual provisions and supply chain management should reduce disputes or disruption in this regard.

And finally, investment in technology and efficiencies, together with the improved project planning, should offset significant amounts of the additional costs encountered elsewhere.

ASSET MANAGEMENT DIPLOMA
Opportunity for ACES' members to enrol for a Diploma in Public Asset Management

Malcolm Williams

Malcolm Williams is an Honorary Member of ACES, Coordinator for Post Graduate Courses, and a member of ACES Council.

ACES and CIPFA have been working collaboratively to produce and deliver a 7-module Strategic Asset Management (SAM) course to the public sector.

The diploma course will be delivered initially on-line, having regard to the pandemic restrictions, but it is anticipated that future courses will be delivered as a mixture of face to face and distance learning.

The majority of course content and proposed delivery date for the roll out of the first course has been agreed. Details follow.

The 7 modules

Module 1 - 8/16 September 2020: Strategic asset management introduction and organisation

The anticipated learning outcomes:

- Understand and articulate the principles of SAM role in the context of public sector organisations
- Consider the impact of assets in property portfolios in supporting the corporate needs of the organisation
- Understand the importance of leadership and culture in the implementation of asset management
- Understand the respective roles of key groups teams and committees in the governance
- Understand the concept of the Corporate Landlord approach.

Module 2 - 29 September/5 October 2020: The Development of documentation and asset management challenge

The anticipated learning outcomes:

- Understand the importance of SAM documentation in communicating the links to and with the corporate and service priorities and objectives
- Understand how to deliver asset management policies and strategy action plans
- Understand the key aspects of property challenge and review.

Module 3 - 23 October/2 November 2020: Business case development and option appraisal

The anticipated learning outcomes:

- Identify areas where AM may need to employ option appraisal techniques
- Understand the factors that need to be taken into account when developing a capital programme
- Understand the key stages in option appraisal and the factors for consideration
- Understand how quality and price can be balanced with in the option appraisal approach
- High level understanding, of whole life appraisal techniques.

Module 4 - 5 November/10 November 2020: Capital projects and maintenance

The anticipated learning outcomes:

- Understanding of the overall design procure and build process for major capital schemes
- Understand how different types of maintenance will be balanced in an overall maintenance programme
- Understand what data is important in developing a maintenance picture and how it should be collated
- Understand the most effective way of developing and monitoring maintenance budgets
- Develop and understanding of factors that should be taken into account when prioritising maintenance.

Module 5 - 16/18 November 2020: Data performance

The anticipated learning outcomes:

- Understand the importance of data to monitor performance condition and suitability of an organisation's assets
- Understand the principles pf performance management and the ability to choose the right indicators and targets to focus asset management on corporate priorities
- High level understanding of how to capture and measure social value.

Module 6 - 24 November/1 December 2020: Operational v non-operational property

The anticipated learning outcomes:

- Understand and articulate the difference between operational and non-operational assets, together with the various factors for consideration in asset management approaches
- Have an understanding of the key areas to consider in relation to office strategy and workspace planning

- High level understanding of the various factors for consideration when developing property investment approaches.

Module 7 - 8/16 December 2020: Asset management today

The anticipated learning outcomes:

- Understand the external factors that influence asset management approaches today
- Understand approaches for organisations to share assets and the factors that need to be considered
- High level understanding of different models of service delivery
- High level understanding of how climate change is influencing asset management approaches.

The diploma will be assessed by the students completing a confirmatory assessment at the end of each module, to ensure a firm understanding of the module's content. At the end of module 7, a full written assessment will be completed, covering all elements of the course.

The diploma is an ideal qualification for a range of staff who are involved in property asset management within the public sector setting. The course could benefit property staff who are new to asset management, finance professionals, or service managers, and finally more experienced property staff who have identified specific knowledge gaps.

All 7 modules have to be completed to obtain the diploma, but individual modules can be taken which will be certificated.

The cost of each module will be £400 for ACES' members and those taking all 7 modules will receive a discount of £200 (total cost £2,600) The course will attract VAT.

First expressions of interest in taking this diploma course should be registered with ACES Secretary Trevor Bishop 07853 262255 email secretary@aces.org.uk

If you require any further information please contact Malcolm Williams 01584 890 919 or 07581544217, email malcolm.669williams@btinternet.com

Chris spent nearly 25 years working in local government, involved in estate management, landlord & tenant work and latterly CCT, best value and strategic asset management. Having moved on to CIPFA in 2003, Chris has been delivering property consultancy and training across the public sector. In 2019, Chris established his own consultancy, Chris Brain Associates, and he continues to support the public sector with property consultancy and training throughout the UK, in strategic asset management, organisational efficiency and asset valuation.

Chris is a member of ACES and he has recently taken on the role of ACES' Valuation Liaison Officer.

SCENARIO PLANNING
Sliding Doors

Chris Brain FRICS chris@chrisbrainassociates.com

Chris writes about a scary, yet proactive, plan for developing future asset management strategies. "For us there are multiple possible futures, based on multiple variables." "We need to find a way to link our decisions today to possible future scenarios and outcomes…..for a future world that has not yet arrived"

Strategic foresight

Since the dramatic arrival of Covid-19 in the UK, a new phrase has entered common parlance. Everyone is asking what the 'new normal' will be. I have seen that asked any number of times in blogs, articles and webinars, as well as on the tv and radio. I have seen and heard a multitude of suggested answers. None of the answers I have seen are the same as any other answers I have seen. Everyone it seems has a different opinion on what the future will look like.

For local authorities and other public sector bodies that have the task of maintaining the delivery of often life-saving services to our communities, this is creating uncertainty. What will society look like in the future? How will people want to draw upon services in the future?

For those in the property teams within those organisations, the big question is what property assets will the organisation need going forward, and how will the assets we retain be used? Because of the inevitable financial impact of Covid-19, we might also be asking what sort of property portfolio we can afford to retain in the future.

But the challenge is wider than that. While questions around which assets and where are of course valid, by focussing on the assets alone, we could fail to consider our shared future in a way that helps us with strategic longer term planning. There is a danger that we are too short-term in our responses. This would not be uncommon in local authorities, and if we are all honest with ourselves, not uncommon in the property profession.

Somehow the sector has survived the immediate crisis and threats, although some financial threats clearly remain. Now we are moving into the phase of considering the future, how do we begin to think about what our destiny holds?

When we think about the future, we often reference the past. It is this reference to the past that provides us with experience. It is where our ability to apply judgement comes from. It is reference to the past that we use to undertake risk assessments. We consider probabilities based on past events. But we have not seen a past event like this. We are no longer in a risk environment, but an uncertainty environment. One of the most over-used words in the media in the past 3 months has been 'unprecedented'. But we are indeed in strange times.

Not many of us have experience that prepares us for the current situation. When discussions begin – which hopefully in your organisation they already have – about what property assets we need in the future, we might not have past experiences which we can draw upon for the answer.

Nevertheless, the questions are being asked, and our organisations will be looking to us for some answers, or at the very least to contribute to the formulation of some answers. Where and how will we form our judgement?

As I was searching for the answer to this conundrum, and contemplating how I might go about answering that question if I was working in local government, I came across an article by J Peter Scoblic of Event Horizon Strategies published in the Harvard Business Review (HBR).

The article talks about strategic foresight. Strategic foresight is not an attempt to predict the future, as we are way beyond the ability to reference the past to predict the future. Rather, strategic foresight is a technique whereby we imagine multiple futures. At this point, you are probably starting to think that we are getting into the realms of science fiction!

For those of you, like me, who are into cinema, you will now appreciate the title of this article, which references the 1998 film starring Gwyneth Paltrow and John Hannah. For those that have not seen it, it is not science fiction. The film follows the path of a woman's love life and career, both of which hinge, unknown to her, on whether or not she catches a train. We see it both ways, in parallel. The point being that there are multiple futures depending upon which path she takes, in this case whether or not she catches her train.

Let's think about that in the context of our current local government post Covid-19 situation. Adopting a strategic foresight approach means using scenario planning as a tool to assess what possible scenarios could play out in front of us. The HBR article suggests that *"through scenario planning we can develop stories about a series of alternative futures to challenge assumptions and reframe perceptions of the present. The process does not attempt to predict the future but instead aims to explore plausible futures to inform strategy."*

There should be no attempt to predict which of these possible futures will happen. Instead each possible future is considered, in the context of what impact it will have on our organisation, and how we might need to prepare or respond, should that future come to pass. By mapping out these possible futures, and the preparedness and responses they each would generate, we can devise a strategy that remains flexible to whatever the future throws at us.

Like the film *Sliding Doors*, we could seek to understand what the range of possible plausible futures are for our organisation. It is of course unlikely that there are only 2 possible futures, as was the case with *Sliding Doors*. For us there are multiple possible futures, based on multiple variables.

If we can identify the key variables then through a scenario planning process, we can not only imagine those futures, but we can think about how we need to organise ourselves, and more importantly, organise our property assets, so that our property estate can remain adaptable and flexible to whichever future becomes our reality.

Each authority will have its own particular range of variables, of course. And I am not pretending that the process of scenario planning would be easy. In fact, I am certain that it would not. It would take a completely new way of thinking. A new and radical approach to strategic planning. But it is a tool we could, and possible should, consider using in the current 'unprecedented' situation. Maybe unprecedented times need a radical response.

We may not get it right first time - or indeed at all. But the alternative is to not think about the variables, to not think about the scenarios, to not think about the possible futures, and as a result being slow or unable to adapt. Worse still, we think about the range of variables and attempt to provide answers to uncertainties that have no possible connection with actual past experience.

Variables

What might be the variables be that in a local authority context, we might want to consider including? Here is a possible starter list:

- Climate emergency response and net zero targets with uncertainty how those will be achieved, including government regulation around energy efficiency
- Seismic changes in retail activity with uncertain impact on occupancy levels, rental income, car park income, council run markets and town centre viability
- Global economic recession with uncertain impact on business survival, unemployment levels, business support and premises provision to the local economy
- Impact of changes to property markets on capital and development programmes, as well as commercial property investment activity
- Changing work patterns, more home working and uncertain future demand for large office buildings, impacts on commuting levels, town centre viability and air quality
- Impact on operational assets including offices and front line service buildings such as leisure centres, community centres, museums, libraries, etc from social distancing, whether voluntary or regulatory
- Willingness of voluntary and community groups to consolidate and share premises to save money
- Channel shifting of customers, with uncertainty over the level of shift to digital service delivery
- Future retention or expansion of integrated services with other public sector bodies
- Public take-up of electric and chargeable vehicles, and impact on roads and buildings infrastructure

- Uncertainty over changes to visitor numbers through tourism or higher education
- Uncertain central government financial support and changes to systems of taxation
- Risk of localised Covid-19 lockdown, or reintroduction of national lockdown.

The more you look at this list, the more you may well think of other things that are relevant to consider as a variable, whether generally or specifically to your organisation.

If you are reading this thinking it is all a load of 'woo woo' bogus science, then ponder this. It is the process that the RAND Corporation (a think tank of the US Air Force) developed as they grappled with a 'cold war' era. There had not been a cold war before. There had not been 2 world superpowers before that had the ability to wipe each other out at the press of a button.

Royal Dutch Shell used this technique of scenario planning for its business and this helped the company through the 1973 OPEC oil embargo. The US Coast Guard also used it in its business planning, and this helped in their response to 9/11.

In the case of the latter, they stopped thinking about time as linear. As the HBR article says *"they took stock of trends in the present, jumped many years into the future, described plausible worlds created by those drivers, worked backwards to develop stories about how those worlds had come to pass, and then worked forward again to develop robust strategies. In this model, time circles around itself, in a constantly evolving cycle between present and future. In a word, it is a loop."*

Whatever decisions are made by local authorities now will have massive implications for their property portfolios for years, maybe decades, to come. We need to find a way to link our decisions today to possible future scenarios and outcomes we want for ourselves.

It may be that attempting a sophisticated strategic foresight approach in the current extremely uncertain environment is too challenging. If strategic foresight is not the way you choose to go, what approach will you take instead? How will you set yourselves up as organisations to be able to respond and react swiftly, decisively, flexibly, and efficiently, to whichever 'new normal' arrives? How will you develop your asset strategy, based around a contemplation of your future?

On 16 September 1620, the Mayflower set sail from Plymouth, heading for the 'New World'. Forty five of the 102 'pilgrim fathers' did not survive the first winter: a combination of weather and disease. We will never know whether better planning would have seen more people survive. But it would seem they struggled to adapt to their new conditions, even though they spent that first winter on board the Mayflower.

Sitting back and waiting for the future world to arrive will clearly not be the best tactic. It will be upon you before you know it, and we all know how long it takes to adapt and change a property portfolio. Envisaging your future is a critical element of strategic asset management. Asset managers need to be developing strategies now. They need to be strategies for a future world that has not yet arrived, for the future will undoubtedly be different to our current world.

Neil is responsible for Strategic Consulting within Knight Frank, working with business to align real estate to strategy. He has over 20 years of consultancy expertise, all at Director level, following a career at BT where he developed and led a major change programme in the 1990s, transforming how 40,000 people worked. The BT Workstyle 2000 Programme won the British Council's, 'Office Strategy of the Decade Award.' Since then he has won several award-winning transformation programmes, most recently for Deutsche Bank, which was a global programme for 60,000 people. His approach to workplace has always been business-led and focused on behavioural change, more than design or technology.

Neil has worked with businesses in all sectors and facilitates Knight Frank's Digibytes client education programme, which has covered topics such as the Internet of Things, Customer Experience, AI & Robotics, and digital transformation. He is a regular speaker at conferences on workplace transformation across Europe and Asia.

WORKPLACE MANAGEMENT
Re-occupancy and re-imagining the office

Neil McLocklin Neil.McLocklin@knightfrank.com

Neil kindly agreed to write an article for ACES' Terrier, after I had watched the very informative Knight Frank webinar on this topic.

Prolonged working from home has been a challenge for many, and there is an enormous desire to get back to the office, as we realise the social importance of the workplace, and the ease of doing business and collaborating with colleagues that it facilitates. The government has outlined a roadmap for when we can start to return to the office, starting with those who cannot operate from home.

However, the message is clear – the approach must be phased and carefully planned, or we risk losing all the gains we have made in defeating the virus.

The first question for businesses is how to re-occupy workplaces in an effective and safe way, that ensures staff have the confidence and trust to return and aligns with the government's goals. The second question is: "What will be the future workplace strategy?" given what we have learnt from the prolonged working from home experience - or some would say, the greatest workplace experiment in history?

Re-occupancy

We have already witnessed staff and union resistance to a limited return by the UK Passport Office. It is certainly not as simple as announcing "Everybody back next Monday".

We set out below a 5-step process to follow that we have developed through collaboration across the Newmark Knight Frank network, learning from colleagues in Asia. We have also been part of the UK Government consultation process.

1. Talk to your landlord
   If you do not own your own offices, this is the first step because it is outside your control. A safe working environment needs to be developed in partnership with the landlord, whether it is ensuring that they are changing the air conditioning filters, re-programming the lifts to ensure no more than a social-distanced restricted number of people can use them, or providing signage and sanitation at the entrance. Many landlords are being pro-active, but others are still waking up to their responsibilities in this area.

2. Review employee journey and develop risk overlay
   Review the employee journey from home to the office, and then from the door to the desk within the building, assessing the risks along the way. The UK government is one of the only nations globally insisting on a full risk assessment and this is the drive behind the re-occupancy strategy. The government should be applauded by taking this approach, for at the end of the day, it is all about mitigating risk of virus transmission and putting in place the necessary controls to do this, including social distancing, enhanced cleaning, and employee protocols.

   While the travel to work may not be considered the employer's responsibility, the government is asking businesses to help mitigate

the risks of over burdening the public transport network, and so encouraging staff to cycle and providing appropriate facilities; or staggering journeys is certainly something that can be supported.

A risk assessment of all the areas within the building will identify high risk areas, which would include receptions, kitchen areas, meeting spaces, printer hubs, and showers - just to name a few. Cleaning regimes, social distancing measures and protocols need to be developed in each of these areas to mitigate risk.

3. <u>Develop a capacity overlay for social distancing</u>
It is necessary to review the workplace using the 2 metre social distancing rules [Ed – or any government relaxations thereof], and not use desks that are within this distance. Checker-boarding the occupancy ensures staff are not sat opposite and facing each other. Best practice then is to remove the chairs from the workstations that are not within this distance. Other spaces such as small meeting rooms that can no longer be used with the 2m constraint, can be re-purposed as workspace. An example of a capacity overlay is illustrated in the diagram.

4. <u>Procure necessary supplies and amend cleaning regime</u>
Once you have completed the risk and capacity overlay then you will know what to procure, whether it is signage, masks or sanitisers, as well as how you need to re-specify the cleaning regimes.

5. <u>Develop protocols</u>
There are many areas where new protocols need to be developed and others reinforced strictly, such as a clear desk policy, to enable effective cleaning of the workstations. Examples include:

- Meetings – these should be avoided unless essential
- Printing – should also be avoided as printers are a high-risk area, not only in terms of direct virus transmission, but also the documents that are produced are another source of risk
- Encourage people to bring in their own food
- Do not share equipment of any type – keyboards, mice, headsets
- Continue to wash hands regularly and for 20 seconds at a time.

These protocols should be developed not as a glossy employee communications that would be appropriate for a new workplace, but as a strict rule to follow.

After Corona world – re-imagining the workplace

The social distancing will continue with us, most probably into 2021, and will result in a strange workplace experience, with few if any meetings and certainly no events. But the longer-term impact on the office environment could be far greater and many businesses and public sector organisations are starting to think about it.

The old world was largely dictated by matrices such as workstation per square metre or desk sharing ratios. Are these relevant in the new world? If we can all work from home, what will be the need to come back into the office? Certainly not to do our e-mails.

One thing that is a given, is that our perception of the benefits and opportunities that working from home presents has changed for ever. At an individual level, people from all our employee surveys see that it provides generally a better work-life balance, less time wasted commuting, more family time, and generally more productivity. Furthermore, people are wanting to see a significant change for the better that emerges from the Covid-19 crisis, and the hope is that it will be in a more sustainable life style – less travelling, less commuting, less consumerism and more local purchasing.

However, the reality is that we cannot all work from home effectively. While most of us have coped well with working from home over a prolonged period of time, there are 3 key considerations that need to be addressed to facilitate work from home in the longer term:

1. For some of us, working from home is incredibly difficult, from either a psychological or practical space perspective
2. The surveys that we have conducted for client staff over the lockdown period showed that after initial enthusiasm, this started to wane because of the concern of isolation. This was particularly prevalent among the younger age groups
3. Home working was established overnight for most organisations when we went into lockdown and before that time it was often "ad hoc", or perhaps limited to 1-2 days a week. If the future does include more extensive work from home, perhaps 2-3 days a week, it certainly needs to be planned and supported effectively. This may mean screens and furniture for people to work safely and effectively in the office, as well as education and training for managers and staff.

The future is likely to be a balance of home working and the office, but it is important to stress the word 'balance'. There are many commentators advocating the death of the office, and for many reasons this is far from reality. The paradox is that many real estate, FM and workplace consultants who have been advocating enhanced working from home for years among their senior stakeholders are now finding themselves trying to persuade those same executives that working from home is not the complete answer, and a balanced perspective needs to be found.

The real opportunity that could emerge from Covid-19 is that we have much more choice of options and work settings, which could create a more sustainable and effective working mix for us all. This will be a migration from the office, plus some element of remote working, to a variety of options, and create a "Workplace as a Service" that provides staff with a variety of choices (see diagram).

Here are just some examples of the choices and work-settings that could be included within the Workplace as a Service Strategy, in addition to the hub office and working from home.

Working closer to home/high street offices

Just because some people are unable to work from home, they should not be prevented from having the benefit of working closer to home. This could be in many formats and to some, business needs to respond to the opportunity. For example, banks or cafes in the high street could provide effective working spaces that would encourage more people into the high street, and could be used via some kind of membership scheme. A good example is Deutsche Bank branch in Berlin which provides space for anybody to work (you do not even need to be a banking customer).

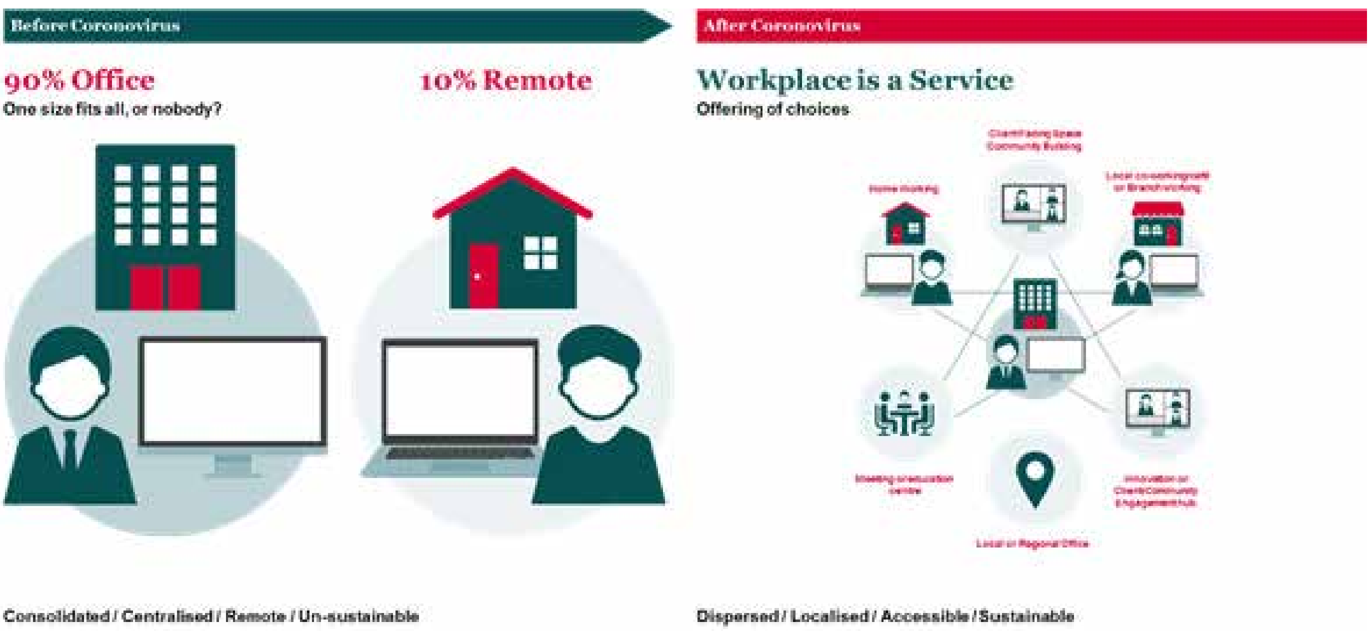
We are currently working with some public sector organisations to provide such facilities, not only for staff, but also for people living in the local community, who would normally be commuting somewhere else. The variety of assets that could be used for such purposes is interesting and includes fire stations, libraries, and community centres.

Local satellite offices

Many local authorities have most people consolidated into a single county or town hall, or district/borough office. There is an opportunity to provide local satellite offices, to enable people to work closer to home.

Education and development hubs

Education and training will be more important as we go forward. Typically, in the past this has been provide largely through face to face sessions in training rooms. Lockdown has changed our view on the potential and opportunity of online and virtual training, which should reduce the need for training facilities. However,



Deutsche Bank Branch, Berlin

Plus X Innovation Hub Brighton

face to face will still have a role to play in a blended delivery programme. We are already seeing clients discuss the benefits of sharing facilities or creating training hubs to do this, and reduce the overall training footprint.

Innovation hubs

Finally, there is no doubt a need to kick start the UK economy and in particular, support new start-up businesses. The government has already announced a £2bn fund to do this and more will be on its way. Innovation hubs are required that support businesses through their various stages of growth, providing access to funding, as well as professional and deep support services. These hubs also facilitate collaboration among like-minded entrepreneurs or businesses, and will be an important element of the future landscape. A good example are Plus X innovation hubs, the latest one just opened in Brighton.

Innovation should also not be the sole domain of the private sector, and we are already seeing public sector tech being a significant focus in its own right, particularly in areas such as health.

In conclusion, I am sure we all hope that something positive can come out of the Covid-19 situation, and there is an opportunity fundamentally to challenge how we work, learn and live. The way we use our assets and the options that we provide to our staff will be key to this, hopefully creating a better and more sustainable world for us all.

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William advises both public sector and private clients on the investment and development potential of sites in the east of England, both urban and rural, and specialises in adding value to under-performing assets through the planning and development process. This includes commercial advice on mix of uses, likely rents, values and returns, funding structures, joint ventures, etc. and feeding these into business plans for sites within clients' ownerships. More recently William has been advising local authorities on income generation through commercial investment acquisitions.

COMMERCIAL PROPERTY INVESTMENT

The future for local authority commercial property investment?

Will Rooke William.Rooke@carterjonas.co.uk

William alerts us to some of the threats facing councils investing in commercial property and how we can best respond. "It is almost inevitable that the ability of local authorities to purchase commercial property investments will become more restricted, although the details remain uncertain."

Local authority investment in commercial property is under threat on 2 fronts. The Treasury is consulting on restricting the use of Public Works Loan Board (PWLB) lending for commercial investment; and a Private Members Bill is also making its way through Parliament, which could severely limit the ability of local authorities to invest in commercial property.

At the same time, the Covid-19 crisis is fuelling concerns about loss of rental income and falling capital values. Against this backdrop, we look at how councils should respond.

How much have local authorities invested and why?

The trend of councils investing in commercial property originally stemmed from their desire to fund regeneration schemes and gain control over local assets, to assist in the regeneration process. This has particularly focused on secondary town centres and those with obsolete high street offices or tertiary retail.

However, the motivation has increasingly switched to providing income for local services, against a backdrop of reduced funding from central government. Indeed, the Local Government Association estimates that councils have faced a reduction of nearly £15bn in central government funding over the last decade.

Where investment has been solely for income, purchases have not been restricted to properties within the local authority's boundary, and 'off patch' investments have become an increasing trend. For example, the National Audit Offices estimates that 47.9% of all acquisitions by value in 2018/19 were outside the boundary.

Councils have purchased a significant amount of commercial property over the last 4 years, totalling over £7 bn. Investment peaked in 2018, at more than £2.2bn. Although investment levels have reduced over the last year, Q1 2020 still saw purchases totalling £325m. The highest proportion of investment since 2016 has been in office property, accounting for 44% of the total, with retail accounting for 31%. Industrial accounted for 14%, with the remainder in mixed-use or other sectors.

The volume of property bought by local authorities has been buoyed by their ability to outbid other purchasers. This is primarily because they can access cheap government borrowing through the PWLB, with the rate for 50-year new maturity loans at just 1.81% until October 2019.

The government has become increasingly concerned about the level of investment and potential for excessive risks to be taken. In its February 2020 report "Local authority investment in commercial property", the National Audit Office highlighted a risk that some local authorities could have paid a premium above the market rate, due to the low rate of borrowing available through the PWLB.

In October 2019, the Treasury responded to the increased level of PWLB borrowing to fund commercial property investments by raising the borrowing rates for PWLB 50-year new maturity loans by 100bp, to 2.82%.

How could investment be restricted?

The Treasury is now undertaking a consultation on the use of PWLB lending by local authorities for commercial investment, due to close on 31 July. Specifically, the proposal would prevent local authorities from buying investments primarily for yield, while maintaining their ability to undertake regeneration and provide housing. A definition of 'debt-for-yield activity' would be developed, although it accepts that there will always be an element of judgement.

Once a new system is in place, it is intended to reduce the interest rate on new PWLB loans (subject to market conditions). It is important to note that the consultation does not cover investment using other funding sources.

Simultaneously, a Private Members Bill aimed at curtailing local authority commercial investment activity is going through Parliament. Officially titled the "Local Authorities (Borrowing and Investment) Bill 2019-21", its second reading is scheduled for 11 September this year.

Although the exact wording of the Bill is yet to be announced, should it pass into law, it could heavily restrict the ability of local authorities to purchase outside of their boundaries, limit their power to invest in commercial risk-taking enterprises; and limit their borrowing for non-core activities.

We do not think it likely that all investments will be banned, and it is therefore likely that any restrictions will still permit regeneration and purchases for economic development purposes. However, some sort of assessment criteria may be required before funds can be drawn down.

What should councils who own commercial property be considering?

The impact of Covid-19 is likely to have a significant adverse impact on local authorities, as it will do for all commercial property funds, and it is not impossible that a number of local authorities could experience severe financial difficulties. In addition, local authority balance sheets are clearly vulnerable to a sharp fall in the capital values of their investments.

Loss of commercial property income will now be a concern to those local authorities who rely on this to help fund services. It is a particular concern for the retail sector, which has accounted for nearly a third of the value of local authority purchases over the last 5 years, much of it in secondary shopping centres (and much falling into the regeneration category, rather than investments purely for income). However, office and industrial property will also be affected.

Some of the impact will be immediate as tenants cease trading or seek a rapid rebasing of their rent, in order to remain a going concern. Other impacts will take longer to feed through as some occupiers choose not to renew leases on expiry, or exercise break options.

In these challenging circumstances, local authorities should look to mitigate the impacts by reviewing their portfolios and identifying opportunities for added value or change of use, which could enhance the income returns from their assets.

What are the potential options for councils who still want to invest?

If investment in commercial property is restricted, what are the alternative investment opportunities for councils, assuming they are still going to need to generate income streams from somewhere? A number of property-related options could be considered:

- It is likely that investment for regeneration will still be allowed in some form, as politicians are unlikely to cut off a route of funding for regeneration, particularly given the government's 'levelling-up' agenda. Therefore, opportunities which assist regeneration are likely to remain on the table
- Investing in sectors that are not likely to be prohibited – there are numerous green energy investments which could be classified separately to commercial investment, and MPs are very unlikely to hinder those councils aspiring to meet their carbon neutral targets by withdrawing funding to this sector. Other opportunities could include strategic locations for waste to energy plants, for example
- Sale & leasebacks – if a council wishes to liquidate some funds quickly, it could offer a sale and leaseback on property in their portfolio. They could, for example, grant themselves a head lease on a 30 to 40-year term and sell this to an investor, for say 3%, thereby turning a 6% investment into a 3% one, and doubling their receipt. There are still risks and uncertainties associated with this option, for example, who would be responsible for capex on the building during void periods? However, a sinking fund from the capital receipt of the sale could be used to offset these costs
- A number of alternative sources of finance are potentially available:
  - Local authorities could partner with property funds (who also need to generate income), and we are aware of funds looking to put together long loans at low yields. A potential problem is the need for the funds to protect themselves against inflation over such a long period, which could necessitate an inflation-linked or stepped interest rate
  - The PWLB lending rate is now similar to what is being offered through normal commercial lending channels, which remain available to local authorities
  - Inter-council lending through municipal bonds
  - Identifying where surplus receipts could be invested.

To conclude

We believe that the overwhelming majority of investment has been undertaken prudently within the rules, and with good knowledge and advice on the risks associated with investing in commercial property. Indeed, it has been instrumental in assisting local authority funding.

It is almost inevitable that the ability of local authorities to purchase commercial property investments will become more restricted, although the details remain uncertain. Together with the broader uncertainty, local authorities should be considering the strategic implications of this, as well as the impact of Covid-19 on their existing assets.

Carter Jonas has acquired a number of investment properties for local authorities since the trend began and has an in-depth understanding of the rules and procedures in place with our public sector clients. Combined with our expert market knowledge in the key regional cities, we are well placed to advise on alternative income opportunities for councils going forward in the face of changing sentiment and legislation.

Steve is a Member of the Royal Town Planning Institute and National Head of Lambert Smith Hampton's Planning, Development & Regeneration team, with hub offices in London, Bristol, Birmingham, Manchester and Newcastle. Steve has over 28 years' experience advising the public and private sectors on the regeneration and transformation of Britain's town centres and high streets. He has helped deliver major retail and mixed use development in many of our cities and towns, and is advising on the recovery, revitalisation and repurposing of our struggling towns and high streets. Examples of the diverse towns and places where Steve and his team are currently advising include Dartford, Doncaster, Basingstoke, Camberley, Aldershot, Winchester, Walsall, Gosport, Clacton-on-Sea and Wolverhampton.

HIGH STREET CHANGES

From despair to where? How the fallout from Covid-19 on UK retail will drive change across the high streets

Dr Steven Norris snorris@lsh.co.uk

Much as Covid-19 impacts the most vulnerable, in a cruel twist of fate, drastic measures to contain the pandemic will have serious consequences for the UK's already beleaguered retail sector. Here Steve examines the fallout and considers what accelerated change could mean for the future of our town centres. He remains optimistic about adapted high streets.

Early costs of Covid-19

According to the Office for National Statistics (ONS), the enforced closure of non-essential retail on 23 March 2020 prompted the sharpest month-on-month fall in retail sales values on record, down 5.7% from February and 6.0% year-on-year. With only the last week of March being in lockdown, April's figures will appear catastrophic.

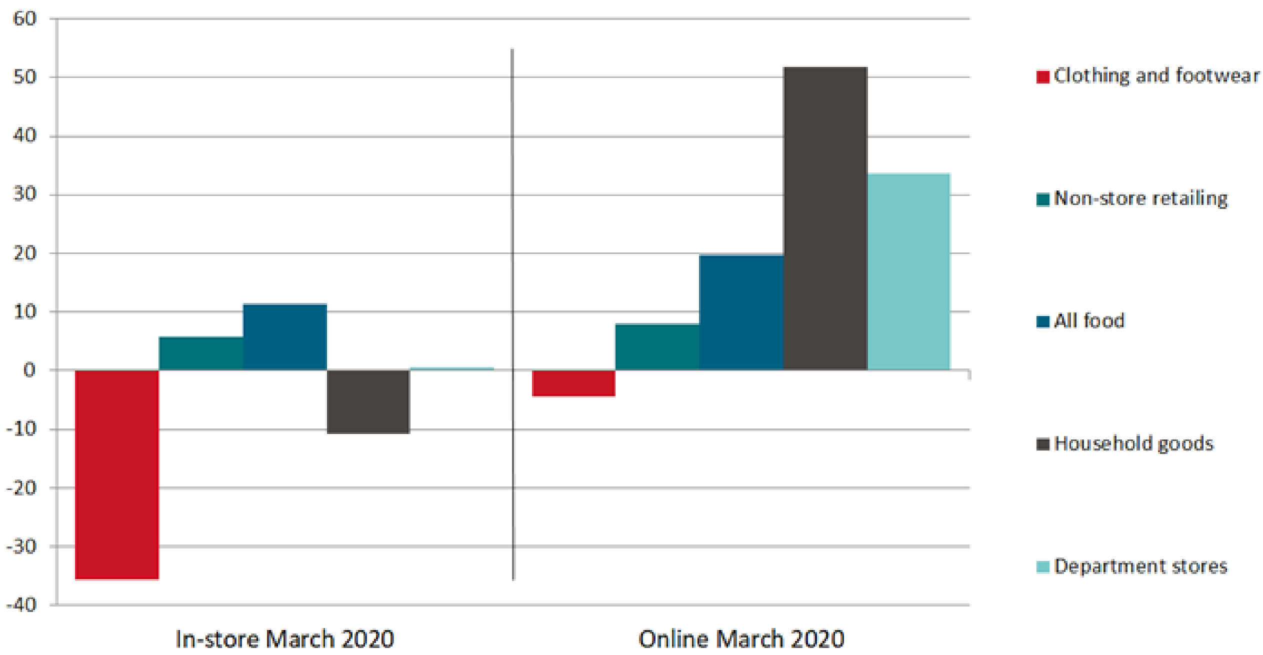
A number of retailers were tipped into administration as the crisis started to take hold. This includes household names such as Debenhams, Oasis Warehouse and Laura Ashley, while Cath Kidston announced closure of all 60 of its UK stores. Well-known food and beverage (F&B) operators have also gone into administration during lockdown, including Carluccio's and Chiquito.

Permanent flight to online?

While the supermarkets have funnelled the nation's spend, out of necessity, spending has flowed to online retailers. According to ONS, online sales in March were up 12.5% year-on-year, including a substantial 51.8% growth in sales of household goods. The question is, will some of this increased online consumer behaviour stick after the crisis has passed? It is perhaps too early to tell, but it is reasonable to assume that the crisis will fast-forward projected levels of online spend, that were several years away, into the near present. Accordingly, this will impact sharply on the need for physical stores.

While there is talk of 'revenge spend' post-lockdown, particularly in F&B, there are concerns that anticipated increases in

Annual growth rates for value of sales in-store and online by sector, March 2020
Source: ONS – Retail Sales, Great Britain: March 2020



consumer demand post-lockdown will be dampened by weaker consumer sentiment and higher unemployment.

Lifeline or stay of execution?

The lockdown was accompanied by a massive package of government support designed to keep retailers in business and protect jobs. Key measures include a 12-month business rates holiday, cash grants for smaller businesses, allowance to delay rent payments for 3 months and, most significant of all, a wage subsidy of up to 80% of median salary for furloughed employees.

Yet, unprecedented as these measures are, for many retailers it will simply not be enough, and more failures are expected after the pandemic passes. With a flood of retailers requesting rental concessions, only one third of quarterly rents due at the end of March 2020 were paid in full, with Q2 rental collection bound to be much, much worse.

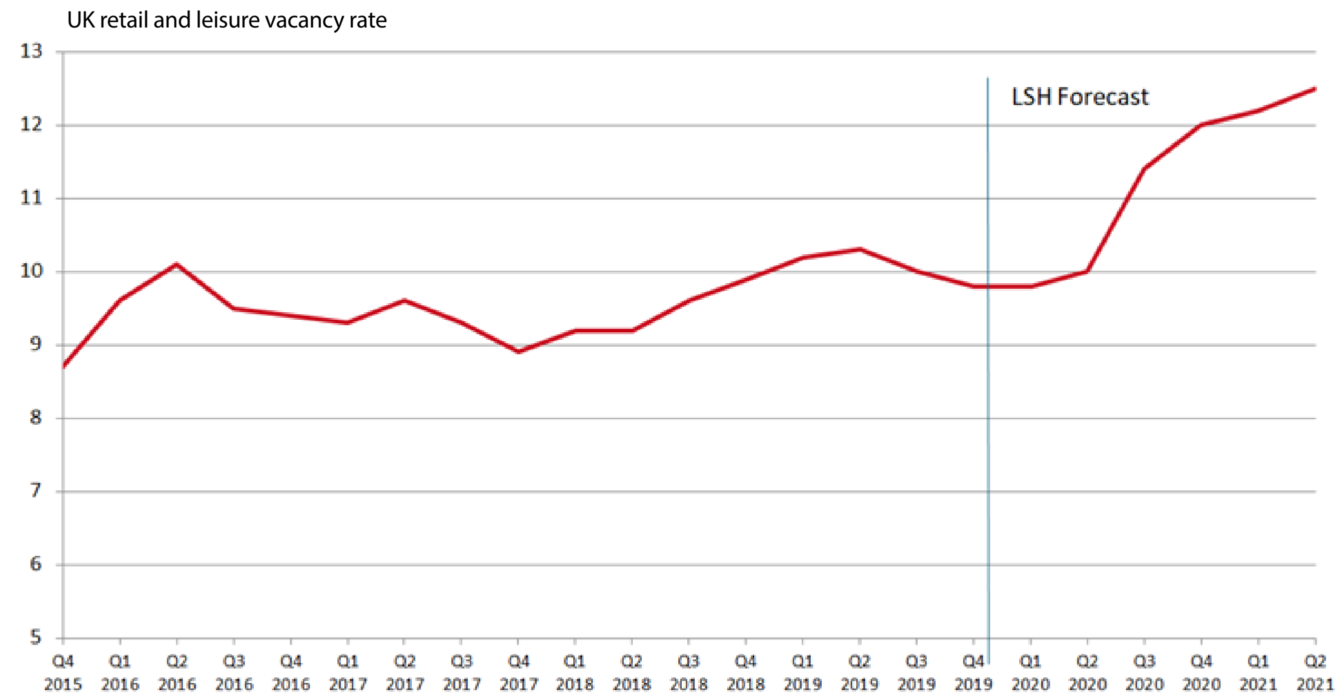
The British Retail Consortium recently issued guidance to the UK government on social distancing for non-food retail stores. But, as talk of easing restrictions is gathering pace, it remains to be seen how the retail sector and consumers will react. Difficulties of trading amid social distancing measures and fears of poor trading levels mean many stores simply may never reopen their doors.

A bleak-looking high street 2021

The coronavirus will act as a death knell for many retailers, already pushed to the brink by ecommerce and now weak consumer confidence. The Centre for Retail Research estimates that over 20,620 stores may not reopen after lockdown, an increase of 28% on 2019 store closures, with a quarter of a million job losses. By year end, 1 in 10 UK retail units are set to be vacant, equating to a UK-wide vacancy rate of 12% (see graph overleaf).

From crisis to opportunity: 5 trends to watch

While some well-known retailers will disappear as a result of the current crisis, the high street itself will not die. The UK retail sector may be profoundly changed, but the hastening of trends such as migration to town centres and demand for new retail experiences may ultimately breathe new life into high streets.



source: Springboard, LSH Research

1. Survival of the fittest retailers
   Retailers that survive the crisis may find that their market positions are strengthened, as some of their competition disappears. Those in the best position to prosper may include strong high street names with a good mix of online and in-store operations, and discount fashion and household retailers with well-defined value propositions. Local independent and artisan retailers may also be able to prosper by tapping into consumer demand for new retail experiences.

2. Retail to residential conversions accelerated
   With new housing delivery high on the UK government's agenda, and significant construction delays already caused by Covid-19, some landlords and developers may take the opportunity to ramp up plans to re-purpose struggling retail properties into residential units. The build-to-rent model will continue to thrive in town centres, as it is the preferred option for investors seeking long income streams.

3. From goods to services
   With town centre populations increasing due to retail-to-residential conversions, demand will grow for a wider range of high street amenities to serve local communities. Shops will only be one part of the high street mix, and some retail space may need to make way for care and community uses. Services that are more usually located in the suburbs will have an increased high street presence, such as education, healthcare facilities, dentists, hairdressers and beauticians.

4. New retail experiences
   With the lockdown likely to provide a permanent boost to online retail activity, the onus will be on physical retailers to attract consumers back to the high street, offering unique experiences that cannot be replicated online or at home. This may encourage the growth of pop-up shops, independent eateries and experiential retailers. Town centres with unusual selling points will be best-placed to attract consumers; and the government and local authorities may need to rethink how funds such as Future High Street Fund and Towns Fund are allocated to de-clone high streets in the post-pandemic world.w

5. Growing need for local retail provision
   With the Covid-19 lockdown potentially accelerating the trend towards working from home, commuter numbers could fall, leading to reduced footfall in major business districts. Conversely, local shops, cafés and restaurants convenient to homeworkers may experience increased demand. Smaller walkable local and neighbourhood centres serving local communities may ultimately benefit from the changing geography of retail demand. We could be on the brink of an exciting new era for the "butcher, baker and the candlestick maker", as more discerning consumers choose service and individuality, ahead of clone shops and towns. But for these local shops and centres to flourish, reform will be needed of our archaic business rate, rent and leasehold models that threaten to "strangle" the life out of many of our new and innovative businesses.

The onus will therefore be on local planning authorities to take a more pragmatic and sympathetic approach to new development in the post-lockdown world. For example, the use of Permitted Development Rights will be important to expedite changes of use where correctly applied. No two town centres are the same, so the planning system must be able to respond flexibly to the strengths and challenges of individual locations, to enable them to flourish in the future.

Roland is a Partner within the Planning Consultancy team of global property consultancy Knight Frank. He has 15 years' experience working within the sector, leading on a number of complex development projects on behalf of the public and private sectors across London, the South East of England and overseas. Roland specialises in land promotion and residential-led developments, providing strategic planning advice to housebuilders, developers, local authorities, and private individuals.

LAND PLANNING OPPORTUNITIES

Bringing future development forward in a post-pandemic world

Roland Brass Roland.Brass@knightfrank.com

The government target to build 300,000 new homes a year, plus supporting infrastructure, remains paramount, and might seem as challenging as ever. However, as Roland explains, the current situation can create an opportunity to take stock, and identify and promote land with development potential through the plan-led system.

A plan-led approach

In these most uncertain times, the UK's planning system soldiers on. It is positive that the government clearly sees the development and construction industry as central to boosting and driving the economy forward; planning should be an enabling process rather than a hindrance. In terms of housebuilding, the national target remains at around 300,000 new homes p.a., with additional infrastructure also planned to support this growth.

The impacts of Covid-19 are considerable and complex, affecting almost all walks of life. However, the pandemic is providing a time to take stock and, especially with regard to development and planning, providing an opportunity to review existing assets or identity new opportunities.

The UK planning system is underpinned by the plan-led approach, as prescribed by the National Planning Policy Framework, which aims to pave the way for sustainable and well-planned development to be brought forward in a coordinated manner. Simply put, to get the right development being brought forward in the right place at the right time.

Most recently, the government has suggested that radical changes to planning can be expected and that these will 'speed up' and increase 'certainty' in the planning process. These changes appear to be more focused on planning applications and decision-taking, rather than plan-making. It is clear that the plan-led system will remain, albeit with the potential for more prescribed local design guidance, to raise the bar for design quality. There is talk of a new 'zonal planning' system; however, we at Knight Frank think this will be focused on identified regeneration areas or larger scale masterplans, which to begin with, will need to be identified via the local plan.

The 'Planning for the Future' policy paper (March 2020) stated that all local planning authorities (LPAs) will soon be required to have up-to-date local plans, with interventions being triggered if the new requirements are not met. The implication here is that local plans should be progressing regardless of Covid-19, with all LPAs having fully established plans in place by December 2023 at the latest.

In reality, this will be a challenging target to achieve, especially as less than half of all LPAs across the country have national policy compliant adopted local plans in place. As a result, in many locations, uncertainty around future growth is stifling co-ordinated growth and prohibiting new sites from coming forward. This hurdle is of course heightened by the inevitable impact of Covid-19, causing further delays to plan-making, in spite of the best efforts of the industry to adjust to new ways of working.

This is frustrating across the sector. However, the fact remains that local development needs must be met. Any slowdown in recent building work might require additional land and accelerated schemes to combat the severe housing shortage. It is also worth noting that, while land for housing seems to snatch all the headlines, a limited supply of developable land is affecting many other sectors – including employment and logistics, commercial, infrastructure and community services, to name a few.

Land promotion

Therefore, as a result of a combination of factors, for those who hold land, now is the time to consider or sense-check its planning potential for development in the short, medium and long-term. A straightforward and up-to-date planning appraisal of any brownfield or greenfield assets might uncover an opportunity that warrants pursuing further.

One of the main ways to seek to bring land forward is via the land promotion approach, especially where a planning application is not considered to be the appropriate strategy, perhaps due to policy conflict, costs or existing use. The land promotion angle is generally lower risk and lower cost at the outset. However, timescales can be longer, with the ultimate objective being to influence emerging planning policy, to achieve a site allocation for development in a local plan. Such an allocation would establish the principle for development on the site and pave the way for a planning application, thus significantly reducing planning risk.

The land promotion approach can apply to any site and can be adopted at any point in time. It is best to commence at the start of the local plan-making process. It also represents a 'Plan B' to any planning application approach, and can be undertaken simultaneously. Key tasks such as assessment work can serve a dual-purpose, to support both applications and representations.

The local plan-making process is thorough and follows a pre-determined process, as set out in Town & County Planning Regulations (2012) and National Planning Practice Guidance (NPPG). The statutory role of plans is to *'set out a vision and a framework for the future development of the area, addressing needs and opportunities in relation to housing, the economy, community facilities and infrastructure – as well as a basis for conserving and enhancing the natural and historic environment, mitigating and adapting to climate change, and achieving well designed places. It is essential that plans are in place and kept up to date'* (NPPG).

Emerging local plans travel through various regulatory stages and the draft local plan is generally subject to a minimum of 2 stages of formal consultation (Reg. 18 and Reg. 19) before being submitted to the Secretary of State for Examination in Public by an independent planning inspector. Each stage of consultation is an opportunity to promote land or to contest its inclusion in the plan, depending on your perspective.

The key test for the inspector to consider revolves around whether the submitted local plan is sound or not. To be found sound, a local plan must demonstrate compliance to various legal requirements, including the duty to co-operate, and policies must be positively prepared, justified, effective and consistent with national policy. Policy rationale must also be based on a clear and transparent evidence base which supports the local plan.

This whole process is complex and local plans take several years to prepare: the examination stage generally lasts 18 months-2 years. The bar is high, and as seen over the last 6 months, various local plans have failed or have encountered serious obstacles, such as at Chiltern & South Bucks, North East Essex Authorities, St Albans, Sevenoaks and Uttlesford.

Process aside, if a site is considered to contribute to sustainable patterns of development, it will have a fighting chance to come forward for development over time. Such sites are in logical and accessible locations to accommodate future growth, being free from constraints (or that any constraints can be reasonably overcome) and can meet local development needs, while delivering benefits.

In order to achieve local housing targets and other development needs, local plans need to consider a range of sites. Size, location and type are often required to support a deliverable and flexible growth strategy. This means that any potential land opportunities – including brownfield, green belt, small sites in rural or urban locations, strategic large-scale urban extensions, and new settlements – which can tick any of the above boxes, should be put in front of the planning policy team within a LPA.

Representations

In order to put a site forward to the LPA, the landowner must participate in the plan-making process, by submitting representations at the formal consultations stages. It is also essential to submit details to any 'Call for Sites' exercises, which pull together all potential development sites for the LPAs to assess.

Representations are prepared in all shapes and sizes and every site opportunity is different. They range from a short letter, to more detailed technical submissions and vision documents. The more detailed submissions generally reflect the scale of the opportunity and/or respond to the draft policy position, as sometimes representations will be supportive and seek to protect a position, whereas at other times, they might seek an alternative policy approach.

Following best practice, representations should first and foremost focus on adopting a strategic mind-set and comment on the soundness of the local plan, clearly stating whether the inclusion of the site can reinforce this. Clarity of fundamental points, and recommendations which seek to be proactive and are backed up by an evidenced approach, are necessary to make a robust case for development, which could ultimately stand up at examination.

It is important to acknowledge that LPAs cannot possibly know the detail of all land that may become available, and is developable. Thus, when promoting a site, we consider the key positive messages including:

- Contribution to sustainable patterns of development
- Logical location for future growth
- Accessible location close to local amenities, transport links, public transport, footpaths and cycleways – these can be existing or planned

- Land ownership – single ownership would make for more straightforward delivery
- Strong market interest, especially from a particular sector, such as senior living
- Potential to provide land for local infrastructure on site, such as a primary school
- Improved public access to land for recreational purposes or enhancing the beneficial use of open land and/or green belt
- Environmental net gain
- Being free from constraints or designations. If this is not the case, mitigation must be possible to address any concerns
- Improved highways works, either on-site or off-site
- Economic benefits at local level and borough-wide
- High-quality master planning and design, as well as being an exemplar development.

Our Knight Frank approach will often include consulting and seeking community buy-in for the site from the local community, key stakeholders or statutory consultees, as this can significantly help the case for development. An important task from the outset is to identify key influencers, and how these parties might be meaningfully engaged with.

While adding cost, additional site technical studies may be necessary to demonstrate deliverability, proving that any potential constraints can be overcome – such as those relating to highways, drainage, landscape and heritage. High level master planned capacity studies can help to justify the proposals and present a vision for the site. To address any major concerns, a pre-application meeting with the planning department or highways authority might be sought, and any formal written feedback can be used to support the case for development. Knight Frank will always advise on the most effective options to suit the client's long-term objective. Often this additional investment helps de-risk the process, and allows greater certainty when it comes to selling the land, or financing development, where the landowner decides to deliver it themselves.

It is important to remain commercially minded throughout the land promotion process as it is vital that any proposals stack up. Viability information can help demonstrate deliverability and a LPA will need to consider the overall viability of the plan during its preparation. In addition, partnership working and joint ventures, in particular between the public and private sectors, are becoming increasingly commonplace, to achieve shared goals and returns, and better manage risks.

LPAs ultimately determine site allocations based on a myriad of interlinked considerations, which must form part of the local plan evidence base. Some of these include local development needs (at borough-wide and settlement level), land type (brownfield or greenfield), existing use, access and highways capacity, physical, social, green and blue infrastructure provision, future planned development, the environment, landscape sensitivity and capacity, heritage and conservation, policy designations (e.g. green belt), economic benefits, and other benefits of the proposals.

Successful land promotions are built on a proactive approach. Positive planning officer relations, and being on the front foot to address any potential obstacles to development or concerns from the LPA, or other statutory consultees, is essential. In our experience, it is the conversations with officers between the formal stages of consultation which are the most valuable, in relation to understanding key issues and preparing a strong case for development.

For anyone seeking to bring land forward for future development through the planning system, there are risks attached to land promotion. Positive and meaningful engagement with LPAs and other stakeholders can be challenging or frustrating at times, and of course the layer of local politics at a borough or parish level can also influence things. These factors are also prevalent for any planning application, and must be similarly tackled in an appropriate manner, while seeking to minimise planning risk. Good advice and a clear planning strategy at the outset are paramount to saving time and money in the long run.

Local plans continue to form the cornerstone of the UK planning system, offering an important route to help bring forward development. Therefore, an understanding of how to make the best case for development to LPAs is crucial, if one is to engage in the plan-making process.

KEY WORKER HOUSING

Key worker housing during Covid-19

Tim Lowe tim@loweguardians.com

This is the first of 2 articles prepared by Lowe Guardians, highlighting 2 aspects of the fallout from the current health crisis on guardianship rented affordable housing, in this case, for key workers. "Covid-19 shines a light on our key workers, we must do more to prioritise them…There needs to be a community effort to care for those who care for us."

If the Covid-19 pandemic has demonstrated one positive thing in the UK, it's the extraordinary courage, dedication and commitment of our key workers across the country. The virus has shone a light on the vital work they do every single day, providing essential services that simply must keep running, no matter the circumstances.

It's not just the doctors, nurses and care home workers that have been on the front line either. It's the bus drivers, the police, the school teachers, the supermarket workers and the prison officers that have continued to put their lives at risk to keep the country running. Global pandemic or not, most of these workers must show up for work at all costs.

Working from home

On the other hand, the Covid-19 virus has also demonstrated that many industries don't require all of their employees on site. Companies are facing up to the fact that remote working in 2020 really does work, and employees can remain connected from home. It is yet to be seen how Covid-19 will fundamentally shift our everyday lives in the long term, but increased remote working (for many of us) is a strong possibility. The Office for National Statistics has found that despite hospitality, and health and social work accounting for over 25% of all employment in the UK, only 16% of these people have ever worked from home. So those with location-specific work, primarily essential workers, must be given priority for housing over those who have the capacity to work from home.

If you take London in particular, it doesn't seem right that a nurse has a 60-minute commute from out of town, while a private sector worker on a higher wage can live more centrally AND work remotely anyway. Something has to give. We carried out research in 2017 that found that 54% of 'blue light' emergency service workers that serve London do not

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

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

Key worker accommodation, Greenwich


Key worker accommodation, Red Lion Street


Key worker accommodation, Stratford

live in the city [Ed – see 2017/18 Winter Terrier]. That percentage is likely to be even higher now. Spiralling rents, which have increased by over 20% since 2011, are intensifying the problem.

Increase in key workers

With many losing their jobs to Covid-19, there has been a significant increase in people taking on jobs in essential services. Events, entertainment and hospitality have been hit especially hard and as the end of furlough is now in sight, redundancies are increasing. According to online recruitment agency Onrec, there was a 144% increase in Google searches for care work and a 371% increase in post office job searches. The top 3 job roles currently available are support worker, nurse, and schoolteachers. With this employment shake-up, we will inevitably see an influx of entry level key workers who will be in desperate need of affordable housing, as the ramifications of pandemic play out.

Retention

We have been reaching out to our key workers currently living in LOWE properties, to better understand their situation during Covid-19 and were shocked by the response. Despite the recognition of the key workers' service during the pandemic, shifts have been cut, leaving the key workers in a financial predicament. One A&E nurse we spoke to was grateful to get 3 shifts a week, down from a full-time workload. Figures published by the UK government show that A&E attendance has dropped by almost half since March and as such, the demand for nurses in A&E has also dropped. However, rather than be redeployed to intensive care, many are simply given less shifts. Another guardian, a health care assistant, noted this bizarre disparity between health care workers' experiences. Those redeployed to intensive care to assist with the Covid-19 effort experience immense stress and extremely difficult hours, whereas bank nurses and other contractors struggle to find work and experience great difficulty in being furloughed.

The Royal College of Nurses states that roughly 7,000 nurses answered the NHS call for nurses, and came out of retirement to help with the Covid-19 effort. In light of this data, and the contradictory comments made by our key workers, it seems there has been a breakdown in the safeguarding of our health care workers. It is evident we need to be supporting our key workers more than ever.

Although we clap for carers, fear of Covid-19 has people keeping key workers at arm's length. At LOWE, we have experienced an increase in enquiries from health workers who are finding it nigh on impossible to get affordable housing. We have heard first-hand reports of people being turned away from rentals, due to their exposure to Coronavirus by the nature of their work. There needs to be a community effort to care for those who care for us. Without a plan to retain our health care workers in the city, there will a significant decrease in the quality of care.

Looking ahead

As we look to the future, we must prioritise and protect the wellbeing of our key workers, who will never have the luxury of working remotely.

In 2017, we first launched our LOWEkey initiative, as we recognised that in London, key workers including the police, health, education and those working in non-profit sectors, are being priced out of the areas they work in, despite giving so much back to the local community. The coronavirus pandemic has only exacerbated this pre-existing issue and it is time we, as a community, shoulder this responsibility and face the key worker crisis head on.

The LOWEkey initiative prioritises key workers across our properties, with an affordable rental solution close to their place of work. Currently 40% of our guardians are key workers. However, we can (and we will) do so much more through targeted marketing and forging relationships with trusts, housing associations and property services.

Our key workers are rightly being celebrated right now. But praise on its own is not enough. We hope that once this pandemic is over, there will not only be a new-found respect for all of our key workers, but concrete changes will be made by the government to support them. Here at LOWE, we will be playing our part too.

Millie has been the Community Manager with LOWE for a year. Hailing from 'Down Under,' the vibrancy of London was irresistible, and she has settled now in South London. Guardianship attracts the most interesting and socially minded people and as Community Manager, her work is to bring these people together and support them in their various endeavours. LOWE has worked to provide affordable housing to key workers and young professionals since its inception in 2016, and this work has only become more crucial in the time of Covid-19.

GUARDIAN LIFE IN LOCKDOWN

Millie Watson millie@loweguardians.com

Now here's an uplifting article from Millie at Lowe Guardians, who shows how the responses to lockdown in communal housing doesn't have to be containment – it can transform self-isolation "from inconvenience to opportunity."

Social distancing, self-isolation, quarantine – these words don't exactly give you the warm fuzzies. Despite the extremely important role these words have to play in ensuring our safety, it's starting to feel like we're all orbiting around our little universes and drifting further away from shared experience. Communal living in a guardianship during a pandemic presents a unique challenge, with the biggest issue being containment. Self-isolation requires a communal effort to ensure that a person is fed, appropriately quarantined, and the property remains at a high level of sterilisation. However, when you fill a property with the right people, these issues are quickly overcome, and the lockdown transforms from inconvenience to opportunity.

The right people are caring, and shoulder the responsibility they have to their fellow guardians. With a household as diverse as the cast of Tiger King, we at LOWE are lucky enough to have the right people at our Plaistow property. We checked in with our Plaistow Head Guardian, tech whizz and all-round DIY genius James, to show us exactly how guardianship should be done.

So here is…

James' Guardian Guide to making the most of unprecedented times

Step 1: House dinners

Ever heard of "too many cooks"? When there are 12 people in the house, each with their own agenda in the kitchen, things can get busy. For our Plaistow guardians, James said the ultimate lifesaver was cooking and eating together. Not only does this ensure that everyone touches base with another human during the day, but it also means that the guardians can buy in bulk and cut down on costs. With a rota for chef and sous chef of the day, no one is overburdened with responsibility and no one is stuck eating chicken nuggets every day.

Step 2: House proud

When you live somewhere for a while, it's easy to get settled into your established space and forget the latent potential in those nooks and crannies you walk past every day. James and his fellow guardians have not fallen into this trap. To date they have:

- Created an office workspace for people working from home, helping ease the burden on communal spaces and offer a quiet zone
- Cleaned out the shed to create a workshop that is well stocked with tools and materials
- Arranged the living room (aka cinema room) to accommodate all 12 guardians for movie marathons – nothing like a Tarantino marathon to kill time
- Put in the hard yards to clear the garden and make it functional for activities.


Courtesy of James Dovey, a LOWE guardian

Step 3: Pump up the jam
By repurposing a crazy variety of buildings, the living spaces available through guardianship are often so much more extensive than those available in traditional renting. Our Plaistow property has the unique feature of a full playground, a basketball hoop and a lovely garden with a BBQ. For the Plaistow guardians, this vast space meant one thing – a ping pong table. A communal effort acquiring the table has resulted in a sharp increase in guardian competitiveness, and we have some hopeful late entries into the deferred 2020 Olympics table tennis competition.

There is daily Yin Yoga in the morning, which has an incredibly good turnout every day. James found the Yin Yoga especially helpful, as sitting at a computer all day at home, where the ideal work conditions can be hard to reproduce, has been hard on his back. After a spot of yoga, a workout in the home gym, or a circuit in the garden, our East London guardians channel the spirit of Michael Jordan, as the abandoned basketball hoop gets a daily dunking.

Step 4: Huh, you're pretty good at that
NBA Jam aside, we have some incredibly talented people living at this property who are really good at what they do. With this extra time together, James and the guardians have arranged a skill swap to get a free education out of a bizarre situation. This property has a disproportionate number of tech savvy people, and one guardian has even been working on a Covid-19 quarantine game – nothing brings people together like being a human guinea pig.

Lined up for the skill swap, they have game design, open mic night, carpentry, a bike workshop, choir practice, coding workshop, cinematography and editing. That's just for 2 weeks! Watch this space, after the lockdown lifts, the most capable group of guardians will be emerging.

Step 5: Pull together
As the global situation has changed, so too has life in Plaistow. James told us about the early days of the pandemic, when he and some other guardians fell ill. He recalled his gratitude to his house mates, who brought him food and continuously checked in on him. Checking in is the most important part of these isolation times. No-one is going to be happy every day during this period. Being cut off from friends and family is immensely difficult and James and the Plaistow guardians have found it vital to check in with each other, as they all adhere to their strict no-guest policy. Try to go beyond a casual "how's it going?" and make sure your housemate has the space to talk if they need it.

Guardianship attracts inventive people who are practical, patient, and invested in community. This lifestyle is often typecast as alternative and transient. The truth is guardian communities create homes with each other. The roots of their community are immune to a change in postcode. At this property we have 8 guardians who met at a previous LOWE guardianship and have now lived together for 2 years. They are all invested in each other, and that feeling can't be quarantined. Every new guardian who enters the Plaistow property can't help but buy in to this positive home.

We are constantly amazed by the ingenuity of our guardians, and we are grateful to them for leading by example by being safe, and taking care of each other. There are no two ways about it – quarantine is hard. But by taking steps like James and the Plaistow guardians to help each other and improve each other can make it that much more do-able.

Chris has over 36 years' experience in the parks industry and is currently Rugby Borough Council's Parks and Ground Manager and also vice chair of the West Midlands Parks forum. Being passionate about parks and green spaces for as long as he can remember, he became a Green Flag Award judge from the very start of the awards and over the past 22 years of volunteering, has had the opportunity to judge many hundreds of parks both around the UK and beyond. He has undertaken a number of international judging tours including Spain and the Middle East. For his service to the Green Flag Awards and public parks he was awarded in 2016 an MBE in the Queens 90th Birthday honours. More recently Chris has been appointed to the governments Parks Action Group as the Parks Practitioner member.

PEOPLE NEED PARKS

Chris Worman MBE chris.worman@rugby.gov.uk

Chris back in 2019 Spring Terrier outlined his case for the importance of public parks for health and wellbeing, and his role in the government's Parks Action Group. Unfortunately, due to other government priorities over the last year, work has largely stalled. Here Chris writes about just how vital our parks are and calls for realistic acknowledgement and funding for this "essential national infrastructure". "Sometimes located in our most disadvantaged communities, the need to access quality green space for mental and physical wellbeing is vital…."

Where did we go wrong?

"People need parks" were the words of the Secretary of State for Housing, Communities and Local Government at the Downing Street daily coronavirus briefing. Never before have our nation's, indeed the world's, parks been in such focus and demand, and while to some the decision to keep them open during the pandemic has sparked questions, to others they have been a lifeline.

As a parks professional of over 36 years, it's been fascinating to see ministers, and even the Prime Minister, talking about the important role parks and green spaces play in our nation's health and wellbeing. At the time of writing, they are still the only communal space where people can meet others from outside their household (while observing social distancing).

Ironic, therefore, that nearly 150 years after the Public Health Act that provided the impetus for local authorities to build public parks, at a time of a global health emergency, the people need parks. Once again it highlights just one of the many benefits of parks and exposes (yet again) the low funding priority that they have suffered from for many years as parks services struggle to cope.

Why don't decision makers see what everybody else can see? Where did we go wrong, and more importantly, what can we do to ensure our parks and green spaces fulfil the needs of both the community and the planet?

We owe it to the tens of thousands of people that have sadly died and the many thousands more in the NHS and key

All photographs courtesy of Rugby Borough Council

Redeployment of parks staff

services that have pulled us through this experience, to bring a legacy of change and improvement to our nation's green spaces. A legacy where we value things that matter, that provide a sense of community and place, and where the wider public benefit is acknowledged, and we move away from focusing on how much it costs to cut the grass. Should the legacy be to protect, maintain and secure quality green spaces for all as a statutory duty?

Covid-19 has brought many challenges to the sector, but has also focused a lot of attention on how people engage with their local green space. Some people have rediscovered spaces on their doorstep that they haven't visited in years, while others struggle not to sit on the grass, soak up being outdoors and enjoy the sunshine, even when they know they shouldn't.

This has been most evident in those communities across the UK where residents live in high-rise flats, apartments and terraced houses with no gardens. Sometimes located in our most disadvantaged communities, the need to access quality green space for mental and physical wellbeing is vital, albeit while abiding by social distancing. It has also highlighted the social inequality between those that can access quality green space and those than cannot. It has seen our communities visit parks in their thousands, as we all try to cope with so many of our taken-for-granted freedoms are temporarily curtailed.

Recent surveys by the Association of Public Service Excellence, Greenspace Scotland and the Midlands Parks Forum (MPF) all put the compliance with social distancing at the height of lockdown at around 90%. While there were some high-profile media cases where parks had to close, the majority have stayed open for people's daily allowed visit for exercise. Indeed, the scientific advice is that "you are much less likely to touch an infected surface and suspended particles will be massively diluted in the fresh air".

Disrespect and Covid-19 consequences

However, it's also worth noting that as lockdown eases, parks are having to close because they cannot cope with the sheer numbers of people that are using them. Being the only place where people can socialise, some people are treating them with an astonishing amount of disrespect, with major issues of litter, drunken behaviour, fights, and abuse of staff. Some might argue that these are often what parks staff have to deal with as part of their normal duties, but in these times of crisis, they are being magnified. These challenges are in addition to other concerns that have arisen during the pandemic. Some of the other consequences are:

- The redeployment of parks and grounds maintenance staff to support the statutory services, such as waste collection and supporting vulnerable residents. The MPF research suggests 65.2% of staff have or were about to be redeployed. The result of this alone will require a herculean effort to try to catch up, as some green spaces will have seen no maintenance for months. On the flip side, with only undertaking very skeleton maintenance, some areas have seen an increase in longer grass and along with it, significant biodiversity benefits
- Introducing social distancing polices resulting in changes to work patterns and schedules
- The cancellation of events and volunteering opportunities
- The massive loss of income from already cash strapped parks services. Parks budgets have been reduced on average by 32% over the past few years and income generation and commercialisation have become key buzz words. Now with no cafes, no sport, no events, no car parking, and no income, they face an even greater funding crisis than before.

So where are we now? Emergencies and challenges

I have long argued that parks are an essential part of the fabric of all our communities. Whether for health and wellbeing, exercise, relaxation, places to volunteer and socialise, for children to play, encountering nature, or just providing a place to gather your thoughts. That's without even touching on all the climate emergency, environmental and biodiversity benefits too. With 37 million annual visits to our nations parks and green spaces, you'd have thought we would have already recognised their importance.

We now face 2 international emergencies, one regarding the climate and one regarding public health, along with the national obesity and inequality emergencies. These are all major challenges. However I firmly believe it's beyond doubt that our parks and green space are part of the solution to start to address some of the issues, as long as we start to value them correctly, invest in them, and see them as essential national infrastructure.

We must take the experience that we have all lived through, and the great national pause in our way of life as an opportunity for a better and greener future.

There will be lessons to be learnt, both nationally and internationally, but the need for quality parks and green spaces has never been greater; and neither has our communities' expectations.

There must now be a step change in thinking that places parks and green spaces at the centre of both the community and economic recovery, with both political and financial priority given to secure and maintain our green spaces so as a society, and as a nation, we are can emerge into the "new normal" as a better nation.

Mark is a Partner in Carter Jonas Rural team. He is leading a natural capital service, providing brokerage and advice on Environmental Services including biodiversity net gain. The Natural Capital Hub provides a one-stop service for developers, landowners, and local authorities in what is a fast-developing market. Carter Jonas's Natural Capital Hub utilises knowledge and expertise from across the firm's Planning & Development, Rural, Commercial and Residential teams.

NATURAL CAPITAL

Biodiversity net gain: what do local authorities need to think about now?

Mark Russell Mark.Russell@carterjonas.co.uk

Mark outlines the powers and provisions, requirements and opportunities associated with legislation for Biodiversity net gain in new developments. "The application of natural capital thinking could assist in helping to alleviate the climate crisis." CJ has developed a mapping-based tool linked to the Defra Biodiversity Metric, which could assist councils.

Natural capital

Biodiversity net gain (BNG) is one of many strands of the natural capital discussion and one that has the potential fundamentally to affect local authorities, both from a planning and an estates management perspective.

The term natural capital captures elements of the natural environment that provide us with valuable goods and services. In the UK, natural capital is at the heart of our economy and the ecosystems on which we depend. However, it is only over the last few years, particularly with the government's push to achieving a Net-Zero economy by 2050, that it has moved up the political agenda, and that the benefits of natural capital as a concept have come to the fore.

What has materialised is a method that considers natural resources in terms of assets, with certain benefits to the environment, population and economy derived from them. This, in turn, allows these naturally occurring assets to be assigned a value.

There is an opportunity for government bodies and local authorities to lead the way with this approach, with the option to develop environmental services and biodiversity net gain strategies. Additionally, as around 230 councils have declared a climate emergency, many councils are taking action to reduce their carbon emissions and, working with partners and local communities, to tackle the impact of climate change on their local communities. The application of natural capital thinking could assist in helping to alleviate the climate crisis.

Once natural capital is embraced by public bodies, there is an opportunity to trade these assets, with private industry, in the marketplace. Carter Jonas is already helping several public estates and governmental bodies to explore and develop environmental services, including biodiversity net gain, carbon offsetting and many others.

Through planning policy, as well as in their role as property owners and managers, potentially local authorities have a substantial role to play in boosting biodiversity.

Biodiversity net gain

BNG was introduced in the National Planning Policy Framework (NPPF). At paragraph 170, this outlines the intention to attain BNG as part of a wider objective of achieving sustainable development. It confirms that planning policies and decisions should contribute to and enhance the natural and local environment, listing a number of requirements.

While the intention of the NPPF is clear, the wording of the policy is ambiguous and has allowed for interpretation, enabling developers to be more flexible with proposals: liberal use of the words *"should be"* scattered throughout various associated paragraphs has been particularly problematic.

However, the most recent update to the forthcoming Environment Bill includes a requirement for all future development schemes, including infrastructure, to deliver a mandatory 10% increase to the biodiversity of the development site, cementing the concept.

The proposals will work in conjunction with other legislation currently being advanced, including the Agriculture Bill, as well as wider Net Zero policies and the 25 Year Environment Plan, which launched in January 2018.

The main objective of BNG requirements is to see biodiversity left in a better state than before. The preference is for the biodiversity improvement to be implemented on the development site itself, and it would need to be shown that on-site possibilities had been exhausted, before moving onto alternatives. Where this is not possible, or not financially viable, there would be other options.

Developers would be able to partner with landowners – the closer geographically the better – for the required biodiversity increase to be implemented off-site. This would involve the landowner actively taking steps to increase biodiversity, rather than simply continuing with an existing scheme. A farmer might, for example, take land out of arable production and create woodland or a wildflower meadow. There may be opportunities here for local authorities, as well as private landowners, to benefit, and it is worth looking at your portfolio to begin to identify potential schemes.

Either way, the same principle of biodiversity units applies – the development site would be assessed prior to development and given a score via the Defra Biodiversity Metric, and the total biodiversity post-development would need to be 10% higher than this starting score. Where offsetting is not achievable through private agreements, the developer would have to pay into a central fund, which would then be used to finance larger scale, "nationally important" biodiversity projects.

We expect a range of offset providers to offer their land as donor sites, including local authorities, wildlife trusts, farmers and private land and property owners. Aspects of this are already being pursued, particularly with urban edge schemes, converting monoculture agricultural land or infrastructure margins into a mosaic of parks, sustainable urban drainage systems, gardens and wildflower meadows.

The Defra Biodiversity Metric provides a consistent approach for measuring the biodiversity losses and gains that result from development projects. Defra, in co-ordination with Natural England and other experts, is in the process of updating this metric, to include a new national calculator. This calculation will likely evolve, as the science of donor site success or failure becomes apparent. At Carter Jonas, we have developed a mapping-based tool which interprets the current Defra Biodiversity Metric, to assess the broad biodiversity impact of changes across landscape-scale areas, which can be used to assess a local authority's land base.

There will be a national register of BNG sites, to allow monitoring and identification of the public good being produced. The exact way that donor sites will be registered is being developed. In terms of identifying BNG donor sites, it is likely that a local authority will have a large influence via its local policies. Some local planning authorities (LPAs) may identify broad areas within their authority, that they consider ideal for landscape change, to maximise biodiversity creation and help

solve regional environmental issues. This will assist developers in the identification of sites and therefore ease the introduction of this market, and deliver the intended outcomes more quickly.

Requirements and opportunities

It is expected that all LPAs will need to develop:

- A policy to be applied to planning applications
- A delivery system – from developer to landowner or with the local authority as the provider
- A s106 (off-site solutions) and planning condition (on-site provision) approach
- Identification of appropriate BNG donor sites as part of the local plan process.

Separately, there is an opportunity for local authorities to review their portfolios, to establish which assets may benefit from the delivery system.

Local authorities should now be looking to develop environmental services and a BNG policy framework, that enables developers within an LPA area to deal with this issue on a known basis. The framework should draw on a local authority's planning position, as well as bringing together all its other resources, including social priorities, physical attributes, and environmental opportunities. Approaches will vary significantly in each part of the country, reflecting previous policy decisions and economic development, but the following should be considered:

- Once the Environment Bill receives royal assent, the government proposes that the 10% net gain requirement will come into force after a 2-year 'transition period'. The requirement will be fed into policies and, if councils have recently adopted local plans, it is likely that they will need to provide addendums to these documents, to ensure they align with legislation
- There are principally 4 ways in which a developer could secure the required offset area - purchase, conservation covenant, management agreement, or lease. Whichever of these is used, the requirement and delivery of the gain will be written up within the s106 agreement, including where and how it will be achieved, along with confirmation of the auditing system. This will bring further parties into that legal agreement, including the offset provider and potentially any trusted verifier
- A council's main concern will be in achieving BNG. However, the payment to the offset provider will need to recompense them for the value that they are losing, either in terms of a reduction in capital value, or incentive over and above the anticipated profit margin from the land
- If a developer plans to design the BNG element into a scheme, local authorities will need a verification process, to ensure that it is appropriate and delivers on the metric. Outside consultants with appropriate expertise will be utilised to undertake site audits, to confirm that the BNG can be effectively provided and properly managed
- The government will introduce a back-stop arrangement with a punitive price point, to encourage developers to provide the offsetting on-site or close by. The back-stop will need to be flexible, as the market is likely to alter as provision of biodiversity credits ramps up over time. Recognising that the market price for biodiversity units will change from one location to another and over time, we understand that the back-stop arrangement is to be designed to react dynamically to market changes through the 3 identified periods - the initial transition phase, the 3 to 5-year period, and the 10-year horizon.

Organisationally, to administer the policy framework, local authorities will require specialist advice covering ecology, biodiversity calculation, valuation, legal delivery, verification, and site management. Delivery options and ongoing management advice on the ground will also be required. Moving forward, trusted verification bodies will be used to manage biodiversity schemes over the 30-year time frame required. The cost of this should be wrapped into the initial payments from the developer.

Commercially, where a local authority owns or controls land, there are opportunities to benefit from the supply of biodiversity units. Within the local authority's landholdings, including council farms, parks, infrastructure margins and other public open spaces, there will be suitable areas to provide a range of environmental benefits that could be further enhanced, using BNG credit funds and agreements. An early assessment of a local authority's ownership, including consideration of how assets can provide a range of environmental services, is required. This itself may enable the better development of BNG policies. Any local authority with the capacity to provide a substantial part of the BNG donor site requirement, within a local plan period, will be in a strong position to write-in simple offsetting credit requirements, similar to a Community Infrastructure Levy payment, which developers can evaluate, in comparison to other market providers of BNG.

Biodiversity net gain is set to play a significant role in every natural capital programme, presenting opportunities as well as requirements. While it is not just a matter for policymakers, local authorities that plan to realise its potential, as both an approach and an outcome (including regular monitoring and assessment), will ultimately help boost local and national ecosystems and their societal aims. Though the legislation behind BNG is not yet enforced, councils should act now to develop a framework that supports their dual role in this process. This should include the incorporation of BNG into planning policies and a review of their portfolios, to establish opportunities for their sites as BNG schemes.

Ruth is the policy manager at Locality, the national membership network supporting local community organisations to be strong and successful. Ruth works across Locality's policy and research projects, campaigning for a better operating environment for community organisations. She was co-author of Locality's recent research report "We Were Built for This" on the role of community organisations in the coronavirus pandemic.

COMMUNITY OWNERSHIP

"We Were Built for This": The power of community and the coronavirus recovery

Ruth Breidenbach-Roe Ruth.Breidenbach-Roe@locality.org.uk

This article shares new research on the role community organisations have played in the response to the coronavirus pandemic, and makes the case for community power and ownership to be the foundation of a fairer society as we rebuild and recover.

Throughout the coronavirus pandemic, we have witnessed the incredible response of community organisations. Across the country, alongside our NHS and care workers, they have been mobilising to support people through the hardest of times. They have been coordinating supplies, reaching out to isolated groups, and helping people stay connected, at a time when we have had to physically distance.

New research from Locality published last month, "We Were Built for This" shows that often community organisations have been able to play this role because they have built up a wealth of community assets, relationships, networks and services over a number of years (1). When crisis struck, they were able to mobilise these community resources at a time when people needed them the most.

As lockdown is lifted and life starts to take a more 'normal' shape again, we must seize the opportunity to "build back better" and make community power the foundation of a fairer society. This includes opportunities to invest in and strengthen our vital community infrastructure and support community ownership, as part of our national recovery and rebuilding plan.

Community spaces during the coronavirus crisis

The availability of community spaces underpins community wellbeing in good times and bad (2). These are the places where community power is built - through the groups, services and amenities they house, and the connections and relationships that are forged within them. Furthermore, when the governance of these spaces is put into community hands, through community ownership or management, this can unlock new capacity, service improvement and innovation (3).

We have seen this power like never before. Much of the extraordinary community response to coronavirus has been made possible through community spaces and services that have provided crucial local capacity and resources. Community buildings have been centres for local coordination, bringing together crisis support schemes like foodbanks and distribution. In addition, community buildings often house multiple services, groups and businesses under one roof. This co-location was an invaluable foundation for the local response, making partnership working and information sharing quicker and easier, based on existing trust and relationships.

Yet, at the same time, the coronavirus crisis has also put community owned spaces under significant financial pressure. In March, the pandemic shut down huge parts of our economy almost overnight; the voluntary, community and social enterprise (VCSE) sector saw their income from trading and fundraising plummet, at the same time as demand on their services was surging (4). Community organisations which own and manage buildings, whose business models are heavily reliant on trading and footfall within community spaces, have been particularly exposed. Community owned assets often rely on earned income such as venue hire, tenancies, and enterprise, which provide independence, financial viability and deliver local social and economic value.

While funding has been made available from government through an initial emergency funding package for charities, this does not address the medium to longer term sustainability challenges across the VCSE sector. Long-term investment solutions are needed, to protect, strengthen and grow our community organisations as a vital part of our local social infrastructure.

Recommendations for community ownership in the recovery

If properly supported and enabled, community owned assets have an essential role to play in the coronavirus recovery. Community ownership has the potential to help drive local economic development, regeneration of our high streets, and support community wellbeing and resilience.

We are facing a national economic crisis. Tackling it requires a new economic model centred around citizens, wellbeing and sustainability. For government to deliver on its ambitions to "level up" and enable so called left behind communities to flourish, this requires investing in the neighbourhood foundations of productivity – including through community enterprise and assets.

This is why Locality is calling for a community-powered economic recovery. We are calling on government to expand the national Community Ownership Fund (which the government committed to in its 2019 Conservative Party manifesto) and collaborate with other funders, to create a £1bn community assets investment plan over the next 5 years.

This fund could provide the capital base to invest in existing community assets to be sustainable, increase and expand community ownership of land and buildings, and support communities to "bounce forwards" from the crisis. Community-owned assets already contribute an estimated £220m to the economy each year (5) and play a critical role in providing training and job opportunities for local people. Injecting new funding in community assets could be particularly transformative in areas of multiple deprivation, where labour market challenges will be particularly acute.

Alongside new funding, more support for local authorities to develop sustainable approaches to community ownership, in partnership with their communities, is also required. This could boost the potential of community ownership models, including community asset transfer and meanwhile use, to transform high streets and civic centres. This would leverage community innovation, creativity and local expertise through accountable community governance models. This is particularly important in the context of an economic downturn and local authority funding cuts, and the risks faced for existing local spaces, amenities and businesses. When properly supported, community ownership can be a powerful tool for local regeneration.

Finally, we need a new devolution settlement which supports and enables greater localism and neighbourhood governance. This should include new powers for local communities, including strengthening opportunities for community economic development and funding, and powers to protect amenities and local services. An ambitious "Community Right to Own" should be established, to support communities to reclaim valued local assets and amenities that are in decline and under threat.

Taken together, these recommendations could turbocharge the community ownership agenda in the coronavirus recovery. The consensus that we need to "build back better" has been growing since the start of the crisis. Government has the opportunity to do this, by devolving power and investment to communities, supporting community infrastructure, and channelling the community spirit we have seen throughout this crisis into community power.

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Tim is Head of Property Advisory Services at CIPFA. Prior to working for CIPFA, Tim specialised in asset and property management in the private sector, where he regularly dealt with a variety of clients and types of commercial property investment. Given a previous career as a regular army officer, and now a reservist, Tim is particularly interested in the effective leadership and management of property teams and the ways they can influence and achieve a sustainable property function within public sector organisations.

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MEASURING STRATEGIC VALUE

"What gets measured gets managed"

Tim Reade tim.reade@cipfa.org

Tim outlines additional ways of valuing public sector assets, to encompass environmental, economic, and social value measures. He also draws our attention to the United Nation's 17 Sustainable Development Goals.

Context

In February this year CIPFA Property delivered a series of events in its Strategic Assets Network to local authorities around the UK on the importance of social value.

In what some had begun to call a 'post-austerity period' prior to Covid-19, councils have been increasingly looking at ways to identify the true value of their assets. Traditionally they have focused on fiscal measures, especially in relation to income producing assets, measuring things such as rental income, depreciation and capital value growth. In relation to the operational estate, the cost of running buildings in pounds and pence has formed a large part of the decision-making process to determine whether to hold and invest, or repurpose, or dispose. But what of other measures? What about environmental value, economic value and social value? In the last few years, with health, wellbeing and environmental impact gaining greater prominence in the national consciousness, other metrics of value are becoming important in how we demonstrate the value of our publicly owned land and buildings.

Environmental value and sustainability

According to the International Energy Agency, buildings and construction constitute 40% of global CO2 emissions, and buildings in the UK follow the same trend. It is clear to see, at a time of global crisis linked to our need to halt climate change, that the built environment is a key area to target the reduction of energy usage and pollutants.

Leading the way is the United Nations (UN) which, in 2015, passed resolution 70/1 known as The 2030 Agenda. This resolution saw the introduction of 17 Sustainable Development Goals (SDGs). These SDGs are far reaching and not only focus on matters related to the environment, but also on issues surrounding social wellbeing and economic prosperity. At a worldwide macro level, they have set the environmental and sustainability agenda, which governments globally should now focus on to develop and demonstrate clear pathways for action. But is agenda-setting going to be enough? As we all know, it is one thing to have a plan, and an entirely different thing to ensure it is put into action. It is yet another leap forward to ensure we make it a success. The key to this success will be the ability to measure outcomes and effects. Critical in councils' ability to do this will be an understanding of the current baseline at a local level, in order to ensure they have a position from which to measure betterment and progress towards their goals.

At a UK government level, a legally binding commitment to reduce carbon emissions to zero by 2050 is a first step. It is a statement of intent that at present requires significant operational and tactical level teeth to ensure it becomes a reality. This commitment was reinforced in July 2019 in a corporate report issued by the Department for International Development ("Implementing the sustainable development goals"). The report noted that the most effective way to ensure adherence to the 17 UN SDGs at a policy level is for each government department to embed them via implementation in the departmental planning process. In Scotland, we have seen the emergence of the National Performance Framework which aligns itself quite clearly to the UN SDGs, noting 11 national outcomes (including a sustainable economy and protecting the environment) and 81 national indicators.

For local authorities across the UK, the response to the climate change emergency has been dramatic. At the time of writing, 245 councils have declared a climate emergency and 145 have said they are looking to be carbon neutral by 2030. It's now thought that 80% of the population live in areas where a climate emergency has been declared. Of interest, however, is the distinct lack of detail as to the financial impact adherence to these targets will have. It is clear that for many councils, what is still yet to be understood is how the declaration of a climate emergency (and a carbon neutral target of 2030 for some) will affect their medium term financial plans. For those councils with a Housing Revenue Account, one concern in particular is the ability to retrofit existing housing stock, while simultaneously tackling safety improvements to high rise buildings, required as a result of the Grenfell disaster and subsequent Hackett review.

Establishing a baseline

One of the biggest challenges faced by those charged with delivery of reductions in the carbon footprint of publicly owned buildings, is the ability to ascertain 'ground truth' as to their current position. Although many councils regularly measure energy usage within buildings, this data only forms part of the puzzle that will allow them to establish a baseline from which they can show improvement in managing carbon footprint reduction. Once established, the next step will be to develop strategies and plans that enable environmental value to be recognised in a consistent, accurate and deliberate way. This will then inform decision making, to ensure appropriate and considered action around the future use of existing buildings, commercial property investment, and capital development projects.

A limited amount of advice and guidance exists in this area. It would be true to say that the private sector is recognising the increasing importance of the need to deliver added value where they are seeking to partner with the public sector. One important question will be the extent to which private sector companies vying for work will begin to increase costs of service provision to account for rising demand from commissioners, to ensure mechanisms and metrics demonstrating the ability to show environmental value are delivered. At present, it largely appears that this service is being added in at nil or low cost. However, this could change as the prominence of the climate agenda continues to rise, in what is a highly competitive public sector marketplace.

The impact of Covid-19

Delivery of business as usual has seen a technological step-change in recent months, with many organisations being dragged forward by years, if not decades, in terms of how they are having to deliver their current outputs. Whether this has meant an increase in staff working from home, or a rise in delivery of online services, for many, these changes will become normalised post-Covid as increased efficiency and effectiveness is highlighted.

While it would be churlish to suggest the current Covid-19 pandemic has any sort of silver lining, one opportunity relates to current building and energy usage. With huge numbers of staff working remotely from home, the period of lockdown could see a significant reduction in energy use and other office-based service provision. If monitored and measured effectively, organisations could find themselves with data that will better inform the asset challenge process. In addition, this data could help organisations establish an accurate carbon footprint baseline for individual buildings.

At CIPFA Property, having moved all of our events and training onto an online platform, it is apparent that most councils have, out of necessity, managed to facilitate home working for large numbers of their property staff. While IT solutions may in these early periods be challenging, it is clear that should organisations see value in investing in more robust IT solutions for staff working remotely, the benefits could be sizeable in the long-term. In order to understand the extent of those benefits, however, the effects need to be measured.

This presents challenges to property teams charged with the delivery of the corporate estate, with many authorities still dealing with the after-effects of austerity. Budgets have been cut dramatically and priorities have been aligned such that for many, the time needed to develop and implement strategies enabling them to take advantage of what might be a relatively fleeting opportunity will be lost. Fortune will favour the bold here. Given that the built environment presents the greatest opportunity to deliver energy reduction and therefore a reduction in emissions, organisations prepared to invest time and resources in the development of techniques and tools to measure the impact of remote working will most definitely be better placed to meet their carbon reduction targets in the future.

Social value and wellbeing

In 2009, a report by the Commission on Measurement of Economic Performance and Social Progress noted that for too long, EU countries had been focused on GDP as a means to measure national success. It noted the need for better measures of social progress and a requirement to better recognise important indicators of a successful nation like health, relationships, wellbeing, skills and happiness. As a collective, metrics such as these are generally grouped under the term social value.

Although not a new term, the relevance to property professionals of social value as a metric to inform key decisions on the delivery of property and estates-related outputs has been fairly limited. In recent years, this has clearly risen. A good example of why this is important is related to mental health. In 2017/18, half of all sick days taken in Great Britain were as a result of work-related stress, anxiety or depression. The 3 biggest areas of the economy to suffer, in ranked order, were education, social work and public administration/defence. In all 3 areas, buildings are critical to the delivery of services. Whether a teacher, nurse, social care assistant or council office worker, the environment in which you spend the majority of your waking hours is incredibly important in its ability to affect not just your productivity, but also your wellbeing and mental health. As property professionals in the public sector, more often than not, many of the key decisions and levers responsible for delivery of a working environment sit with us. But how many of us truly understand how we can design, deliver and utilise space in ways that maximise occupant mental health and wellbeing? It stands to reason that where we can, we should seek to ensure that we give appropriate weight to these matters when making decisions about building design, use and service delivery.

One of the most important ways social value is now being recognised and measured is via public sector procurement processes. For the most proactive public sector organisations, including an increasing number of councils, social value is now being listed alongside price and quality as a separate requirement in tenders. While typical stand-alone percentages for social value range from between 5-10%, for the most forward-leaning, a weighting as much as 30% is being incorporated. Importantly, this is now allowing public sector organisations to better measure their performance and ability to adhere to and attain their corporate social responsibility goals. Just as important is their ability to hold to account their service delivery partners with Key Performance Indicators embedded in Service Level Agreements that are linked to the Social Return on Investment their winning tenders were predicated on.

In England the move toward better recognition of social value is no doubt partly the result of the Public Services (Social Value) Act 2012, or in Scotland the Procurement Reform (Scotland) Act 2014 which encouraged the use of Community Benefit Clauses. Beyond public sector centralised procurement functions, the ability or motivation to measure social value is less pronounced and herein lies the problem. While property teams in councils and other public sector organisations have been able to weather the storm of austerity, it has left them seriously fragile and weakened. With depleted resources (staff, IT, finance) most are focused only on the essentials. It will not be until more stringent requirements around the need to demonstrate social value and wellbeing are mandated that better results can be delivered across the board. That will of course also require improved levels of resource!

Changing the paradigm

Writing recently for the Local Government Chronicle, CIPFA CEO Rob Whiteman noted the need for key decision makers to view all activity in their area through the primary lens of the climate crisis.

Making the economy successful in a sustainable way will require a huge cultural shift and a paradigm change of mammoth proportions. As ever, in times of crisis, leaders will emerge that create the energy, enthusiasm, focus and drive required. Although David Attenborough and Greta Thunberg have been significant catalysts in their ability to change individual behaviour, as significant a challenge is the need to alter the behaviours of our institutions.

MEASURING SOCIAL VALUE

How social value concepts can be used to support an ambition to 'build back better'

Claire Watts Claire.Watts@eastriding.gov.uk

Claire made a presentation to North East Branch (when meetings were still meetings!) and agreed to write an article on this Social Value Engine initiative.

Claire joined East Riding of Yorkshire Council in 2005 as External Funding & Policy Manager and has led on external funding, including all aspects of European funding. Through a trans-national project, the initial concept of the Social Value Engine was developed and Claire was instrumental in forging and developing the partnership with Rose Regeneration to make this a reality.

Claire is also responsible for the council's wider economic development strategy and policy and for service and systems development, to support inclusive economic growth. With a strong background working in and with the community and voluntary sector, to promote skills and economic inclusion, Claire works with the area's main voluntary sector infrastructure organisations to build the sector's resilience, and she also acts as equalities champion for the economic development service.

Claire has also developed several initiatives to support the environmental and low carbon agendas, including the area's Waterways Partnership, sustainable transport and energy networks.

Context

In the wake of the Covid-19 pandemic, use of the public sector estate will be under scrutiny. Are buildings fit for purpose and able to be made Covid-19 safe? Are some facilities surplus to requirements, now that home working has become so prevalent? Are there new requirements to support communities to recover and become more resilient? How can decisions be made to ensure that buildings are used to create the most value, either through efficient usage or disposal, and what is it that is currently valuable? Considering the social value that an asset might create, either through usage for its current purpose, or through disposal on either commercial or community asset transfer terms, is one way of thinking more broadly about value. It is also a process, which if followed correctly, can engage with key stakeholders such as local residents, elected members, employees and the community sector, and give a framework for potentially challenging discussions about the future of assets.

Principles of social value

Social value is the quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all, of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organisation's work, and to adhere to the 7 Principles of Social Value (1).

1. Involve stakeholders – Inform what gets measured and how this is measured and valued in an account of social value by involving stakeholders
2. Understand what changes – Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes, as well as those that are intended and unintended
3. Value the things that matter – Making decisions about allocating resources between different options needs to recognise the values of stakeholders. Value refers to the relative importance of different outcomes. It is informed by stakeholders' preferences
4. Only include what is material – Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact
5. Do not over-claim – Only claim the value that activities are responsible for creating
6. Be transparent – Demonstrate the basis on which the analysis may be considered accurate and honest, and show that it will be reported to and discussed with stakeholders
7. Verify the result – Ensure appropriate independent assurance.

It is much easier to measure the actual or potential social value of an asset if there is already a set of desirable outcomes that has been agreed and owned by local stakeholders, against which to compare the different possible uses of an asset. In their recent report 'Brighten all corners' (2), think tank Localis has proposed the development and adoption of local 'Community Value Charters' to provide for a deeper and more meaningful implementation of the Social Value Act. The Grimsey Review "Build back better – Covid-19 Supplement for Town Centres" (3) released in June 2020, recognises the use of these charters as a means to fast-tracking the building back of better high streets.

The UK Green Building Council (4) has released a set of recommendations for setting social value requirements for new development, which could be useful when considering the potential social value of disposing of assets to enable development.

They suggest the following:

1. here the local authority is the landowner or client, it may set social value requirements on contracts that relate to new development through the process of procurement. These contracts can relate to developers, contractors or any other built environment service provider
2. For most development, local authorities may set social value requirements in planning mechanisms such as s106 agreements or within planning conditions. These can be strengthened by setting out social value policy requirements in local plans, with further guidance on implementation provided in a supplementary planning document
3. Local authorities may set social value requirements when selling land or transferring assets to local communities. They can also use social value measurements to calculate discounts on those transactions
4. Relevant local authority teams should work together to ensure a joined-up strategic approach for setting social value requirements in relation to new development. That approach should be set out in the local authority's social value policy, which will include the approach to broader social value requirements.

The Bristol Accord

What is the Social Value Engine?

The Social Value Engine uses Social Return on Investment to assess social value; it was created in partnership by Rose Regeneration and the East Riding of Yorkshire Council. This has been accredited by Social Value UK, and provides training for the local authorities or other public bodies that choose to use this method. This way of measuring social value is different from many tools because it involves helping the people using the methodology to learn how to choose different financial proxies, to personalise the measurement tool to the type of commissioning. Some facts:

- The Social Value Engine is an online tool that systemises the process of measuring social value – particularly to help the voluntary and public sector organisations – to forecast, plan and evaluate activities or commissioned work. The Engine has a strong place-based focus, grouping outcomes around the 8 domains of the 'Bristol Accord' for sustainable communities (see diagram)
- It includes over 200 financial proxies, derived from reliable sources and regularly updated. It includes all the National Themes Outcomes and Measures (TOMs) and many more with a strong well-being focus
- Available on an affordable annual subscription basis
- Find out more at www.socialvalueengine.com or email SocialValueEngine@eastriding.gov.uk

Case study – Dumfries and Galloway Council

The Communities team at Dumfries and Galloway Council has already been using the Social Value Engine to support community asset transfer activity. This has consisted of 30 community asset transfers, which have been handed over to community groups.

As part of the process, the team has held seminars with elected members, to familiarise and train them on the Social Value Engine. Elected members have reacted positively to the engine and its ability to illustrate social outcomes. Further training has been given to ward officers, in order to look at incorporating social value into future work in the team.

6% of the council's property stock has gone through community asset transfer and currently there are 55 community asset transfers in process.

The Social Value Engine has been used to support 29 community asset transfers. Social outcomes have been extracted from the business plans in order to enter data onto the engine.

All community asset transfers entered onto the engine have seen an overall social return of £5.74 for every £1 invested. This figure has not included any additional external funding that organisations have sought and been awarded.

Summary

- Testing the Social Value Engine was important, in order to ensure they were able to utilise its functions fully
- Seminars with Members built up confidence and credibility of the Engine
- Information about the Engine has been distributed to all management teams.

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VALUING BETTER PLACES

Supporting wellbeing and valuing better places

Elina Grigoriou FRSA HonRICS elina@grigoriou.co.uk

Following on from Tim's article, Elina here explains her sustainability model for assessing and valuing built form projects, for better wellbeing.

Definitions

There are organisations and businesses that believe their work can be aimed at something inherently good for their community and the wider world, while being financially healthy and creating value growth in different forms. When we first set up our company over 10 years ago, we created our vision about enabling peoples' flourishing, caring for the natural environment along the way and supporting families, companies and organisations to grow and flourish: this is also what is termed as 'sustainability' - making a decision now that can be made in the same way continuously for generations to come.

Wellbeing, and the value we obtain from it, is part of a sustainable decision. It is both one of the elements of the decision itself and one of the outputs of it.

In the built environment, whether this be a strategic masterplan, an existing building, or interior in normal use, a refurbishment of these, or a new build, the way we think about the purpose of these will dictate whether we are making sustainable decisions, and decisions that will support human wellbeing and community flourishing.

The world is steadily and rapidly caching up with sustainable principles, thanks both to the work of the United Nations (UN) with the introduction of its 17 Sustainable Development Goals (SDGs) [Ed – see also Tim Reade's article in this issue of ACES' Terrier] and then activism and natural disasters in many parts of the globe, which have bought the issue to the doorstep of millions.

We now see an increasing number of new clients come to us, recognising their own need to change and take responsibility for our world's sustainability. Indeed, some of these are very unexpected and have done a complete turnaround

Elina is a London-based Interior Designer, sustainability specialist and wellbeing expert. The Co-Founder of Grigoriou Interiors, one of the UK's most forward-thinking design and sustainability studios, Elina is passionate about designing beautiful interiors that ensure the wellbeing of people and the environment, while driving corporate and individual growth. With 18 years' experience in the global commercial interior design sector, Elina's extensive knowledge of human-centric design is complemented by an eye for aesthetics and in-depth sustainability know-how. Elina works at the heart of the latest industry developments and initiatives regarding sustainability, partnering with national and global institutions to help collaborative approaches for systemic change.

In 2017, Elina was awarded Honorary Membership to the RICS, in recognition of her dedication and work promoting sustainability in the property sector. Significant industry contributions include the development of the SKA rating system and good practice guidance since 2008 and the 2014 World Green Building Council report 'Health Wellbeing and Productivity in Offices.'

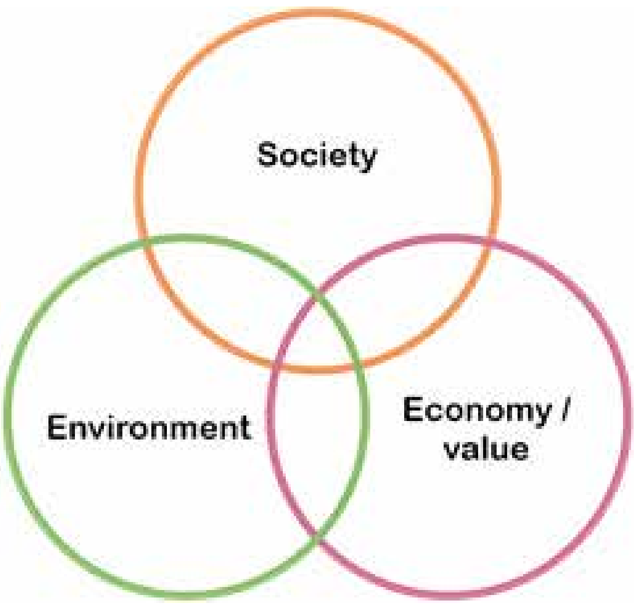

Image 1: The 3 pillars of sustainability
(Copyright -unless otherwise stated: Grigoriou Interiors)

Image 2: The UN SDG poster

on attitude and beliefs, willing to change from their core and take on responsibility for their legacy. Specifically, they want to know how to think differently, and how they should set out strategic decisions to put them on a sustainable path regarding the built environment they own, manage or lease.

Over the years, we have worked with many organisations ranging from retail to workplace, education to healthcare, in the UK, Europe and beyond; all projects are centred around one or more pillars of sustainability. Clients wish to understand more clearly what they need to do to be sustainable, how to do it in practice, and following that, know the value they will receive for the time, effort and financial funds they invest.

'A better place'

Although we use a number of assessments and benchmarking schemes to capture the environmental impacts, and although clients or cost surveyors calculate financial costs, we understood the gap that existed on the assessment of the real value delivered by projects, and their impact on people's performance and wellbeing.

To respond to this need, we have created a methodology called 'a better place', which is illustrated in the diagram. It is a methodology and an assessment approach in one, which aims:

- to create a way to target the things that really matter to an organisation
- to create clarity in strategy and delivery of projects, and
- to enable the measurement of real value from the built environment itself.

The bigger overarching question we seek to respond to and ask our clients with each project is this: "How does the space support the organisation to deliver what is most valuable?"

<u>Defining the KPIs and value proxies/metrics</u>
Surprisingly, many established organisations do not have clear or well communicated Key Performance Indicators (KPIs) that allow all teams and partners to see clearly what they are all working towards. Part of our service has become a facilitation between the different departments of organisations to agree a starting set of KPIs. This is both a challenging and meaningful piece of work, due to the engagement it requires from all those involved, making the process amazingly impactful and joyful.

<u>Link KPIs to day-to-day activities</u>
KPIs set for the whole organisation are linked down the delivery path, to see which delivery people and activities (User Profile Activities - UPAs) actually deliver to the targeted KPIs. It is a simple yet refined way of setting and monitoring a strategy within any organisation and its link to its built environment and beyond. KPIs are delivered through a combination of identified actions undertaken by teams in an organisation. The design of an interior will support or inhibit these happening.

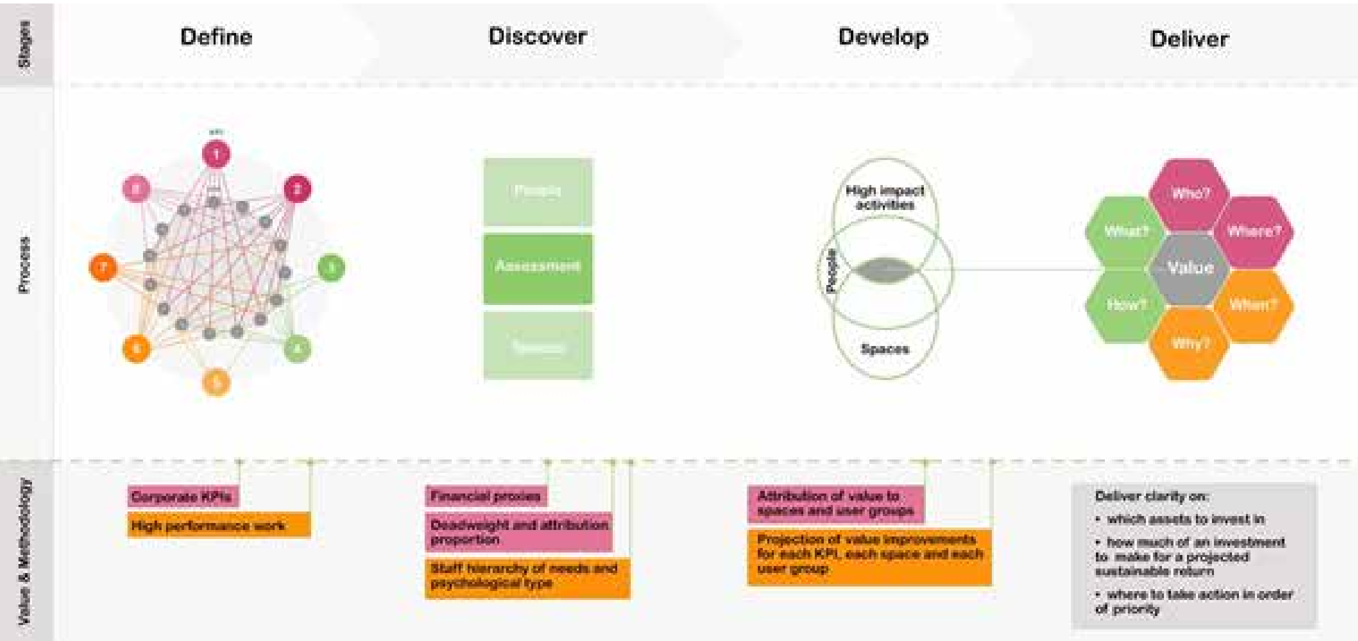

Image 3: The methodology and stages of 'a better place'

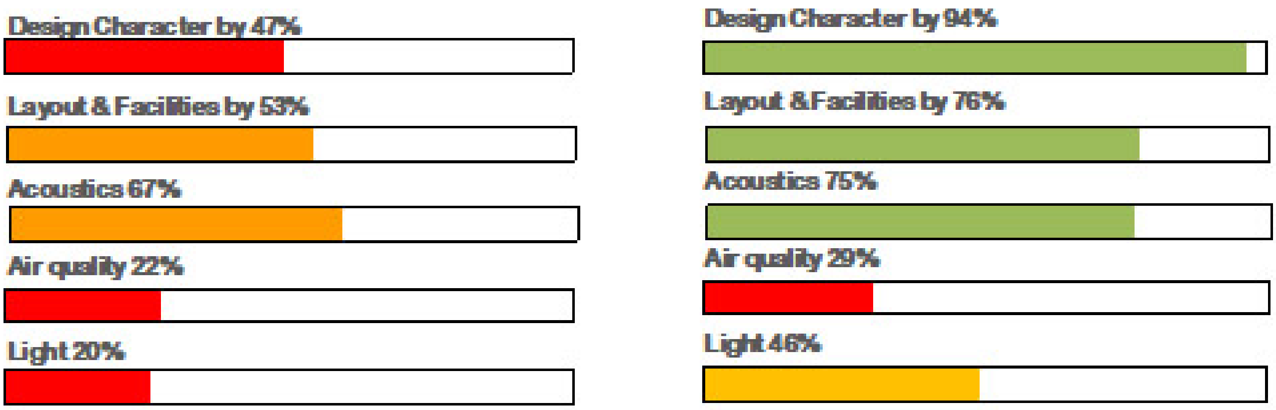

Image 4: Before and after of a space's performance against comfort and wellbeing design benchmarks

Below is an example list of KPIs that we defined for a commercial organisation. Beside each indicator is a financial value proxy or financial metric that we defined between our multi-disciplined team and the client's teams.

1. High staff moral and satisfaction (supports 2 and 3)
2. Low sickness high wellbeing levels in staff = £36,766 per individual p.a.
3. Attraction and retention of staff = £ HR salary based
4. High performance levels of staff = £20,275 (average of 4 salary levels)
5. Staff like and support the brand/ organisation and culture (supports 4 and 6)
6. High customer visits due to centre experience = £3.28 per visit customer spend based on 7m visitors p.a. and £20m customer spend p.a.
7. Site of social connection for local community = £1,850 per individual p.a.
8. Cost effective operation of centre = £1,900,000 service charge budget.

Knowing what the cost or value metrics/ proxies for each KPI will be is the first of 4 parts needed to get to know what value the effect of the building and interior offer to the occupants; both as a group and individually, for activity performance and wellbeing. Other parts of the equation include but are not limited to:

- Exposure time of users in each space: understanding the amount of impact of the space to each user
- Creation of User Profiles: knowing who the users are and how they are impacted by the spaces
- Isolating causation: excluding other issues beyond the space which affect performance and wellbeing.

To undertake the above tasks, the team needs to identify how all spaces in buildings and their interiors are being used for the various functions. For example, you may have a public facing central services centre and need to process a specific number of customers each day, both to keep up the service standards, and not to increase costs due to team size increase. Options to respond to volumes, quality and speed will include staff training, new software solutions and the design of the interior space itself. Knowing which of these will be the best to start with as a quick win, or perhaps as the most critical issue, will require an understanding of the performance of the physical space and its impact on both staff and customers. Unless this is undertaken, the knowledge on how good or bad the impact and performance is, will be guesswork. Many assume that unless a physical feature is not stained, taped back into place, or propped up by a paint can, it is still 'ok' and doing its job. As we now understand how people are affected by space, we known this assumption to be completely wrong.

What if a plain white painted wall can be a problem?

If a space is being occupied by highly stimulated/edgy people, who are known to be at the mid to lower levels of Maslow's hierarchy of needs, we do not design surfaces to be white or plain, or without balance, repetition or with increased levels of natural features. These occupants, if they are not helped to feel comfortable as circumstances require, will tend to create higher levels of aggression and difficulty for staff and fellow customers sharing the space. So identifying the spatial features that will create a pound for pound difference in such a situation will make the difference between 'wasting' money by blindly just refurbishing to a £/ sq m approach, or knowing which spatial features have the biggest impact and how these need to be set for these specific users, and not just a designer's or FM manager's taste.

For a simpler look on cost v value and purely using staff salaries as a cost and value metric, the table estimates the proposition.

In a case study (the table overleaf) where we looked at identifying the value on what return the client's building had to the business through its effect on staff, we calculated the following:

- Based on the wellbeing overall reported at 36% due to the current impact of the spaces on the occupants, the brand 'makes'/has £10,356 of value each year
- If the client improved just the top 3 physical features of the spaces occupied by User Profile 1 to support their needs, then it would increase the value return of the building's effect on this user group by 32%. Based on their salary, existing space condition and time in the space, that would equate to an increase of value of £3,000 per person/p.a. in increased productivity and wellbeing.

Cost of salaries	Loss of productivity	Loss of value
Assuming the average salary for your team is £50,000 p.a. and your office has not been designed with wellbeing principles in mind	Assuming the loss of wellbeing and productivity from the space design impact is at a minimum 10% per person/p.a. That is a loss of £5,000 per person/p.a for what the company is paying in salaries alone	Assuming this is the case for 200 staff, and assuming they are on the same salary, this would be £1,000,000 p.a. of lost value from salary costs alone. This loss will increase each year. Assuming the interior life cycle is for 5 years as a minimum, then the minimum value loss will be £5m

Of course, all operations are a system and each solution is reliant on another been implemented to support everything. A new software solution may need the physical arrangement details to be reset and allow for a faster flow of customers. So which parts of the interior will support customers' experience and create a space use that guides them without hassle, and assuming they are making the choices themselves?

Image 5 shows the link between various User Profiles, their primary space of occupancy, primary space features impacting their performance, the activities it impacts and which organisational KPIs this directly impacts.

Image 5

	Primary space	Top 3 spatial issues impacting comfort	Affecting these UPAs	Affecting these KPIs
UP1	Individual offices	• Acoustics • Colour, pattern and shapes of finishes and furniture • Task and collaboration based space	UPA1 UPA2 UPA4 UPA5	KPI 8 KPI 4 KPI 6 KPI 7 KPI 2
	Reception area	• Acoustics • Air quality • Views out	UPA1 UPA2 UPA4 UPA5	KPI 8 KPI 4 KPI 6 KPI 7 KPI 2
UP4	Living room	• Lighting • Layout of space and furniture • Colour, pattern and shapes of finishes and furniture	UPA2 UPA4 UPA8	KPI 8 KPI 4 KPI 6 KPI 7 KPI 8 KPI 1 KPI 2
	Breakout space	• Lighting for use • Colour, pattern and shapes of finishes and furniture • Layout and quantity of furniture	UPA10	KPI 1 KPI 2 KPI 3 KPI 4
	Kitchen	• Layout, facilities and space fittings • Colour, pattern and shapes of finishes and furniture • Air quality	UPA3 UPA6 UPA9	KPI 8 KPI 4 KPI 7 KPI 6 KPI 2 KPI 1

Buildings and interiors are tools

Organisations and families do not buy, rent, refurbish, and occupy spaces for the sake of the bricks and materials that make them. These do not inherently have real value for the purposes of an organisation, such as a workplace or library for example. The value from these spaces is derived in the way they host specific activities and objects within them. How do buildings perform as tools for organisations to operate, or families to live in? Just like an organisation and business uses other tools – hardware or software – to conduct their activities, in the same way, buildings and spaces are tools to support their operation. How effectively do these 'tools' suit them and perform in relation to their cost to buy and operate, and effort to use and maintain? What value do they give an organisation for them to perform what they aim for? As seen during the Covid-19 crisis, organisations can still function away from their buildings and designated interiors, so how can they offer support as tools when they are used?

User Profiles and User Profile Activities

Assuming an organisation is a school, a university or a library, how well do these spaces and their designs, deliver against high learning and teaching, high reading and deep-thinking performance? If learning is the targeted value output, then what does 'high learning performance' look like as a metric? These generic descriptions can be deconstructed to specific activities undertaken by someone who is teaching, for example, and identified in the UPAs. In this way, clients know if they have been given good value by their design teams and how exactly their occupants are being supported or not.

For example, if a teacher is teaching to his/her highest performance, some of the

	User Profile Activities	UP1 Teacher	UP2 PhD Teacher	UP3 Student	UP4 Student
UPA 1	Comfortably speak and listen to others in class	///	///	///	///
UPA 2	Mentally alert and good analytical thinking	/	/	//	//
UPA 3	Facilitate brainstorming in groups and facilitate co-creation	/	/		
UPA 4	Good communication skills, open to student's reactions, open to teacher's and other students' reactions	//	//	///	///
UPA 5	Creative thinking and solutions	/	/		
UPA 6	Facilitate group effect and bonds between students and teacher	/	/		
UPA 7	Comfortably participate in play-acting/role playing			/	/
UPA 8	Empathize with others	/	/	//	//
….	…				
UPA 21	Feel safe and trust in the environment			///	///
UPA 22	Use/access memory	///	///	//	//
KEY	/// = high impact // = medium impact / = low impact blank = no direct impact				

Table 1 – Example of User Profile Activities and hierarchies

activities they will need to perform very well may include active listening, easy movement around classrooms, being heard clearly by all students, practice of empathy, being at ease, feeling safe, feeling able to care and so on. These activities for a university scenario could look like those listed in Table 1 for 2 different teacher and student User Profiles. Some activities will have a hierarchy between each other as they will be more central to the situation and organisation.

What activities in turn do you need to do in your own role and do you expect in your team's role that would describe high performance?

Once we know what activities will deliver the highest performance, we identify the spatial features in a space that will have most impact. It could be the ceiling height, the amount of stimulation, the acoustic quality and so on. It may not need the refurbishment of the whole space and thus saving costs, length of delivery time, and environmental impacts.

We have the evidence these days to provide us with an understanding of design approaches which will promote or inhibit specific activities, feelings and behaviours. Using these to respond to the occupant UPA list allows us to design strategically for high performance and remove the majority of problems and hazards, creating in a sense, a lean and targeted design solution.

Occupant wellbeing

Some organisations may still consider performance as important, and consider wellbeing as a fluffy issue. Thankfully, understanding that performance is 100% dependent on a person's health, their comfort and resilience, is cutting through management thinking. Health is the 'default/zoro' state of a human being and any ill-health takes a person into negative value territory where they are using their energy and resilience to survive. Performance can only be fully achieved if a person's resilience is high or/and when they are in a complete state of comfort.

Wellbeing is a choice we make and not something that can be given to us or bought by us. We are able to make this choice when we are in comfort and experience beauty. But this is another story for another article.

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

ETHICAL INVESTMENT

Ethical investment in a post Coronavirus pandemic world

Kevin Joyce

Kevin considers likely changes in investment in the context of the major challenges of the pandemic and climate change. "There would appear to be a myriad of investment opportunities available for those investors looking to invest ethically and responsibly."

Changing market investment

Since 2017, investment market sentiment has moved away decisively from investment in businesses which are seen to be causing harm to people and our planet, in favour of businesses which are committed to meeting environmentally or socially responsible objectives in one way or another, with some investors being prominent in leading this change. I made reference in my ethical investment article in the 2018/2019 Winter Terrier to the challenges we face around reducing carbon footprints and eliminating plastics waste, to green bond investments, including a solar park renewable technology investment made by Newham, Thurrock and Warrington Councils, and to conscious decisions made by major investors such as Blackrock, Legal and General Investment Management, and Edmond de Rothschild Group, to invest in sustainable businesses (1).

Whereas combating the existential threat of adverse climate change has been the focus of much attention, both the human tragedy of the Covid-19 pandemic and the financial costs of propping up global economies, have now highlighted the more immediate threats that a virus pandemic can bring to people's health and wellbeing. We've also witnessed an economic maelstrom of business interruptions and closures, job losses, spiralling consumer and company debt, a fall in share values and cancelled dividends, a very real risk of national and global recession, and the Treasury reportedly having to revise a March 2020 projected budget deficit of £55bn for the year upwards to an estimated £337bn (2).

Mark Carney, the former governor of the Bank of England, considers that there will be a fundamental change in how value in the economy is now perceived with *"societies valuing the health of their citizens more than the health of their economies"* (3).

It would not be unreasonable to expect ethical investment strategies now to prioritise the creation of more resilient societies that specifically are protected from virus pandemics in the short term, as well as from catastrophic damage to the environment in the longer term.

Global virus pandemic risks

The Covid-19 virus is not the first global pandemic outbreak to have occurred, with the worst recorded pandemic being between 1918 and 1920, when a 'Spanish Flu' H1N1 influenza virus infected around a quarter of the world's population and caused an estimated 50 million deaths worldwide (4). In view of the recurrent risk of future pandemic outbreaks, therefore, how might this influence investment decision-making?

Levels of investment in both the healthcare and healthtech business sectors generally could increase, perhaps quite sharply, with the importance of finding effective vaccines to safeguard against a virus infection, improving the capacity and capability of nations to contain the spread of a virus, and the development of anti-viral drugs to help people who have become sick, all now becoming embedded in the public consciousness. Virology and vaccinology research and development businesses especially, and perhaps businesses involved in virus detection, for example, through virus contact tracing, or by thermal screening at international and regional airport departure and arrival points, might attract new investors.

For UK investors, a government initiative codenamed Project Defend, involving plans to reduce the country's reliance on strategic imports, including vital medical supplies, by 'repatriation' of key manufacturing capabilities to the UK, could also influence selection of investment stocks.

Climate change risks

A European State of the Climate analysis undertaken by the EU's Copernicus Climate Change Service reported that 2019 was the hottest year on record for the continent, also noting that 11 of the 12 warmest years on record have been since the year 2000 (5). The US National Oceanic and Atmospheric Administration considers that there is a 75% chance that 2020 will be the hottest year for the planet since records began in 1880, hotter even than 2016 when the El Nino phenomenon boosted natural and cyclical warming of the Pacific (5).

Australia's 2019-2020 uncontrollable bushfire season, colloquially known as the Black Summer, vividly illustrates the destructive harm that climate warming can bring about. Similarly, on the other side of the planet, north Siberia has apparently sweltered in an Arctic heatwave this summer, supporting a view among scientists that the Arctic is heating up twice as quickly as the rest of the world because of climate change. In the Russian village of Khatanga, located 2,100 miles northeast of Moscow and within the Arctic Circle, and where average temperatures for May are -6 degrees Celsius, the temperature recorded on 22 May this year was 25 degrees Celsius, some 13 degrees Celsius higher than their previous recorded temperature (6).

In the 2016 Paris Agreement, many countries committed to cutting greenhouse gas emissions, in order to hold the global temperature increase to well below 2 degrees Celsius above pre-industrial levels. For its part, the UK has made a legally binding commitment to cut the country's carbon footprint and become net carbon neutral by 2050, although this target excludes emissions relating to imported goods (7). The public sector is largely committed to bringing about zero carbon emissions even earlier than 2050. By February 2020, some 245 UK councils had declared a Climate Emergency, with 149 of the authorities having set a zero-emissions target date of 2030 or earlier (8).

The councils include 26 of the London boroughs, which issued a Joint Statement of Climate Change in November 2019, setting out 6 major programmes for cross-borough working. Four of the programmes would directly impact on the built environment, involving the retrofitting of all domestic and non-domestic buildings to an average EPC B standard, securing new low carbon buildings and infrastructure through local planning authority powers, ensuring 100% renewable energy now and in the future, and building a low carbon and green economy (8).

In this context, we could take some encouragement from the steps the construction industry has already taken in recent years to reduce carbon footprints in new development. For example, we've seen a wider range of renewable technologies and materials being applied and used in new build projects, existing materials from buildings to be demolished being imaginatively repurposed in the new buildings, and more extensive recycling of construction waste in brownfield redevelopment projects taking place, to minimise embodied carbon (9).

We've also seen increasing use being made of innovative construction methods such as high-rise modular construction, with a greater element of the build processes being pre-fabricated in factories and assembled on-site, enabling carbon costs of development to be reduced. A Housing White Paper has now outlined how government wants to see more diversification in UK housing construction methods, including housing modules being manufactured off-site in factories, to help speed up new housing supply delivery.

Equally encouraging is how some developers appear to be fully engaging with the need to include high standards of green infrastructure around new buildings. The Queen Elizabeth Olympic Park at Stratford in east London, involving extensive decontamination of industrial wasteland to deliver the Olympic Games site in 2012, has also included the planting of 300,000 wetland plants, 10 football fields' worth of flowers, and hundreds of habitats to increase biodiversity on the site (10). Argent Group's area regeneration scheme at London Kings Cross, of 370,000 sq m of mixed retail, arts, education and leisure uses and 2,000 new homes, includes around 100,000 sq m of public space adjacent to a 8,000 sq m wetlands, meadows and woodlands nature reserve by the Regent's Canal, and more than 400 plant species (11).

More widely, an Urban Tree Challenge Fund managed by the Forestry Commission, is looking to plant 130,000 trees across England by 2021 and 30,000 hectares of trees annually by 2025. Apart from enhancing the visual amenity of urban townscapes and rural landscapes, trees form storm water buffers, prevent erosion, support biodiversity, and reduce carbon emissions, absorbing around 2% of UK carbon emissions, and with the potential to absorb much more (12).

As decarbonisation target dates move ever closer, and coal, oil and natural gas fossil fuels also continue to become depleted, pressures on the development industry to find low and zero carbon alternatives, to provide heat and hot water, can only increase. Four of the main renewable energy sources - solar, wind, water (hydro), and geothermal energy - originate from the sun or earth, while a fifth source - bio-fuels - involves re-using man-made waste materials for energy generation.

Three principal bio-fuels - bio-mass solids, bio-waste and bio-gas - offer opportunities to re-use waste materials to generate energy in different ways. Bio-mass solids, normally made from wood shaving and sawdust by-products, are clean, safe to use, easy to compact, and can be integrated with both new and existing hot water and central heating systems (13). Bio-waste may involve burying landfill waste, including household waste, under an impervious cover such as clay, to extract methane from the rotting process. Bio-gas involves recycling organic waste through a process of anaerobic digestion (AD) by which bacteria consumes organic material in the absence of oxygen, to produce methane either for energy generation or for vehicle fuel in liquefied form (14).

This spring, the multinational electric energy company ENGIE, building on an existing agreement with Heathrow Airport to supply bio-gas to the Heathrow Energy Centre, entered into a more extensive agreement to replace natural gas with methane generated by AD to all the airport's terminals, until the period up to

March 2022. The bio-gas is certified as being wholly derived from AD under a Renewable Gas Guarantee of Origin (15). Following the signing of the agreement, Heathrow's Director of Sustainability, Matt Gorman commented:

"The UK aviation industry has made a firm commitment to get to net zero carbon by 2050, at the very latest. On our journey to rapidly decarbonise every aspect of the industry, we are proud to be partnering with ENGIE to significantly remove carbon from our gas supply, a move that has helped us to gain carbon neutral status. We urge other companies to join us in making the switch" (15).

Investment portfolio profiles

Investors have been traditionally concerned with the rewards and risks around investments they are making or have made, and will generally look to mitigate investment risk by spreading investments fairly widely in different asset classes and different investment products, to minimise exposure to the risk of any particular asset class or product failing to perform.

If investment portfolio profiles should now change, as I've suggested they might, to include greater levels of investment in asset classes and products which are concerned with either public health protection or the sustainability of our environment and quality of life, how could portfolio spreads start to look?

Will we actually see new investment being made in businesses involved specifically in either preventing, containing or treating global virus pandemics in one form or another? Will we also see increased investment in businesses which positively impact on the quality and longevity of people's lives in other ways, whether this be, say, by generating energy through the use of low and zero-carbon renewable technologies to help protect our natural environment and conserve our natural resources, reforesting, or rewilding of the countryside, increasing food production through the use of biotech and agricultural technologies, pursuing initiatives to promote and value diversity in our communities and combat social exclusion and isolation, or the building of more safe and affordable housing to help alleviate overcrowding or homelessness?

Will solar energy parks, wind farms, bio-fuels energy generation plants, and other renewable technology businesses benefit significantly from new investment? What are the future prospects for companies involved in the manufacture, supply and installation of air source and ground source heat pumps to supply our housing estates, where domestic gas boilers need to be replaced to help meet zero carbon commitments? And what about manufacturing companies involved in the prefabrication of 3D volumetric modules for a new generation of high-rise modular housing developments? There would appear to be a myriad of investment opportunities available for those investors looking to invest ethically and responsibly.

Government has set up a Social Impact Investment Taskforce with a brief to help boost social impact investment (16). In May this year, the UK Oil and Gas Authority Regulator has reportedly changed a 2016 strategy involving regulation of the industry, based on the objective of maximising economic recovery of oil and gas from below UK waters, to one which now includes the industry reducing its carbon footprint to net zero by 2050. This will involve, for example, reducing greenhouse gas emissions from flaring, venting and power generation (17).

In December 2017, a One Planet Sovereign Wealth Fund Working Group was formed in Paris to discuss financing climate action, with the Group representing 6 of the largest global sovereign wealth funds, comprising Norway's Government Pension Fund Global managed by Norges Bank Investment Management, the Abu Dhabi Investment Authority, the Kuwait Investment Authority, the Qatar Investment Authority, the Public Investment Fund of the Kingdom of Saudi Arabia, and the New Zealand Superannuation Fund. Norway's Government Pension Fund, the world's largest sovereign wealth fund and a co-owner of Regent Street in London, has reportedly this year sold the Fund's stake in the Glencore and Anglo American mining groups because of their involvement in thermal coal production, as well as interests in 3 energy groups also exposed to coal (18).

Prior to the Coronavirus pandemic, Mark Carney encouraged the investment industry *"to integrate sustainability into their own portfolio management"* (16), and hopefully investors generally will be intent on doing so.

As new investments ought to be responsible but also profitable, portfolio spreads designed to find good balances between risk and reward might usefully include some investments in fast growing asset classes, such as digital technologies. Although for the first time in over 20 years, the UK would no longer appear to be the top destination in Europe for foreign investment, having been overtaken by France, the country still appears to have attracted some 432 digital technology investments last year, being almost a third of all digital technology foreign investments in the continent, and reportedly more than Germany and France combined. With economic lockdowns having forced some businesses to implement new ways of working for their workforces that have frequently involved management and staff engaging with digital technologies, the future for this asset class in particular appears to be promising (19).

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PUBLIC SERVICE ROLES
The 21st Century Public Servant

Catherine Needham C.Needham.1@bham.ac.uk

Catherine outlines the findings of a research project about the role of the public servant. She believes the essential roles of surveyors will be key in moving forward.

The research

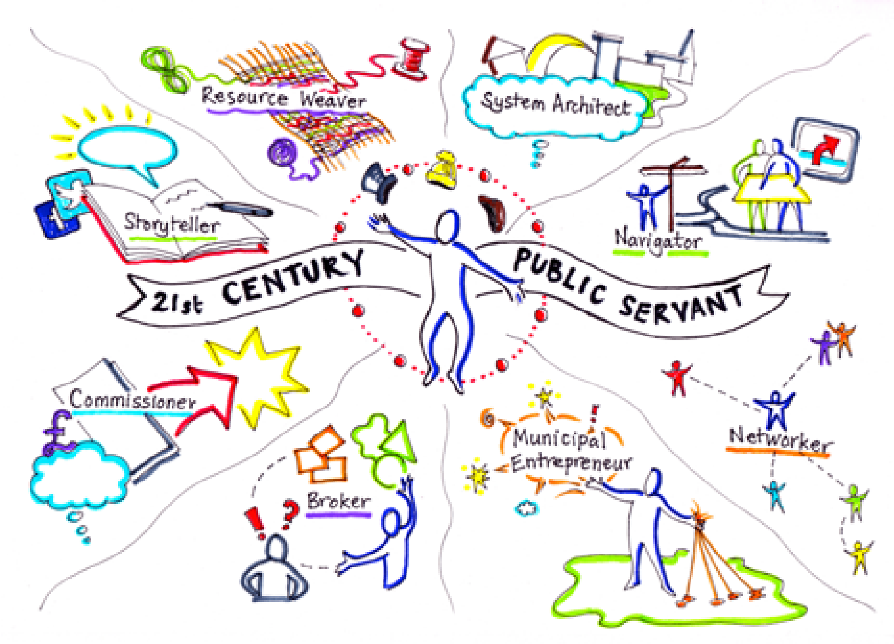
As summer arrives, I was hoping to be preparing my slides for a slot at the ACES annual conference, having been invited by Peter Gregory to talk about the 21st Century Public Service research.

Instead I am sitting at my home desk, as I have been since March, and thinking about which bits of the research still feel relevant for the new world in which we are living.

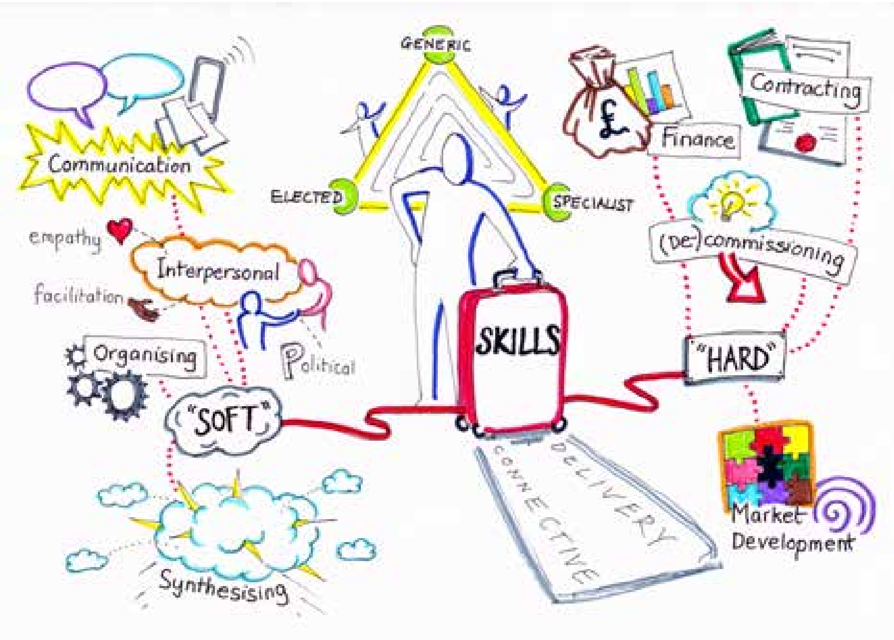
The 21st Century Public Servant research began in 2013, with a formal project funded by the Economic and Social Research Council, and has been developing iteratively since then, as we have shared the research with many public service leaders and organisations.

The research found that public service work is changing in response to shifting citizen expectations, new technological capabilities, and perma-austerity. Through interviews with a range of people working in different public services, we found emerging signs of a reshaping of ethics, careers and identities in public service work. Professional boundaries and norms of distance were being challenged by more open, immediate and informal ways of engaging with citizens. People were telling us that workforce planning in public services needed to move away from labelling people only according to their technical competence (e.g. planner, housing officer) towards a new set of labels that encompassed their roles when engaging with citizens, such as storyteller or resource-weaver.

In doing these roles, public service workers and councillors are expected to perform high levels of emotional labour, placing increased emphasis on 'soft skills' such as interpersonal and communication skills. These 'soft' skills have to layer on top of the professional skill set, but they are vital, not just a 'nice to have'. Practitioners also need to adapt to new ways of working with citizens ('being human'), with a sensitivity to place ('officers are citizens too'), and adaptability to the current financial context ('perma-austerity').



All illustrations by Laura Brodrick, Think Big Picture, http://www.thinkbigpicture.co.uk/



Councillors need to develop their capacity to act as 'stewards of place'. The move towards these roles enables more effective boundary-spanning across organisations, which is increasingly important in interconnected public service systems.

However, we also found that elected and appointed leaders within public services were poorly equipped to deal with the complexity of this public service context. Too much emphasis was placed on hero leadership, emphasising the charisma and control of an individual, whereas effective public service requires leadership to be dispersed throughout the organisation. While traditional leadership skills are covered in existing training (e.g. financial and legal responsibilities), there is insufficient training in relational, communicative and networking skills (e.g. resilience, system leadership). The expectation of being visible, available, and prepared to interact with citizens in more informal ways (for example through social media) was a cause of anxiety for workers and councillors, creating new support and training needs. We developed a playing card game to work with organisations to develop these ways of thinking.

New challenges – the long haul

Fast-forward to March 2020 and the Covid-19 crisis. Suddenly the pace of change was unrecognisable. Thousands of staff moved rapidly from office-based working to working from home; buildings had to be closed and secured; services (from issuing parking permits to registering deaths) had to be moved online; face to face meetings were replaced by Teams and Zoom.

The new ways of working that were required to some extent matched our 21st Century Public Servant model. A few people said they had used the research to help them think through these new challenges – for example a blog from Neil Prior, a councillor in Pembrokeshire, about 'Learning through crisis' said:

> *Breaking down the silos: The 21st Century Public Servant work feels more relevant than ever. The pandemic has fast-tracked 21st Century public servants across the UK, where councils have embraced the generic skills of their workforces with a very clear purpose: to protect life. We need to capitalise on that by now rejecting silo working, embracing fluidity and collaborating to achieve our goals. The 21st Century Public Servant is about employee engagement to empower and facilitate our workforce to deliver fantastic services, and be very proud of their achievements. It's about being a municipal entrepreneur, acting on behalf of residents and having broader and softer skills. This is what I am seeing in action and it's hugely encouraging (https://neilprior.co.uk/2020/06/07/learning-through-crisis/)*

But there have been elements of the research that haven't fit so well in meeting the challenges of the times. Being a municipal entrepreneur was partly about finding new income streams for the council, for example through property investments. Some of these risk becoming major liabilities as building occupancy changes. Perhaps hero leadership (command and control) is what you need in crisis times – at least in the very short-term when it relates to securing access to PPE and testing.

One thing we didn't address in the research was endurance. One of our interviewees for a new project on leadership during Covid-19 described this as how you cope 'when the adrenaline goes.' This is about transitioning from a short intense crisis phase to the current

longer phase. The sense of all pulling together becomes harder to maintain as everyone is ground down by lockdown, caring responsibilities and the pervading anxiety about future spikes and employment prospects. Relationships can start to fray as people's resilience wears thin. Leaders can do their bit here by modelling good behaviours – self-care, boundaries between working time and leisure time. Durable leaders will be those who come out of this having been able to protect their own mental and physical health, and encouraging staff and citizens to do the same.

The Covid-19 crisis has also been a re-affirmation of the value of the professional skill set. There has been a huge amount of ongoing work by surveyors, to ensure that buildings are safe and ready for use. This also encompasses thinking about the buildings that will be needed in the future, if working from home and communicating online remains the norm. What will need to be done in buildings and what kind of buildings will be needed are key questions for surveyors. Property investments and lettings will require careful management, if local government austerity resumes.

Public services require narratives and navigators to guide staff and citizens through crises. Surveyors have a crucial role to play in this - helping to understand what local authorities will do, and where and how they will do it, in a context where this crisis is far from over. Surveyors are vital in helping keep a focus on the long-term, even when the short-term seems so uncertain.

For more information about the research finding go to https://21stcenturypublicservant.wordpress.com/

OBITUARY AND BOOK REVIEW

David Garnett BSc (Econ), MA, PhD, FCIH, 1943-2020

Betty Albon editor@aces.org.uk

I am saddened to write of the death of David, after a battle with cancer. David wrote for ACES' Terrier over a period of 5 years, on a range of topics including social housing policies, Grenfell and latterly, the etymology of professional language. He was due to continue his series, although he was giving priority to writing his latest book, when he was overtaken by illness.

David failed all his O Levels, due to spending his time setting up and editing the school magazine. This was the beginning of his life-long love affair with the English language, both spoken and written. However, through further education, he finally gained a PhD in 1991 and became a university teacher and researcher, writing extensively on public policy and social justice. He was first and foremost an intellectual, who abhorred small talk and was passionate about ideas, but always eager to initiate and support practical projects, especially in the areas of housing and education. His energy, infectious sense of humour, self-deprecation and kindness made him a stimulating companion and loyal friend to many.

David also acted as chairman to several organisations, including a university faculty, 2 housing associations, a commercial facilities management company, a community interest company, and a charity. This work sparked his interest in rational thinking and coherent decision-making. He was an active campaigner for social justice and together with his wife Julie, ran a small charity aimed at enhancing literacy and improving living conditions for those in need, at home and abroad.

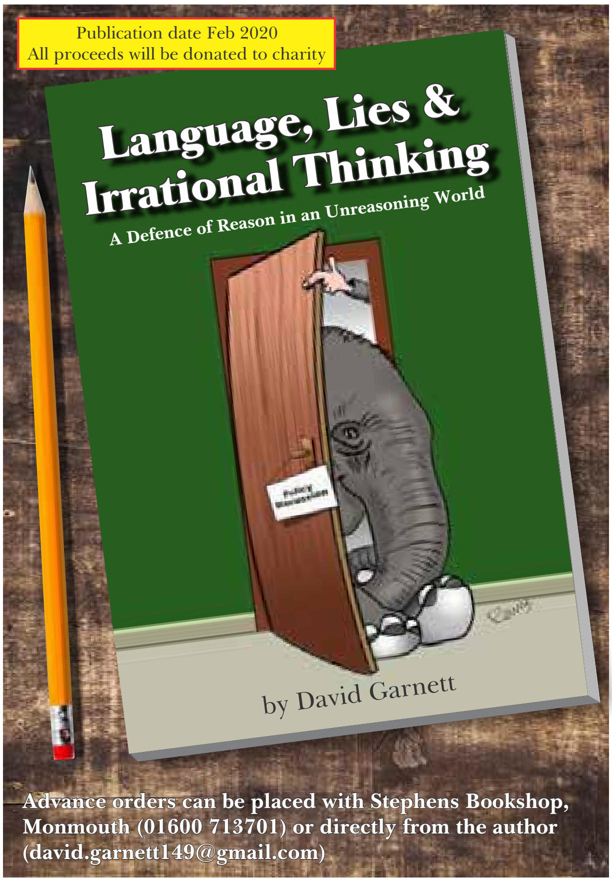
In discussion with Julie, we wanted to review what he believed was his most important book, which with characteristic determination, he finished.

Language, Lies & Irrational Thinking

The defining activity which galvanised David to write this book was through chairing the City of Bristol's Option Appraisal Exercise concerning the future management and ownership of the council's housing stock. This took some months of meetings and discussions with all interest groups - what is the relationship between rationality and decision-making?

It is a long time since I read an academic treatise. David's book is grounded in psychology, moral philosophy and ethics, but draws largely on his broad experiences of working in the third and public sectors. It is a book I can relate to, from my many years practicing at a senior level at a district council, and one I'm sure many of you would gain useful insights from, and maybe better understand the dynamics of public policy-making, which - through communication and miscommunication - can result in good sustainable, or bad irrational, decisions.

Quickly running through what David describes as 8 essays – and unashamedly using some of his phrases - he lays the blame at the feet of 'fake news'; the language used to advocate or criticise political and social policies becoming more aggressive and less amenable to rational debate; the emergence of some of the world's leaders as malicious hypocrites; the role of social networking to facilitate the spread of extreme populist ideas. David does not hold back!



One of the traits of human nature is a desire to justify and often stick doggedly to what we already think, rather than change our opinions. In the world of politics, statements are presented as 'objective' and proposals proffered as 'rational'. A call is often made to 'common sense', thereby nullifying the need for argument, or as David describes it: "For a dogmatist, finding the truth is like looking for an elephant in a haystack – it is simply obvious and does not need to be discussed." There is also a preponderance to use imprecise words and phrases, all a part of common sense, which in reality can lead to ambiguity.

What has to be acknowledged is that common sense varies with the life experiences of individuals. There are likely to be a 'multiplicity of rationalities' in what individuals believe in using terms in social and community decision-making, such as sustainability, social returns, diversity and equal opportunities. Add to that personal agendas, the competitive mindset, and asymmetrical power of some individuals ("I am your line manager and you will do as I say"), the outcomes of debates is likely to be dysfunctional policies.

So what can be done? David propounds a theory which he calls 'multiple rationality discourse': "if people are debating a complex issue in an open and intelligent fashion and are all genuinely seeking a consensus that will allow them to make a sustainable decision, they need to understand each other's underlying (and often undeclared) attitudes, values and preconceptions." To achieve this, all participants have to overcome 'competitive discourse' and move to 'generative discourse', by inviting in the 'elephants in the room'.

We've all been in these situations, and probably will continue to do so, but David offers insights and advice to improve sustainable decision-making, and move by means of agreement and commitment (often to an option previously not on the table), through to strategic plan, to implementation, management and monitoring.

There is so much in David's book that I cannot do justice to in this review. There are innumerable turns of phrase which I would like to quote, but cannot legitimately include. One which must be repeated here as my postscript is: "in reality, apart from a few congenitally deluded mad people, no one makes important decisions by relying solely on self-authenticating inner perceptions." Hmm, anybody come to mind?

The book can also be obtained from Amazon.

David is an authorised High Court Enforcement Officer with over 35 years' experience in specialist evictions and enforcement. He is the director for corporate governance and compliance at The Sheriff's Office and regularly works with the National Eviction Team, both companies being part of High Court Enforcement Group.

He has a wealth of experience in dealing with high profile enforcement operations and has planned and led operations to remove demonstrators from complex locations, including St Paul's Cathedral (OCCUPY!), Admiralty Arch, Parliament Square, Bexhill-Hastings by-pass, nuclear power sites and numerous fracking sites, including Balcombe.

TRAVELLERS AND COVID-19

Removing travellers during the pandemic

David Asker property@hcegroup.co.uk

David advises readers of the key areas where traveller and protester removal has been impacted by the pandemic, and provides practical advice whether and how best to proceed with eviction.

This is always a busy time of year for traveller movement, and the pandemic has not changed that. This leaves landowners with the decision as to what to do when they have traveller incursions on illegal encampments.

Legal perspective

From a legal point of view, there is no impediment to the removal of "persons unknown" from a site. The 120th practice direction update amends the Practice Direction 51Z issued on 27 March 2020 to allow possession proceedings against persons unknown.

Practical considerations

In our work over the last few months, we have identified a number of areas where traveller and protester removal has been impacted by the pandemic. In this article we cover the key areas and provide practical advice for chief estates surveyors debating whether to proceed with eviction.

This advice covers: police support, writ or common law, notice period, false Covid-19 claims, welfare checks, timescales, protective equipment and security measures.

<u>Police support</u>

Some police forces prefer to have travellers moved on due to increased crime and public order risks, at a time when they are stretched by the pandemic.

We are finding that the police are more supportive of our work if a writ of possession has been issued. This is generally the case, but particularly so currently. However, there are strong arguments in favour of a speedy removal, even during these times. In our experience, the longer a group of travellers is permitted to remain on the unauthorised site, the more likely it is that others will try joining, making the removal an increasingly large task.

In terms of the return to school in September and access to medical facilities, the travellers may be better served by being on a more permanent official site, so moving them may be best for them, as well as for the local authority and the community.

What is also working well is keeping communications open with the police force in each area we are operating, especially as each force has different approaches to dealing with the pandemic.

<u>Writ or common law</u>

Traveller removal is most commonly undertaken under common law (Halsbury's); however, during the pandemic we would recommend obtaining a writ of possession. This will secure both support from the police, as well as formal authority for the council from the courts.

Notice period

During the pandemic, we recommend that a longer notice period than normal is given for traveller removal. This will give them time to find somewhere to move to, assuming the local authority is not offering them access to an official site.

False Covid-19 claims

Human nature being what it is, it will probably come as no surprise that travellers and other trespassers are claiming to be self-isolating to prevent removal. Our response to this is that they can also self-isolate at their new location.

Welfare checks

We will undertake welfare checks and provide access to medical care or social services for those who need it, as well as check that there are bins and toilets available on site, and that the occupiers have taken measures to prevent a coronavirus outbreak.

Timescales

It is worth taking account of the fact that some contractors, for example tow truck operators, are working reduced levels of service during the pandemic. This means that everything is taking a little longer than it normally would. The police may also require more notice that normal, given the increased calls on their resources.

In terms of obtaining a writ, we are finding that remote hearings are being set up quickly – sometimes the process is even faster than before Covid-19.

Protective equipment

Our enforcement agents already wear specific equipment – including body-worn cameras, specialist clothing, and helmets (where required) – but are now using more protective equipment relating to coronavirus, for the safety of the people they are removing, the general public, and themselves. This includes masks, safety glasses, gloves and sanitisers. We have been spat at since the pandemic started on some of the protest sites we are working on, so this equipment is very necessary, as well as being required under government guidelines.

Security measures

This final piece of advice is not specific to Covid-19 but is relevant at all times. The best way to deal with travellers and other trespassers is to prevent their access to the site in the first place. If they do gain access, the next step is quickly to secure the site to prevent others joining, and then act quickly to remove them, whether under common law, a CPO warrant or a High Court writ of possession.

Further guidance

If you would like any advice or guidance about traveller removal during the pandemic, please do not hesitate to get in touch.

Meurig joined the Valuation Office Agency in 1986 as a Valuation Clerk in the Abergavenny office, before moving to the Carmarthen office as a Cadet Valuer in 1991. During his career in the VOA, primarily he has been a rating caseworker, either dealing with appeals or working on rating revaluations. He has experience of dealing with the valuation of most classes of hereditament using all methods of valuation. In 2016, he changed role to be one of two Valuation Office Rating Contact Managers and was appointed VORC Team Leader in September 2020.

VALUATION OFFICE RATING CONTACT SCHEME

Meurig Morgan Meurig.Morgan@voa.gsi.gov.uk

The VORC scheme is a cost effective and efficient means of submitting tenure information and Meurag's aim in this short article is to make it the method of choice for local authorities and other public bodies. Meurag hopes to write a more extensive article, including statistics and timetable, in due course. He also updates us on the postponement of the 2021 revaluation.

The Valuation Office Rating Contact scheme (VORC) allows occupiers, or landlords with portfolios of 20 or more non-domestic properties, to submit tenure data in bulk, regardless of whether their interest in the property is as landlord, tenant or owner/occupier. This has significant benefits for the VORC client and the Valuation Office Agency (VOA) and ensures rateable values are based on reliable and up to date market evidence.

The primary source of market information received by the VOA is from the issue of hardcopy FORs, or the digital form known as a RALD (rent and lease data). The VOA has the statutory authority to request tenure and/or turnover information from landlords and tenants of non-domestic properties; penalties may be levied for late or non-completion. For occupiers or landlords of large property portfolios, the requirement to complete numerous individual FORs either in hard copy or digitally is costly, time consuming and there is a risk of penalties for non-compliance.

The principal advantages of VORC for public authorities are:

- There is a significant cost, time and resource saving as the issue of individual Forms of Return (FORs) is suppressed in most circumstances
- Penalties may be levied for the late or non-completion of FORs. Enrolment on the scheme removes the risk of Penalty Notices for non-compliance
- The tenure data supports the compilation of more accurate Rating Lists. A stable tax base has obvious benefits for all stakeholders
- Enrolment provides a single point of contact within the VOA for queries relating to the supply of tenure data
- Full and early disclosure of rental information may facilitate the "prior agreement" of some valuation schemes
- Once collated, only the tenure data that has changed since the submission of the previous schedule needs be amended on the spreadsheet
- The spreadsheet can be used as a useful internal record of the estate and assist in the management of the property portfolio.

The information provided must be as comprehensive and accurate as data provided on individual FORs and it is preferable that VORC clients use the VOA spreadsheet format, as this lessens the risk of omissions and ambiguity. In order to remain enrolled on the scheme, VORC clients must provide an updated schedule annually.

The VORC scheme is primarily used to provide data for properties valued on the rentals method, but there are bespoke spreadsheets for some classes of hereditaments that are valued with regard to turnover or income, e.g. public car parks. The VOA may still issue individual FORs on some types of hereditament that are valued with regard to receipts or construction costs.

Currently, there are approximately 420 VORC clients enrolled on the scheme, including numerous local authorities and public bodies. Please see the testimonials below:

- *"Using the VORC template and a download from our asset manager system, we can complete the returns for Carmarthenshire in one morning, compared with weeks of form filling. I would recommend it to anyone."* Source: Phil Thomas, Property Records Officer, Carmarthenshire County Council
- *"The VORC scheme allows us to submit tenure data for our operational estate in bulk once a year, which greatly reduces the administrative burden of completing individual forms, one for each property."* Source: Brian Pope, Property Information and Advice Surveyor, Coventry City Council

The VORC scheme is administered by a small team which will be more than happy to answer any queries you may have, and assist you with the enrolment process. We will provide the blank spreadsheets and templates and provide guidance for their completion. If you are interested in joining the scheme, please contact either of the VORC Managers:

Eleri Wynne-Roberts – 03000 507077 or email eleri.wynne.roberts@voa.gsi.gov.uk

Ian Harris – 03000 504610 or email ian.harris@voa.gsi.gov.uk

The VOA

The VOA is an executive agency of HM Revenue & Customs and is the body responsible for compiling and maintaining lists of rateable values for over 2.1m non-domestic properties in England and Wales. Non-domestic rates raise approximately £25bn of revenue each year and is an important source of funding for local services.

In his Autumn Statement in 2017, the then Chancellor of the Exchequer, Phil Hammond, announced a commitment to more frequent revaluations, so that rateable values more closely reflect the rental market and respond to relative changes in rental levels between revaluations.

Rating revaluations are important for the following reasons:

- Redistribution
- Transparency
- Changes in market sectors
- Regional changes
- To reflect emerging markets
- Improving localities.

The VORC Team was a finalist in the customer service category at the Government Property Profession Awards in March 2020. The benefits of VORC and the service provided by the team are widely recognised and if you would like to take advantage of the scheme, then please get in touch using the contact details of the VORC Managers or vorc@voa.gsi.gov.uk

Postponement of rating revaluation

The VOA has been working on the rating revaluation that was due to take effect on 1 April 2021. On 6 May this year, the government in England announced the postponement of the revaluation because of the coronavirus pandemic; in June, the Welsh Government also confirmed postponement.

Communities Secretary Robert Jenrick MP said *"We have listened to businesses and their concerns about the timing of the 2021 business rates revaluation and have acted to end that uncertainty by postponing the change."* The government's announcement also referred to the HM Treasury-led Fundamental Review of Business Rates. It is considering changes to the rating system including the frequency of future revaluations.

The VOA will continue to maintain the sources of market information that provide the evidence on which rateable values will be based, whenever the next revaluation takes place. The VOA also has a statutory duty to maintain the current Rating List and the receipt of lease and rental details is necessary to support this function.

Valuation Office Agency

DVS EXPERIENCED DELIVERY TO REGIONAL, LOCAL AND DEVOLVED GOVERNMENT.

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

OUR SERVICES

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- General Fund
- Plant and Machinery

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- MHCLG
- Welsh Government
- Scottish Government

National Head of Local & Devolved Government
Ian Carruthers
Tel : 03000 504103
Email : ian.carruthers@voa.gsi.gov.uk

DVS
Property Services Division - Valuation Office Agency

Crown Commercial Service Supplier

Jen is a co-founder of Property Elite, a chartered surveyor, a Registered Valuer and an APC assessor. She is also an experienced property consultant, with close to 15 years' experience working in the commercial property sector.

She has extensive experience in providing training services to students, RICS AssocRICS, APC and FRICS candidates and corporate clients, together with academic experience as a Senior Lecturer at the University of the West of England, Lecturer at the University of Portsmouth, and Associate Tutor at the University College of Estate Management.

RICS APC
Hot topics – Session 2 2020

Jen Lemen jen@property-elite.co.uk

Calling all RICS APC candidates! If this is you or staff members, Jan asks you to read this article to find out about 10 hot topics which she thinks are likely to come up in the Session 2 2020 final assessments.

Being aware of, and being able to advise in the context of recent caselaw and property market changes, i.e. hot topics, is an essential component of providing a high standard of service and reasoned advice to clients. This also helps to promote trust in the profession, while taking responsibility for your own CPD.

These are just 3 of the 5 RICS Ethical and Professional Standards which you need to be aware of for your final assessment. Remember, a failure to answer an ethics question correctly in your final assessment interview is likely to constitute an automatic fail.

1. RIBA Plan of Work 2020

The Plan of Work was first published by the Royal Institute of British Architects (RIBA) in 1963. It originally provided a matrix to show the roles of participants in the design and construction processes.

In 2020, key changes were made to reflect the importance of sustainability and Building Information Modelling in construction. It also incorporates digitisation of the industry, Modern Methods of Construction, ethical issues, value of aftercare, and timing relating to planning applications and procurement.

This has included restructuring and renaming of the work stages from the 2013 Plan of Work:

- 0 - Strategic definition – no change
- 1 - Preparation and briefing – brief amended to briefing
- 2 - Concept design – no change
- 3 - Spatial coordination – formerly Developed design
- 4 - Technical design – no change
- 5 - Manufacturing and construction – formerly Construction
- 6 - Handover – formerly Handover and close out
- 7 – Use – formerly In use

2. RICS Guidance Note, Surveying Safely (2nd Edition)

Ensuring that you take responsibility for the health & safety of yourself and others under your care is an essential requirement of being a chartered surveyor.

RICS Guidance Note, Surveying safely: health and safety principles for property professionals (2nd Edition, November 2018) replaced the 1st Edition, from February 2019.

It is supplemented by the RICS Guidance Note, Health & Safety for Residential Property Managers (1st Edition, January 2018).

A key change is that RICS have introduced the 'safe person' concept. This is when 'each individual assumes individual behavioural responsibility for their own, their colleagues' and others' health and safety while at work'.

There is also a greater emphasis on ensuring the competence of individuals, including their responsibility to ensure the use of safe work equipment and safe systems of work for themselves and others.

3. RICS Valuation - Global Standards (Red Book Global) 2020

RICS has published RICS Valuation - Global Standards (Red Book Global) 2020, which took effect from 31 January 2020. The new edition was been published to coincide with the publication of the latest version of the International Valuation Standards (IVS).

The key changes reflect amendments to the latest version of IVS, as well as feedback on the application of the Red Book stemming from extensive consultation carried out by RICS during 2019.

IVS is now revised on a rolling basis, rather than being updates in separate new editions. This means that valuers need to ensure that the latest versions of both, in addition to any relevant national guidance, are used for new instructions.

4. New RICS Valuation Guidance Notes

RICS has published 3 new pieces of valuation guidance:

RICS Guidance Note - Valuation of Development Property (1st Edition, October 2019). This replaces the former Valuation Information Paper 12 - Valuation of Development Land. It should be read in conjunction with RICS Valuation – Global Standards 2017 (Red Book), which incorporates IVS 410 – Development Property. RICS set out a clear approach to valuing development property in the new Guidance Note. The 2 main valuation methods are the comparable and residual methods. Ideally, both methods should be used to ensure that the end value is cross-checked appropriately.

RICS Guidance Note - Comparable Evidence in Real Estate Valuation (1st Edition, October 2019). This replaces the former Information Paper (1st Edition) - Comparable Evidence in Property Valuation. The new guidance aims to ensure consistent global application of comparable evidence, based on sound, robust principles. It also addresses the challenges of availability and transparency.

RICS Guidance Note - Valuation of Rural Property (3rd Edition, July 2019). The purpose of the new guidance is to highlight matters of concern when valuing rural property, as well as taking account of the fact that there is often a very diverse client base for rural property valuations, e.g. estates, farmers, landowners, lenders, developers and investors.

5. RICS Professional Statement - Service Charges in Commercial Property (1st Edition)

The RICS has published Service Charges in Commercial Property - Professional Statement, 1st edition (September 2018). This applied from 1 April 2019 and confirms the importance of effective and consistent service charge management within the industry. The new Professional Statement includes both mandatory and best practice guidelines, which should be applied in the context of the contractual lease.

6. 5th Anti Money Laundering Directive

The 5th Money Laundering Directive took effect on 10 January 2020.

The key changes are that residential and commercial letting agents must now carry out Customer Due Diligence (CDD) checks when a property is let for:

- A term of a month or more, and
- At a rent, which, during at least part of the term is, or is equivalent to, a monthly rent of over 10,000 Euros
- CDD must be undertaken on both the lessor and the lessee, i.e. both parties to the transaction.

The requirements of the former 4th Money Laundering Directive, also known as the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, already covered work undertaken by residential and commercial sales agents.

7. RICS Professional Indemnity Insurance (PII) requirements

RICS has made changes to minimum PII requirements from 1 May 2020. The changes were made to ensure that PII cover remains appropriate in 'unprecedented market conditions', i.e. it continues to be available and affordable to the industry.

Furthermore, the changes made to run-off cover aim to ensure that all firms have access to run-off cover, providing better protection to consumers.

8. RICS Professional Statement, Code for Leasing Business Premises 2020

RICS has launched the new Professional Statement to take effect from 1 September 2020. The aim is to improve transparency and fairness in commercial lease negotiation, including initial negotiation of lease terms and mandatory provision of comprehensive heads of terms, to facilitate the legal drafting process. This applies to both new leases and lease renewals, including both mandatory and best practice requirements.

The key mandatory requirements are that negotiations and heads of terms must be approached in a constructive and collaborative manner. This should produce letting terms that 'achieve a fair balance between the parties, having regard to their respective commercial interests'.

Parties who are not represented by a RICS member or property professional must be advised about the existence of the Code and to obtain professional representation.

Written heads of terms must be provided by the landlord or their letting agent on a subject to contract basis.

9. RICS Professional Statement, Client Money Handling (1st Edition)

RICS has published Professional Statement - Client Money Handling (1st Edition, October 2019).

This should be read in tandem with the April 2019 Scheme Rules for the RICS Client Money Protection Schemes for Surveying Services and Property Agents, both of which have a narrower scope than the new Professional Statement.

The new Professional Statement applies from 1 January 2020 and aims to:

- Keep client money safe
- Ensure client money is used only for appropriate purposes
- Ensure RICS-regulated firms have appropriate controls and procedures in place to safeguard client money.

10. RICS Professional Statement Home Survey Standard (1st Edition)

RICS introduced the new Professional Statement to promote and enforce the highest best practice standards in the residential sector.

The new guidance sets minimum expectations and mandatory requirements for RICS members and regulated firms in the UK delivering any level of condition-based residential property survey.

Where a valuation is to be provided as part of a service, the requirements of the Red Book Global and UK National Supplement must be adhered to.

Where can I seek support?

If you would like to discuss any aspect of your RICS APC confidentially, just fill out the form on our website (https:// property-elite.co.uk/free-consultation) as we provide each and every candidate with a free 15-minute consultation. This includes guidance on which route is likely to be the right one for you, your experience and your qualifications.

You can also access substantial free support resources on our website (https:// www.property-elite.co.uk/free-resources) and in our blog (https://www.propertyelite.co.uk/blog).

Branches News

HEATHER HOSKING, LONDON BRANCH

Meeting on 27 March

The meeting was held on-line. 22 members attended. The chairman Chris Rhodes welcomed everyone to the first on-line meeting of ACES London Branch.

Discussion on the effects and implications of the Covid-19 emergency:

Non-operational portfolio - There was a discussion on the measures being taken by authorities to help tenants during the current situation. One authority explained that smaller businesses and voluntary groups would, subject to Members' authority, be offered a 3 months' rent free period; the larger tenants may be offered the opportunity to delay payment. National companies and recent investment acquisitions were not likely to be offered concessions. Another authority said that tenants are being sign-posted to government support, and the council is not pre-empting the government's policies. Tenants are being given the opportunity to pay their rent monthly in advance for the next 2 quarters; there will be no interest charged for late payment. A further authority commented that all tenants that had had to close had been offered 3 months' rent free. The council had RAG rated the portfolio – companies already impacted had been rated red; amber includes car parks, which are a large source of income - operators had reported a significant reduction in occupancy, and they are not benefitting from the business rate relief being offered by the government; the emergency services want to use the car parks for key worked parking.

Other councils reported requests for rent mitigation; others are writing off rent from closed businesses; if the tenant has a large on-line presence, a rent reduction is unlikely to be offered; one council which sublets workspace centres is investigating whether the operators are passing any benefits they are receiving onto the tenants; they are also delaying all renewals where the tenants have 1954 Act security, and rent reviews are being delayed.

Reference was made to the government's guidance on concessions produced in the 2008/09 recession, which could be a useful source for policies; small businesses that had had to close such as nurseries, garages and golf courses are being offered rent free periods; where large tenants are seeking a rent free period, one council is looking to extend the term of their lease by an equivalent period.

Operational portfolio - There were concerns on how corporate landlord responsibilities can be met when staff are not available to check buildings. There were also concern about maintaining the security of empty properties. Some buildings have been mothballed, with most people working from home; there is some use of the main civic building; most staff are working from home, with a few essential staff attending the offices; in the absence of council staff, some offices are being used by NHS; government back-offices have been closed.

Various requests have been received for help to provide properties for NHS, blue light and other services affected by the pandemic; OPE has asked authorities to identify potential locations for testing, field hospital and mortuary services.

The Ministry of Justice is seeking short term accommodation for asylum seekers, category C (open prison) prisoners; the emergency services are seeking agreement for staff to park in underused car parks; elsewhere, the NHS has asked for a building to use for storage and distribution of personal protective equipment; other buildings are being used to distribute meals twice a day to homeless people; some London football clubs have been asked to make their premises available.

One council is still operating public toilets, which are being used by homeless people and cannot be closed. There are issues of getting sufficient staff to clean them, and issues of anti-social behaviour; security patrols will be required to deal with anti-social behaviour; there are issues in closed buildings, where temperatures in water tanks are rising, giving cause for concern over the risk of legionella. In some buildings, taps are being run to replicate normal use/conditions.

Recruitment - There was a discussion on the impact on recruitment of the current restrictions on work and social contact. Some on-line recruitment is continuing, but it was recognised that it is very difficult to introduce a new member of staff when face to face contact and site visits are not possible. Use of platforms such as TEAM and Skype are helpful. It is possible that there might be constraints on the movement of staff to new posts within the public sector while the emergency lasts.

Construction - Construction industry guidance has just been issued for workers on construction sites, requiring distancing on site. This is not always practical and there are issues with crowded public transport. There is a risk that there will be a complete closure, and some large contractors are closing sites. Closures are likely to increase if the virus spreads. One council had sought legal advice on issues around determining responsibilities if extensions of time are required. If a contractor chooses not to continue working, in advance of a mandate to stop work, the contractor could face a claim for damages.

The government Procurement Policy Note During Covid-19 requires the public sector to do everything possible to ease the cashflow of its suppliers. It has proposed up-front payments to contractors.

ACES Matters.

ACES is investigating different ways of working. The next ACES Council meeting is to go ahead on-line, possibly with a smaller number in attendance and additional people joining for relevant items, to help to manage the event [Ed – the April meeting went ahead successfully, and the July Council meeting will be on-line].

RICS Matters

RIBA, RTPI and RICS had issued a joint letter offering support to the health sector. Firms, such as CBRE, have offered to work on a pro bono basis for the health sector.

A public sector theme has been included on the RICS Yammer. Neil Webster has asked if public sector members can be invited to join and is awaiting a response.

The RICS CPD requirement has not been changed; conferences are being deferred or converted to on-line. The RICS has agreed that Neil can write to private sector organisations to ask if ACES members can join any on-line CPD events being held. It was recognised that it would be difficult for London Branch to have a CPD presentation if it continues to hold meetings on-line.

Exchange of Information

- One council reported that it continued to acquire property – the council has exchanged contracts on the acquisition of 104 housing units, and has completed on the purchase of its council offices via the acquisition of the owning company
- One council is working with CIPFA to produce a new asset strategy, using its template. It was pointed out that the RICS also has a template.
- One council has recently sold 3 properties by auction.

The next meeting is due to take place on 15 May, with the branch's annual field trip in the morning, and the OGM in the afternoon. Arrangements will be kept under review.

JOHN READ, NORTH EAST BRANCH

Like all other branches, the Coronavirus has changed our plans for 2020, with our scheduled spring branch meeting planned for Darlington cancelled following lockdown, and little likelihood of another face to face branch meeting this year. Since March, we have embraced the new normal virtual world, with the branch executive keeping in touch more regularly than usual, with 2 virtual meetings, one on Microsoft Teams and the other on Zoom.

In both of these virtual meetings, we have used the opportunity to consider how we can ensure active branch engagement, and share experiences of how our organisations have responded to the challenges of the pandemic. The first virtual branch meeting was held on 7 May, with attendance from a variety of living rooms, kitchens, studies, dining rooms and attics. The main focus of the meeting was to consider the impact of the pandemic on the office environment and workplace, and we were pleased to be able to get Roger Myatt-Turner from the facilities management team at Network Rail to give us an update on its early plans and the impact on its offices and staff. This was particularly helpful because Roger had been involved in national working groups and liaison with government on the issue around a controlled return to work.

For our second virtual branch meeting held on 19 June, we were pleased to receive an address from the ACES President, Peter Gregory, who gave an update on ACES matters and the challenges and opportunities that the organisation faces as a result of, and in response to, the pandemic.

We were also pleased to invite Terry Garnett from NPS Humber to give a verbal presentation on rent deferment and collection, and how different councils were reacting to the challenges facing their tenants. The presentation followed research undertaken by Terry, who had contacted a number of councils to gauge how they were dealing with their commercial portfolios, in the short term and moving forward. Information on this research has been posted on the Forum, so if you want to see what others have been doing, look it out.

The meeting was well attended with 21 delegates, and there was a lot of discussion around how different organisations were looking to respond to the challenges of maintaining rental income while balancing the needs of tenants, avoiding business failures and ensuring continued economic activity. We also had a brief discussion about business continuity issues around virtual property viewings, undertaking site visits, and undertaking inspections in a safe manner, particularly where the inspection of occupied properties was concerned.

As we go to press, the branch executive is embracing the technology and planning another virtual meeting in early July, with a view to arranging the next virtual branch meeting, and discussing arrangements for the student prizes with Northumbria University.

GERRY DEVINE, WELSH BRANCH

Following the cancellation of our Spring Meeting, due to be held at Aberystwyth on 2 April, our branch members, almost all of whom were now working from home, found themselves faced with several unprecedented issues, e.g. retail tenants seeking rent holidays while not trading due to the lockdown, office tenants unable to use the offices, and many similar issues. Corporate landlords found themselves thinking about the many changes that would need to be made to their offices, to enable staff to return (if indeed at all) safely to an office environment.

A virtual meeting on MS Teams was arranged for 12 May for a small sub-group, to discuss Covid-19 issues and post-lockdown planning. This was a short meeting with limited numbers, but many issues such as revised desk layouts, suspension or termination of hot-desking, use of common service facilities, such as photocopiers/printers, toilets and kitchens, continual or regular cleaning of door handles, etc, generated some lively and thought-provoking discussions.

The consensus was that this was a worthwhile first attempt at a virtual meeting for the branch and served as a useful pilot for our summer meeting on 2 July, which has been transferred from Swansea into the ether and shortened in time. Nevertheless, we look forward to welcoming our President for his virtual branch visit.

SARA CAMERON, EASTERN BRANCH

Meeting 26 June 2020

Eastern Branch held its branch CPD meeting on MS Teams. Our Chair, Brian Prettyman, opened the meeting by reflecting on the success of our weekly members' call to discuss and share experiences of managing our operations and assets through lockdown, and considering what comes next.

We were joined by ACES President, Peter Gregory, as part of his branch visits and he spoke about the value of ACES, our partnerships, and what lies ahead in terms of growth, engagement and extending ACES' influence in the sector.

There followed presentations from the Better Queensway team, led by our presenters:

- Alan Richards - Director of Property and Commercial, Southend-on-Sea Borough Council
- Frank Klepping - Development Director, and Samantha Wait - Director of Business Development and Communications, NU Living part of the Swan group
- Andy Pack - Director at 31ten Consulting.

The Better Queensway scheme will transform a central area of Southend into a vibrant new community, with high quality housing and outdoor space, providing an attractive place for people of all ages to live, socialise and play.

The presenters shared the experience of the JV Partner Procurement highlighting the perspectives of local authority client, professional adviser and the successful bidder, and showcased Swan/Nu's approach to Modern Methods of Construction. The session concluded with a virtual tour of Swan/NU's precision housing factory, the 'customiser', to fully tailor and individualise each home and a look at the end products [Ed – I'm hoping to feature this work in a future edition of ACES' Terrier].

The next branch meeting will be held virtually on 16 October 2020.

ALISON HEXT, HEART OF ENGLAND

Branch meeting 25 June 2020

This meeting was due to have been hosted by Worcester City Council, home of vice chair Kevin Moore. In the event, the meeting was a virtual one hosted on MS Teams by Chris Bentley of Place Partnership, who also provided guidance to those not on local authority systems on how to join the meeting.

There were at least 18 attendees at the virtual meeting for most of the time, and after a brief 'code of conduct' for virtual meetings, most people were able to contribute.

Phil Colledge, HoE Branch Chair, highlighted that it was 120 days since the last actual meeting in Milton Keynes, at which it had been HoE's pleasure to welcome the President, Peter Gregory, and Neil Webster, Business & Marketing Manager. How things have changed!

New members and substitutes were welcomed to the meeting. HoE has been blessed with some 5 new members in the last 6-8 months, sadly not all of them able to attend this meeting, but hopefully things will calm down enough to enable them to join the next meeting.

Attendees contributed to discussions by indicating with the hand raised icon, and shared experiences of working practices introduced since the middle of March, all of which were interesting and thought provoking. Some positives were highlighted as the result of such necessary swift changes, and these were being looked at, to make changes to working practices, to achieve savings and accelerate asset management plan targets. Ideas on how tenants could be assisted, either by grants or rent deferments, were discussed, as well as possible double counting where tenants may have been assisted by alternative grants or rate relief.

Comments in respect of the importance of access to good electronic Terrier and filing systems to support working remotely, as well as good links to consistent broadband being essential (some areas are yet to get 4G, let alone any prospect of 5G!).

Thoughts on asset valuations, impairment, and auditors' expectations were shared, with the knowledge that this is an ongoing matter, as auditor reports had not as yet been received by finance officers.

The meeting lasted 90 minutes and members felt the MS Teams virtual meeting had been a very worthwhile way to maintain contact at this time; it was a good alternative, but not a permanent substitute for meeting face to face. We still need to network!

Next meeting

The next meeting is the Branch AGM 5 November 2020, to be held at Mansfield (or virtual meeting as required).

CHARLES COATS, RURAL BRANCH

A very well attended virtual meeting of the Rural Branch took place on 14 May. For over 2 hours we generally chewed the fat on a wide range of topics of prevailing interest, including:

- The Agriculture Bill – This continues its scrutiny passage through both Houses of Parliament. The Bill contains provision for assistance, financial and otherwise, to be given to new entrants to the tenanted sector and to landlords, including local authorities, to assist them to reorganise and modernise their estates, to improve farm productivity generally, and to increase letting opportunities for new entrants. The branch will continue to liaise closely with senior DEFRA officials to examine ways in which the new scheme can best be administered, once enacted on council farms
- Covid-19 related issues - The pandemic continues to have a significant impact on estate management practices and on farm profitability generally. In this regard, we discussed and compared notes in some depth on changes to operational activity in relation to: building maintenance, rent reviews and rent collection, moving tenants from one farm to another, and long term relettings strategy and practices
- Carbon management: - This is becoming an increasingly high-profile issue, and a variety of interesting ideas as to how estates need to accommodate enhanced carbon sequestration were discussed.

The branch has been invited to join an advisory board supporting the second phase of research work which is to be jointly undertaken by the Council for the Preservation of Rural England (CPRE), Shared Assets, and the New Economics Forum, exploring a new approach to the management of council farms under the working title of "Public Land for Public Good." This follows on from an earlier well-received report produced by the CPRE last year [Ed – see 2020 Spring Terrier]. Charles Coats will represent the branch on the board. Terms of reference and working arrangements are currently being drafted.

Pandemic conditions permitting, the next meeting of the branch will take place at the National Agricultural Centre, Stoneleigh on 12 November. However, such was the success of the virtual meeting, it was agreed to convene additional short-notice virtual meetings as and when required - a sign of things to come no doubt.

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

AUTUMN 2036: THE GOLDEN FLEECE

Dave Pogson

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

The time-line on the conspicuous and somewhat inappropriate digital screen attached to the first-floor balcony at the front of Shepdale's Victorian Town Hall scrolled across:

<u>20:59 Tuesday 6 September 2036:</u> … *Breaking News … Herdwick District Council resolves to transfer council offices to Herdwick Powersource plc for global sales centre…*

Farah walked through the automatic doors below the screen and saw Selwyn and his companion sitting on one of two public seats facing the Town Hall. Otherwise, the seats were empty. The fine summer weather had continued on into September, but darkness was now descending, triggering the streetlights. Even on that warm, dry evening the rest of the street was deserted, apart from the occasional passengers disembarking from the Driverless Taxis (DLTs) and heading for the "Tuesday night Mutton Curry and pint of Rampant Ram meal deal" in the Wandering Tup on the opposite side of the street from the town hall. The emptied taxis glided silently over the head of the pedestrian area that now included the section of Sheepfold Lane north of the town hall crossroads where Selwyn was sat, and returned to their parking bays. Sheepfold Lane was still the main commercial street in Shepdale but banks, shops and offices had become relatively scarce since the boom in home working and online trading. Cafés, restaurants and convenience stores still occasionally filled the frontages, but increasingly the lights that shone and the television screens that flickered were from behind the closed curtains at the windows of the affordable flat conversions comprising the main use for the bulk of the old limestone town centre buildings.

'Hello Selwyn, hello Bob. Have you been waiting for me? How did you know I was here? Does anyone know where you are?'

Before Selwyn could answer, a silent drone dropped down from the sky and hovered nearby at head height. A hologram of a police constable beamed down to stand facing them.

'Good evening ma'am, good evening sir. I'm PC Johnson currently in Shepdale Police Station. Do you require any assistance? If so, I can have someone with you in less than 5 minutes.'

'I'm just checking constable. I'll make a phone call. Please bear with me.'

Farah turned away, dialled a number

and spoke into the phone. Then she turned back and said

'There's no real problem. I've spoken to his wife' – she gestured towards Selwyn. 'They've been out all day, but I've confirmed that Selwyn has checked in with her by phone at regular intervals. She's asked that I put them into a DLT and program it to return them home before too long. Thank you for your offer of help but we don't need it.'

'That's ok ma'am. I've done a retinal scan and there's no record of any of you being reported as missing, so I'll leave these two in your capable hands. Have a good evening.'

The hologram extinguished itself and the drone lifted clear of the rooftops to resume its patrol.

'No, I didn't know you were here. Bob and I have just been on a tour of the old haunts, reliving the past. But it's good to see you. Actually, I'm surprised to see you here as I thought that all council business was conducted from home by digital tele-conferencing these days.'

'It is, but my portable DTC unit went on the blink at the last minute so, to be on the safe side, I came into the 24-hour Town Hall Tech Centre to use the facilities here for tonight's meeting. I could have linked in with my phone instead, but it was a nice evening for a walk. You can see the outcome on the news screen up there.'

'Yes, you're transferring our old offices. What's the plan for them? In fact, what's it like to be the high-powered chief executive of the richest council in Britain?'

'Well, it's very busy, especially as I also have the council's partnership seat on the board of Herdwick Powersource, but it's a lot less hassle than when we used to work together at the council in the good, or was it the bad, old days.'

'Shouldn't you be thinking about retirement soon?'

'Yes, it's been on my mind recently. It's probably best to go out at the top.'

'How things seem to have changed for the better. It's unbelievable how fast the time has gone. I always knew that you would do well Farah, and you deserved your promotion. You always had great insight, as you proved when you eventually persuaded the council not to outsource the Property and Design Services all those years ago. But this Herdwick Powersource venture is out of all proportion to what I expected, even from you. And, every credit to you. You were the only one to spot the opportunity when young Philip returned from Manchester University with his big idea. No-one else would back him then, but you opened the door and welcomed him in. We've been to see his dad, Bernard, earlier today. He's very proud of Philip's success. Retired now of course, but still living in a cottage up the Shepdale Valley. He's sold off the wedding and dating agency business and most of the farm to one of his neighbours, but he's still running a few sheep as a very profitable hobby and Bob always finds that interesting when we visit.'

'I seem to remember that it was a joint effort. Bernard asked you first for advice for Philip about obtaining business premises to relocate his early struggles from one of Bernard's barns. You then steered him towards me at the council to explore that longstanding rural business support initiative that we set up in the 1990s, when you were my boss in Property Services.'

'It's kind of you to say so but, let's be honest, it was you that saw the potential. I was just passing Philip on.'

'Anyway, to answer your original question. The plan, after tonight's favourable decision, is that Herdwick Powersource will move its tele-sales team out of the industrial estate. The team needs more floor space and better IT connections quickly, which they can get from being in the empty council offices near to the Town Hall Tech Centre. They need to stay in contact with their international customers and their world-wide licensees and franchisees. That will allow the manufacturing department to expand within the industrial estate, to help meet British demand. The rest of the world is serviced from its subsidiaries abroad, of course.'

'I suppose the high-paid tech jobs have been a big boost for the local economy, but to get council tax down to zero and still be able to finance all the local services expenditure, underpin all those local social improvements, and set up a sinking fund for all corporate property maintenance on top, must make you the envy of the country. I should imagine the government is very pleased.'

'To some extent. It likes the way our exports and franchising and such have reversed the national balance of payments deficit, but we still have problems. It was ok when we were small and no-one knew what the potential was. Philip came in one day with his idea to develop his everlasting, self-generating energy cells, or batteries as I still prefer to call them. To quote the sales blurb, each battery is a nano-sized cold fusion reactor forcing hydrogen atoms together from deuterium extracted from water encased in a leak-proof, indestructible casing of graphene blended with Herdwick wool fibres. I still don't understand the science, but apparently the wool's unique insulating qualities can't be bettered to prevent heat and energy loss within each unit – after all it keeps the sheep alive in sub-zero temperatures under the snow drifts - and that allows the contained energy generation not only to sustain itself, but also to produce surplus electricity indefinitely and at no cost. Each unit is environmentally friendly, gives off no harmful emissions, and if it should ever degrade, which is unlikely, it's completely safe because it simply stops generating, and they can all be recycled. We can make units to any size and shape from a pinhead to a shoe box and, simply by linking enough of them together like Lego bricks, we can power anything from a single LED to the National Grid. Not that we really need much of a National Grid anymore, now that we can incorporate them into the casings of each self-powering electrical product.'

'I remember – nobody else would touch Philip with a barge-pole at that time. You just thought what has the council got to lose and gave him the lease of a vacant factory, together with a rural enterprise grant. I seem to recall that the lease was for less than 7 years to exempt it from the best consideration requirements of s123 of the Local Government Act 1972 – see I can still remember the legislation after all this time, even though I can't remember what I had for breakfast this morning - on the basis that he gave the council a 25% stake in the business once it became profitable. You persuaded the councillors, Philip delivered the goods, and now Herdwick District is to the world's energy economy what Silicon Valley is to computers.'

'It worked out well, Selwyn. Today those batteries literally power everything across the world, undersea and in space – that drone, the DLTs, those street lights, those flickering TVs, the Town Hall Tech Centre with its digital screen, that armada of satellites and international space stations passing overhead - and we can't make enough of them. It's a global company that's bigger than Amazon, Google and

Microsoft added together. And what really pleases me the most - the sheep farmers are back in business in a big way. Who would have thought that Herdwick wool – that once cost more to shear than it was worth to sell - would turn out to be the Golden Fleece? The government's not really happy that the council is now financially independent of it and so pretty much beyond its control - apparently London is no longer the wealth centre of the country in comparison to the Northern Powerhouse - but there's not much that it can do about it.'

'Bob and I had a look at some of the council's property improvements today. We took a tour in a DLT using my pensioners' free-travel app. I wouldn't want to be chief exec like you, but I wish that I was young and starting out as property manager again, but this time with your resources. That new glass dome over Lantern Lido and the massive refurb of the inside to provide the combined pool, sports complex and indoor arena is very impressive. The wrinklies must be pleased. The new Bay Bridge road and rail links are excellent, especially with the disabled access and glass viewing facilities over the sea for those who can't enjoy the old coach crossing route over the sands. The museum extension with the 'History of Herdwicks' exhibition is very appropriate and interesting. Bob and I even tried out one your many high-level cable car routes today - the main one up the Shepdale Valley that includes a stop near Bernard's place - rather than be driven up there in the DLT. The views from that height are magnificent and I've never seen so many sheep on the fells. We can thank chips with unique indelible genetic bar-codes – or should that be *baa-codes* - and satellite tracking for allowing us to account for each one, even if the rustlers get past the initial drone patrols. And they all look so fit and well; presumably that's a tribute to the selective breeding programmes. It's fine using the cable route in the summer, but unfortunately, my days of walking up there in the snow are long gone. Still, it did bring back pleasant memories of that time when I first met my then wife-to-be on the track to Reservoir Cottage.'

'Have you eaten?'

'Yes thanks. Bob and I went into the Wandering Tup in late afternoon when we got back down here. I had a pint of Rampant and a mint and mutton sandwich and Bob had the special - a cold mutton pie - with his still water. You can't get lamb any more, as they're all out on the fells growing wool. The mid-week lunchtime trade seems to have dropped off, following the closure of the council offices and the main shops, but the landlord tells me that the residents from the nearby flats now fill it up over the new 3-day weekends. It was very pleasant, but we didn't stop long as there was no-one in there that we knew. That's the trouble with growing old, you outlive most of your friends. Anyway, we'll be heading home now, I'm starting to feel very tired and I've got a bit of a headache coming on. Too much fresh air I expect.'

'I'll summon a DLT for you.'

She pointed her phone at the line of taxis parked in the bays further up the pedestrian area. The lights on the nearest DLT blinked on and it reversed out, beeping a warning, and then turned and drove slowly towards them before stopping. The gull wing doors lifted open. Farah checked her phone contacts for Selwyn's details, leaned in and tapped his postcode into the dashboard display and, as an afterthought, pressed the security button which disabled the passenger steering option and which, barring rare impacts or optional manual override, only allowed the doors to open upon termination of the fixed journey.

Selwyn raised himself from the seat and, leaning on his walking stick, hobbled over to the DLT. Bob scuttled past him, hopped into the passenger foot-well and settled down there. Selwyn turned and hugged Farah before clambering in after him.

'Are you coming,' he said.

'No I'm walking home. It's not far.'

'Sorry but I wasn't asking you. I was talking to those 3 sat on that other seat. You remember Jim, who filled in for you when you took your career break to bring up your kids, and Eric from finance who did our accounts, and Keith the old cemeteries officer. All men of property now. They keep me company on my outings these days. I can't get much conversation out of Bob and he's too young to remember the past anyway.'

Farah looked at the empty seat and frowned.

'But there's no-one … They are all …' She stopped herself. 'Never mind. Will you be all right?'

'Don't worry, I'll be ok. It's time to go. Goodbye and, as I don't know when I'll see you again, please let me say that you've done very well and that I'm proud of you. Not many property managers get to be chief executive. We speak our minds too openly for the politicians to favour us. Now, take that retirement and enjoy the rest of your life.'

She stepped away from the sensors and the doors dropped down into position as the seat belts automatically encircled him. The DLT detected his contactless travel app on the phone within his jacket pocket, said 'Free transaction recorded', and eased itself away from Farah into the nearest traffic lane.

She pulled out her phone again as she watched him go.

'He's on his way home with Bob. He's very tired and his mind seems to be rambling a bit. I know you've mentioned it before, but I just thought that I should let you know. He'll be with you in about 15 minutes so can you please keep a look-out for him?'

Selwyn sat back and closed his eyes. It had been a good day but the headache was worsening now. His arm fell loose, the side of his face drooped and his head lolled over until it rested against the door window glass. The collie sat up in the foot-well, looked at him and let out a single low howl – just like the one he'd howled the day that Jim had collapsed when out walking him around the edge of the golf course, before Bob had gone to live with Selwyn.

The DLT said,

'I'm sorry but I cannot accept that verbal instruction. The security locks are in place. Please press override if you wish to cancel the pre-set journey.'

Selwyn never moved. Bob rested his jaw on Selwyn's knee and studied the faces of the 4 silent passengers for the rest of the journey home.

For those Selwyn readers (like your Editor) who may feel bereft with his apparent demise, I have it on good authority that his daughter may have saved Selwyn's emails sent to her while she was working in Australia. I believe she has recently forwarded these to Dave Pogson. Who knows what he may use them for……

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