

# THE TERRIER

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

VOLUME 17 - ISSUE 3 - AUTUMN 2012



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## Welcome to the Autumn Terrier

Betty Albon

This edition features another aspect of the Portas Review. The RICS has recently launched its new business leases and its statement, together with the letter from Grant Shapps, are reproduced here. On a practical note, the experience of Bedford Council is featured, which is one of the few authorities to adopt the Code. Perhaps ACES members might wish to join in the debate about whether their authority is considering adopting flexible lease terms, and if not, why not? I will happily feature this and any other topics on the Portas Review in the Winter Terrier.

I am pleased to say that there are a few articles from authors working in the public sector. These tend to have an Eastern flavour – that is, I have cajoled colleagues in my branch to put finger to keyboard. I would really encourage the branches to promote themselves.

Other features range over subjects as diverse as green belt policy, collaboration and new build projects, compulsory purchase for redevelopment schemes, and many more. In fact, there are 20 professional articles, not to mention ACES conference, national and branch events. I have also included a contribution from a leading representative of the third sector – Locality. So thank you to all authors.

*Cover photo: Ashton Memorial, Lancaster*

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## ACES PRESIDENTIAL CONFERENCE 2012, LANCASTER

John Morris

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*Since graduating from Reading University in 1975 John worked predominantly in the public sector until he retired from his position as Assistant Director - Property at East Sussex County Council (ESCC) in September 2012. He has worked at a district council, new town development corporation, the London Borough of Sutton, where he held various positions culminating in Executive Head of Construction and Property, before joining ESCC in 2003. John has been a member of ACES since 1988 and was President of the Association in 1999/2000. He has been ACES Permanent Representative to the Federation of Property Services since the 1990s and was President of the Federation 1999/2001.*

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John gives a write up of the Thursday and Friday plenary sessions.

This year's conference was very ably hosted by our President, Heather McManus, at Lancaster University. The conference sessions were held in the Management Studies building of the University, a short walk from the student accommodation where most delegates were billeted and an even shorter stroll from the on-site hotel where some delegates had elected to stay.

The conference venue was excellent, with plenary sessions involving all delegates being held in the main lecture theatre which had excellent presentation facilities and acoustics. So much so that speakers had no need of microphones and amplification.

Heather welcomed delegates and set the scene by outlining the central theme of the conference, a focus on the skills needed for collaborative asset management between different public sector bodies in a geographic area. Heather also explained a different approach to this year's conference which would feature interactive

workshops for part of Thursday's and Friday's programmes. As the conference programme was extended beyond the traditional arrangements we got more bang for our bucks - or CPD if you want to look at it that way.

After Heather's introduction an opening address from Charlie Parker, Chief Executive of Oldham Metropolitan Borough Council was given by video. Charlie is clearly relaxed in front of the camera and came over very well. He stressed the importance of communication when seeking change and transformation and explained that at Oldham they were not just doing things differently, in the face of cutbacks, they were doing different things. Charlie acknowledged the scale of costs involved in property and therefore how important it was that property was well managed. Importantly he also recognised that investment of both time and resources was needed to engineer change.

We then moved to the first plenary session of the conference which featured presentations by four gurus, John Connell from the Department for Communities and Local Government,

Stuart Ladds of the Government Property Unit and from the RICS Public Sector Forum, Brian Thompson of Realestateworks Ltd. and Keith Jones of Performant Consulting. Our gurus clearly enjoyed being on the same platform, evidenced by a deal of good-hearted banter between them.

John kicked off by giving an overview from the Government's viewpoint. There is £385 billion worth of property assets owned by the public sector. Before the recession Government allocated £30 billion a year for new investment in property - this has since fallen to £20 billion. However there is no oversight of where this is being spent and the aim is to move from a silo model to an area based model, hence the Capital and Asset Pathfinders which John claims can make savings in the order of 20% and which are now to be used as a stimulus for growth. He paid tribute to the role ACES members had played in the pathfinders. John reflected on the need for leadership and communication skills and exhorted his audience to take leadership in this area.

John advocated involvement in benchmarking clubs again to help

collaboration and comparison and finished with the observation that there are many providers of asset management software, but that none of the systems will talk to each other. Wouldn't it be lovely if they did?

Stuart was our next speaker and he examined the extent to which other public sector bodies are landlord to central Government and outlined the approaches being taken to decentralise the civil service and to reduce the size of the Government estate. He has a very amusing and engaging style and enjoyed teasing his audience.

The extent to which Government leases from other public organisations differs between sectors. There are clearly some synergies from co-location in the health sector, less so in higher education (with some exceptions), little involvement with the voluntary sector and a very cautious stance towards the devolved assemblies. However local government is the Government's landlord to a significant extent.

Stuart explained that he has to sign off all proposed new agreements there is a requirement for a break clause at 5 years in any new lease. Helpfully, other things being broadly equal, he will prefer an agreement with another public sector body than with a private landlord. He finished with a picture quiz of a number of buildings leased from local authorities and challenged delegates to identify their own buildings. Well done to all but one delegate, who successfully identified the bollards in the picture but not the building where he was effective landlord.

Next up was Brian with a thoughtful presentation on collaborative asset management and the skills needed for success. An interesting point early in the presentation was that property teams need to get communication right with internal services who are their customers before seeking to work with other bodies. Too often performance focus is on technical outputs rather than outcomes for the services concerned. Property people need to engage better with the needs and objectives of services and function as a business transformation unit.

Analysis of initiatives such as the Scottish Futures Trust's Hub programme followed, and some recent studies carried out by RICS including the effectiveness of Local Asset Backed Vehicles [featured in Spring Terrier 2012 p24 – Ed]. Finally Brian dealt with some common perceptions between private and public sector, which led to an interesting exchange of views. It's clear that some prejudices may persist on both sides.

Last speaker of this session was Keith. Whilst acknowledging the difficulties, Keith maintains that a more formalised model for property rationalisation is needed. In a typically insightful and objective presentation Keith challenged some of the complacencies he sees in evidence within public sector bodies and set out some of the factors he saw as necessary for success. Keith sees the move towards shared services as facilitating collaborative work, but so far there are few examples of shared property services. He stressed the need to build capacity as the process is time-consuming and requires a lot of patience and energy. Given this, Keith advocated that less controversial projects are dealt with first, such as offices and depots, before moving onto more complex areas.

At the end of this thought-provoking presentation a lively debate ensued concerning the restrictions imposed by large PFI contracts, which certainly affects the Government estate. Delegates then dispersed into their break out sessions for lively debates on a range of topical issues.

Friday morning's conference again featured our four gurus, although Stuart Ladds this time deferred to his colleague Sherin Aminossehe from the Government Property Unit who kicked off the session.

Sherin set out how the Government estate is seeking to consolidate back office functions in the North East, the North-West (at Preston) and at Bristol. The key considerations for the GPU are not the opportunity just to aggregate offices, but to develop working relationships with other public sector bodies, and to develop a shared vision for how the public estate can be managed. Sherin had received a number of approaches for the development of a public sector hub which failed to address these issues.

Sherin went on to outline some "Government paranoias". One is security, even between Government departments. Sherin maintains that this is not an issue with good workplace design. Another is ICT security, which again can be relatively easily surmounted.

Keith Jones then returned with an analysis of the traditional property activities and where they stand in respect of considerations of cost and inputs or outputs and benefits; also in respect of an operational or strategic outlook. Keith stressed that property asset management is a corporate function which needs to be carried out with a strategic focus concentrating on outcomes and benefits. The message was that many authorities "just don't get this", although some do.



The overall target is to have a better property estate: smaller, with lower running costs and less new capital deployed. Keith outlined how to achieve this such as Total Place and Community Budgeting. However he still sees asset plans which are not part of an authority's business planning process and over-simplistic business cases for projects, lacking a strategic, outcome-based focus and ad-hoc acquisitions and disposals.

Keith next turned to some of the skills that need to be developed by the property professionals. These embraced business planning, better project delivery including a strategic approach to sourcing professional and construction services and enhanced performance review, all underpinned by good and relevant data, advanced communication skills and leadership.

At the end of this session I was left feeling that ACES members really need to rise to this challenge so that we can demonstrate that such skills are in place and are making a difference to our communities.

Brian Thompson then took us through key messages from the RICS Guidelines for public sector property asset management and maintained that property professionals should think about the language used when interfacing with service department colleagues. Again the message was that there needs to be a move away from technical property language towards service outcomes and benefits. I was

aware how this theme ran through a number of the presentations and was a message that needed to be taken on board by ACES, with help from the RICS being offered by Keith and Brian. This is clearly something which the Association should give careful thought to.

Brian highlighted the existence of the Property Asset Management Capability Assessment Model (PAMCAM) by which teams can self-assess themselves against 9 key criteria for good property asset management and advocated its use by ACES members. This was developed by the Office for Government Commerce and National Audit Office. (<http://www.civilservice.gov.uk/wp-content/uploads/2012/04/855-PAMCAM-Final-with-links1.pdf>).

This session again led to a lively debate, with views being expressed that self-assessment is not seen as valuable as an external assessor's and the need for RICS to lead in this area.

John Connell was the last of our speakers before we again broke up into our workshop groups. John spoke in an evangelical tone - I can see him going down a storm at Speaker's Corner. Seriously though, John's enthusiasm is very evident. He can see the size of the benefit if the agenda is fully embraced and public sector bodies work together to make that better estate.

John stressed the paramount need to consider how we can improve things for individuals and communities, and

also to have regard to the fact that our population is changing. For instance we have an ageing population - how is that going to impact on building design and location? He then returned to the growth agenda, stressing the leverage the public estate can develop to promote economic growth, through our land ownership, planning powers, capital investments and power to bring all sectors together.

John has seen what is possible through the Capital and Assets Pathfinders and the key role ACES members have played in that programme. He also reflected that the vast majority of the £2 billion capital receipts generated through disposals has come from local authorities. So the final message John left us with was to go back to our (hopefully flexible) workplaces and make it happen, because he knows that we can.

The plenary sessions of this year's conference gave me a lot to think about. Clearly we need to continue to develop our skills and take leadership so that property asset management produces strategic benefits for individuals, service delivery, and the UK economy. The challenge seems to me to be: to seek to ensure that our organisations do not take short term decisions to make revenue savings which erode our capability to make such a difference, by demonstrating the potential of collaborative property asset management with well presented business cases.

## The Terrier

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

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# ACES PRESIDENTIAL CONFERENCE LANCASTER -SOCIAL REPORT

Kath Bradford and Sue Foster

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*For anybody who has ever attended an ACES Conference, they will know Kath and Sue. They are the 2 ladies in white [wasn't that a book? – Ed].*

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Many thanks must go to Martin and Isobel Howarth whose hard work and enthusiasm for their local area made our visit so memorable. Martin worked hard, herding us along – always with a smile

No sooner had we arrived at the hotel in Lancaster than we were approached by Betty Albon and asked the dreaded question - would we write a report on the social programme for The Terrier? Given that we have been attending the ACES Conferences as social delegates for 20+ years it seemed only fair that we should take our turn and anyway we haven't learnt how to refuse Betty!

A relatively newly-established event is the pre-conference meal on the Wednesday evening, on this occasion at a French restaurant on the historic quayside overlooking the River Lune. We had the first floor room of the restaurant to ourselves, perhaps just as well considering how the noise levels rose dramatically as old friends and colleagues relaxed and the conversation and wine flowed. Good food in good company and a great start to the conference.

Unusually the social programme proper started on the Thursday morning. We began with a visit to the factory of Dewlay Cheesemakers of Garstang, a family business that only uses milk sourced from within a 7 mile radius. As usual tea, coffee and biscuits were

on offer as we were welcomed by our guide Joan. She was very friendly and enthusiastic and clearly proud of the quality cheeses the company produces – Lancashire Crumbly, Creamy and Blue. They are sold not only under the name Dewlay but also by the major supermarkets under their own brand names.

There is a purpose-built viewing gallery which enabled us all to get a clear view of the process being carried out. Only men are involved in the cheese-making because of the heavy nature of the work and it was impressive. They were constantly busy stirring, slicing and wrestling huge lumps of cheese then flavouring and packing it and eventually washing down the entire room and

equipment. The women on the tour were delighted to learn that the men do all their own cleaning – no female labour is brought in to clear up their mess – and the entire production room was absolutely spotless.

Then the highlight of the visit – cheese tasting carried out with gusto! Some of the group felt it necessary to taste the samples several times to decide which they preferred. Once they had whetted our appetite, we were unleashed into the shop where a considerable weight of cheese and butter was purchased. The coach was certainly heavier on its return journey back to the University where we joined the conference delegates for lunch.



Reproduced with the permission of David Millington Photography Ltd.



We were given an introduction to the Ashton Memorial by the Williamson Park Manager who explained it had been commissioned by Lord Ashton and completed in 1909 as a tribute to his late wife. We were escorted to the first floor gallery which offered spectacular views across Morecambe Bay to the Lake District Fells and down the coast to Blackpool Tower. Most members went to the next level up but only 3 intrepid climbers made it right to the top after scrambling up on hands and knees. Well done David Albon, Peter Seddon and Steve Howe.

More tea and biscuits were then consumed to replenish energy levels and we were off to the Maritime Museum where we arrived safely after the coach had a near miss with a low bridge.

After a brief outline of the museum we were left to explore at our leisure. It occupies 2 impressive Georgian buildings on the quayside – the Custom House; a Palladian building designed by Richard Gillow of the famous local cabinet-making family (of whom more to follow) and the top floor of an adjacent 5 storey warehouse dating from between 1780 - 1797. The museum explores the rise and decline of Lancaster's maritime history including the trade in tobacco, sugar, spices and spirits such as rum, port and Madeira. We were amazed to learn that a large part of the city's prosperity came from the transatlantic slave trade, over 29,000 Africans having been transported 1736 - 1807, many by a prosperous Quaker slave trader named Dodshon Foster. We thought that the following poem which is displayed in the museum gives some insight into how people may have justified this barbaric practice.

"I own I am shock'd at the purchase of slaves,  
And fear those who buy them and sell them are knaves;  
What I hear of their hardships, their tortures, and groans,  
Is almost enough to draw pity from stones.  
I pity them greatly, but I must be mum,  
For how could we do without sugar and rum?"

*(William Cowper, Pity for Poor Africans)*

A display about the shrimp, mussel and cockle fishing in Morecambe Bay explores this perilous work which still sadly hits the headlines in modern times. A fascinating exhibition also highlighted a link to the Titanic disaster in 1912 – the founder of the White Star Line originated from Lancaster but sold the company to the infamous Bruce Ismay. Time did not allow us to explore this museum fully and some members were weary from their exertions earlier that afternoon but it is well worth a second visit. We then returned to the hotel for a short rest and to prepare for the evening events.

By this time the weather was decidedly inclement which made the walk to the Great Hall for an organ recital and return to the Barker House Farm for the conference dinner a challenge for some – mainly those wearing evening dress and high heeled shoes. However spirits were lifted because the after-dinner entertainment was provided by our very own Malcolm Williams making his debut appearance as an after-dinner speaker. As expected, a very funny enjoyable performance – a new career beckons I think.

We all set off on the Friday morning for Leighton Hall. After driving down a long single lane road and through a very narrow entrance, the coach arrived, to be greeted by a lady, though disguised in a regatta fleece, was instantly recognisable as the owner. There were some staff to greet us and a photographer. "Good Lord", said Malcolm Williams, "It's Downton Abbey", and so it seemed. Mrs Gillow Reynolds asked if it was ok for their photographer to take photos of our group for their new website. His camera was even bigger than Colin's! [Is that possible? – Ed].

The Hall and Mrs. Reynolds did not disappoint. Both were a delight. We were told there were no barriers and no ropes. We were invited to sit on the furniture. Mrs Reynolds gave us an entertaining and brief history of the house. In 1246 the then owner was a Mr. Hodgeson who was a Roman Catholic and was imprisoned in Lancaster prison during the Jacobite rising. The house then passed onto a Mr Townley and after that passed to various and sometimes distant relatives and eventually to Richard

Thomas Gillow, who died in 1906 at 99 yrs of age and was well known in the neighbourhood. Mrs Reynolds was very proud of the Gillow connection.

Mrs. Reynolds described some of the ladies of Leighton Hall – they married 'up' when needs must and seemed to have an awful lot of children, one lady had 16! Another lady who had an elaborate marriage bed given to her as a wedding present, had had 12 children, prompting one French tourist to comment that, it was not a marriage bed, but a battlefield!

The Hall was beautiful, as expected. Mrs Reynolds said we might think it a little shabby, but we decided it was shabby chic, which is very fashionable. The rooms were large and airy and were filled with comfortable furniture, crystal and silver, ornaments and paintings. It was a family home and we were told there were 16 family members lived there, including Mrs. Reynolds' children and grandchildren. The cosy library with a real fire opened up through to the drawing room, both rooms across the width of the house. The dining room had a very elegant extendable table, with 24 chairs, all made by Gillow.

The last room we saw was the music room, now used for weddings and functions. This was a huge room with a large fireplace and enormous windows and again magnificent views. We were invited to play the piano, but no one dared. We were by now running late and missed the extensive gardens and birds of prey, though we had managed earlier on to have coffee and biscuits in the very quaint tea rooms. We could also only return via Morecambe, past the bay, the statue of Eric Morecombe and the well known Art Deco, Midland Hotel.

The first visit of the afternoon was to the Judges' Lodgings, dating from 1775 and used by judges until 1975. Some of the house dates from 1550, but was reconstructed in 1675. Unfortunately we did not have a guide, but the staff were very helpful. We were also given a 4 page pamphlet (a good crib sheet!) with detailed descriptions of rooms and furniture which was very helpful.

In the entrance hall are portraits of Lancaster's slave trading families. Ben



Satterthwaite was a slave trader and agent of R. Gillow in Barbados. John Satterthwaite was married to the daughter of the owner of the Nevis plantation in St. Kitts in the West Indies. We got the picture.

Lots of furniture was by Gillow. One piece specifically made for the judges is a commode made in 1792, designed to look like a chest of drawers. A helpful young member of staff showed us how it opened up to display the real thing (we gave a thought to the poor girl who had to empty it!). In the drawing room is an exceptional bookcase which was made for Mary Hutton Rawlinson in 1772 at a cost of 17 guineas. It is very ornate with lots of carving, marquetry and veneers.

There was a lot of dark mahogany wood furniture and portraits of rich and powerful people. Most rooms contained Gillow's furniture, including a dining table and chairs in the dining room. Lesser pieces were positioned in the butler's pantry, which also had a display of silverware used by the judges. The billiard room naturally had a Gillow's billiard table. We were informed that the floor had been reinforced and that the Gillow table had only 6 legs and she understood that they usually had 8.

There were also two smaller exhibitions;

one was on children's toys, which was a nostalgic trip for most of us and the other one was about witches. Of course, the Pendle witches were from Lancashire and were tried at Lancaster Castle. One resident of the Judges' Lodgings was the notorious "witch-baiter", Thomas Covell, who locked the 10 Pendle witches in an underground prison cell.

The rain held off long enough for our walk to the castle, which was just a short distance from the lodgings, where we were joined by some of the delegates. The Castle dates back to the middle of the 12th century. From the late 18th century modifications and extensions were done to accommodate prisoners and a court. The building was used until recently as a prison, but that part is not open to the public. What we did see was what the castle used to be like and how prisoners were treated, which was quite chilling. There was a display of instruments of torture, including a scold's bridle, as well as neck and ankle chains used when prisoners were transported. In one room was a large wooden chair in which awkward or energetic prisoners were calmed down. The more they moved, the tighter a bar became so they could not move at all.

Several of the party decided to see what being a prisoner was really like and

were locked and bolted into one of the old cells, which were particularly grim. Fortunately he did not throw away the key and they were released, though they were a little pale.

As we were unable to have access to the Shire Hall, which is still used today as a crown court, we were shown the criminal court. It was here that the branding iron was used. It was last used in 1811. Those who were to be hanged were taken to the Drop Room. The Pendle witches were executed here on August 20th 1612. Out of 200 executions at Lancaster Castle, only 43 were for murder. Some of the executions were punishment for what we would now consider to be petty crime such as burglary, passing forged notes, robbery and cattle stealing. Out of 200 executed, 131 were reputedly carried out by one hangman, Old Ned. The tour of the castle was an amazing experience. It brought history alive and made it much more than dates, facts and figures.

Many thanks must go to Martin and Isobel Howarth whose hard work and enthusiasm for their local area made our visit so memorable. Martin worked hard, herding us along and spending time on the coach working out numbers and entrance fees – always with a smile. We both thought that this social programme rated one of the best ever.



## ACES COUNCIL MEETING NOTES, 21st SEPTEMBER 2012

Tim Foster, ACES Secretary

ACES Council met on 21 September 2012 at Lancaster University Conference Centre. There were 18 members present. The meeting was squeezed into less than an hour before the Friday conference session got underway so that limited discussion.

The following matters were however discussed.

1. The comprehensive report on "The Way Forward" prepared by Ian Hay, Jim Ross and Lee Dawson was deferred whilst the secretary sought the views of all the

branches on the suggestions contained therein. As a result the decision on the appointment of a new treasurer was also deferred.

2. Future conferences

Peter Burt raised the question of Council's previous decision not to hold the spring conference in 2013 which arose as a result of 3 branches saying they could not take on the organisation of the conference because of the heavy workload involved. Whilst the report referred to above was deferred it was nevertheless agreed that,

pending further consideration of the report, Andrew Wild, Jeremy Pilgrim and Peter Burt look quickly at the possibility of holding a one day event in Birmingham or Coventry in spring of next year. It was also agreed to review the frequency of future conferences towards the end of next year.

3. Financial report

The honorary treasurer had prepared a report showing that the finances were in an extremely healthy position following on from 2 successful conferences in London and Chichester. He also produced a list of assets belonging to ACES. Colin Bradford advised the meeting that most of the assets shown under his name had in fact been purchased by him and not ACES.

4. Betty reported that she was being inundated with copy for The Terrier to the extent that she had held back 2 articles until the next edition because otherwise the summer edition would have needed to be "perfect bound" which would have dramatically increased the printing and postage costs.

5. Council agreed to recommend to the AGM that the liaison officers listed below continue in post for another year.

6. The secretary was asked to contact all branches advising them that there were vacancies for liaison officers covering compensation, housing, performance management and FPS matters.

Valuation	Betty Albon
Development & Regeneration	Jeremy Pilgrim & Richard Wynne
Procurement	Abdul Qureshi
Rating	Andrew Wild
Corporate Asset Management	Ian Hay
Commercial Asset Management	Dave Willetts
Agricultural Asset Management	Stephen Morgan
Sustainability	Lee Dawson
RICS	Sam Partridge
CLG/ACES Working Group	Heather McManus

7. Council agreed that the following be recommended to serve on the CLG/ACES Working Party for 2013.  
B Albon, L Dawson; T Foster, I Hay, H McManus, P Over, Tom Fleming, Andrew Wild and Neil McManus.

8. It was noted that John Morris had now retired from East Sussex County Council and in recognition to his services to ACES over many years it was agreed to nominate him for honorary membership of the Association.

## MEMBERSHIP

I list below the changes in membership approved between 1st July and 30th September 2012

### ***New members approved***

There were 4 new applications approved during this period

Cath	Conroy	Oldham Metropolitan Borough Council
Stuart	Gibson	West Dunbartonshire Council
Linda	Doyle	Allerdale Borough Council
Donald	Meldrum	London Borough of Hounslow
Andrew	Wilcock	DVS Property Services

### ***Transfer from full to past membership***

Two members transferred to past membership during the period

John	Morris
Mark	Pam
Pelham	Walker

### ***Resignations***

There were one resignation during this period

Nigel Walker

The membership as at 30 September 2012 now comprises

Full	215
Additional	87
Honorary	34
Past	78
Total	414

Tim Foster  
Secretary



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## SMALL BUSINESS LEASES – THE PORTAS REVIEW

Betty Albon FRICS, Editor

### Introduction

The Spring 2012 issue of The Terrier included a series of articles which looked at Mary Portas' independent review into the state of our high streets and town centres. It included a summary of the 28 recommendations of the Portas Review and the government's response, BCSC's and RICS' responses.

Many retailers are failing against demand from out of town centres and Internet shopping. Falling capital values and rents has resulted in investment values of shops often less than the level of debt and a reluctance of owners to invest further. The vitality of our high streets is under pressure.

This edition of The Terrier includes the following articles dealing specifically with the issue of leasing premises, particularly small businesses, with a simpler, more user-friendly business lease.

There follows:

- The letter from The Rt Hon Grant Shapps MP on 23 March 2012 asking chief executives to encourage the use of the 2007 Code for Leasing Business Premises and "We think it is important that Local Authorities join their private sector counterparts and become CLAS accredited."
- A statement from the RICS regarding the launch earlier this year of

the Small Retail Business Lease.

- A practical case study from Bedford Borough Council, which in 2008 became the first public sector body to adopt the Commercial Lease Code and be awarded membership of the Commercial Landlords Accreditation Scheme (CLAS).

ACES Editor acknowledges the help received from

- Paul Bagust, Associate Director, RICS PBagust@rics.org , and
- Nigel Faircloth, former Estates Manager at Bedford Borough Council and ACES member

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**The Rt Hon Grant Shapps MP**  
Minister for Housing and Local Government

**Mark Prisk MP**  
Minister of State for Business and Enterprise

23 March 2012

Dear Chief Executive

### **THE CODE FOR LEASING BUSINESS PREMISES**

As you will be aware, small businesses contribute enormously to our economy and it is vital they are offered every possible support in these challenging times. The ability to secure affordable and appropriate premises on reasonable terms is one area where we believe more needs to be done and we are writing to request your assistance with this, by signalling your authority's commitment to the 2007 Code for Leasing Business Premises (the Code) as described below.

The Portas Review into the future of the High Street has noted a problem of "disconnection" between property owners and retailers and recommended more active promotion of the Code as a potential solution. We agree with this recommendation. The 2007 Code for Leasing Business Premises was created by industry representatives and key professional bodies with the support of Government; it was endorsed by the Association of Chief Estates Surveyors (ACES) council in 2009. The Code consists of three parts: a ten point set of requirements for landlords, a guide for occupiers and model Heads of Terms. Use of the Code delivers mutually beneficial terms to both landlord and tenant and promotes a progressive and flexible approach to leasing. As the most significant providers of retail and commercial premises to small business, we consider Local Authority engagement on this matter to be vital.

We believe that most Local Authorities already recognise the importance of fair and flexible leasing terms. Many Local Authorities are already code compliant in their leasing practices; however, only two authorities are actually accredited to the Commercial Landlord Accredited Scheme (CLAS), whose members commit to using the Code. We think it is important that Local Authorities join their private sector counterparts and become CLAS accredited.

Accreditation will provide recognition for your commitment to best practice and enhance the attractiveness of your Local Authority as a landlord. Further to this, accreditation will help to increase awareness of the Code amongst business tenants and those property professionals who work with Local Authorities and the local business community. We consider this to be an important step in encouraging the market as a whole to adopt the principles of the Code as the industry standard terms.

Accreditation to the scheme is managed by the British Property Federation. Joining the scheme is straightforward and there is no charge. Details can be found at <http://www.clascheme.org.uk/index.html>.

We recognise that for some Local Authorities accreditation will require a change to elements of current leasing practices. We know however that code compliant terms already work well for many Local Authorities and urge you to consider how your Authority might move towards Code compliant leasing terms. Further to that we would ask that you consider the benefits both to your Local Authority and to the business community that you serve in joining the Commercial Landlord Accreditation Scheme. We hope that you will recognise the importance of this initiative in supporting local businesses and take the necessary steps to become a "CLAS" Landlord. Should you require any information or support in this matter please contact [Joanna.hahn@communities.gsi.gov.uk](mailto:Joanna.hahn@communities.gsi.gov.uk).

A handwritten signature in black ink, appearing to read "Grant Shapps".

**GRANT SHAPPS MP**

A handwritten signature in black ink, appearing to read "Mark Prisk".

**MARK PRISK MP**

# RICS SMALL RETAIL BUSINESS LEASE

Paul Bagust, Associate Director at RICS

"It is vital that we at RICS take a role in stimulating the high street. In line with the principles of the Portas Review, we believe it is these retailers that are pivotal to the identity, appeal and vibrancy of the high street. Without them many landlords will continue to see their properties stand empty."

[www.rics.org/smallbusinesslease](http://www.rics.org/smallbusinesslease)

The UK high street is in crisis. The latest figures from the Local Data Company show that the high street has some of the highest vacancy rates in the retail sector, with the number of empty shops having risen to over 16 per cent. If we are to save the British high street action is needed now.

These sentiments are far from new, but still the debate over the challenges facing the high street and possible solutions continues to rage. The recommendations laid out in the Portas Review have become the focal point of discussion into how we save our town centres, with the onus placed on legislation to drive initiatives. However, government led action was placed into doubt at the recent BCSC conference in Liverpool, when Portas raised concerns over the government's commitment to saving our high streets and called for more to be done.

Indeed, both central government and local authorities have a crucial role to play in the rejuvenation of our town centres. However, the pace of government led action is by nature too slow to address the issues affecting the high street now. This is further compounded by budget cuts and the government's drive to minimise red tape. Initiatives will only be successfully implemented through a partnership between the public and private sectors. This partnership can ensure the entire industry helps to support the high street and delivers on the Portas Review recommendations.

As an industry body, and recognising the support needed by our members, it is vital that we at RICS take a role in stimulating the high street. This will help to alleviate the pressure on government and bridge the private/public divide.

## ***Stimulating the high street***

One of the main concerns is the exit of small and independent businesses from town centres and high streets. In line with the principles of the Portas Review, we believe it is these retailers that are pivotal to the identity, appeal and vibrancy of the high street. Without them many landlords will continue to see their properties stand empty. Furthermore, SMEs are the potential retail giants of the future and by giving them a helping hand to get up and running we can, in the long term, stimulate the economy at large.

To effectively support these occupiers as well as landlords we must start by understanding the issues affecting them on the ground. Through our liaison with members it is clear that inflexible long-term leases are a major concern. Many SMEs simply do not have the necessary time and financial backing to negotiate a lease. This is an issue that needs to be addressed to get these retailers back onto the high street and fill landlords' empty shops.

As briefly mentioned in our response to the Portas Review published in the Spring Terrier, we have launched the RICS' Small Business Retail Lease. Developed in collaboration with the British Retail Consortium, it has been specifically designed to provide an easy to understand, flexible contract which will save time and money for both the landlord and occupier, thereby encouraging start-up businesses back into vacant high street space.

RICS' lease is being offered free to all and is applicable for leases up to 5 years. It is laid out in a simple format,

clearly identifying the tenant's fixed property costs and responsibilities. Flexibility is built in with no fixed rent review and the option for break clauses. To ensure the lease is understood and used correctly explanatory notes for occupiers, surveyors, lawyers and landlords have also been published.

As part of the development of the lease we have opened the terms up for consultation to ensure it matches the needs of the industry. In response to feedback received, we have developed 2 versions of the lease, one with security of tenure under the Landlord and Tenant Act 1954, meaning tenants have the right to renewal of the lease, and one without. This is to address concerns that there may be times when renewal is not appropriate. These circumstances should be stated at the start of negotiations and we encourage tenants to seek early advice as to the implications.

As well as helping to support the independent retail sector and stimulate the high street, the lease directly addresses recommendations set out within the Portas Review. For example, the mutually beneficial terms for landlords and tenants supports the principles of the Code for Leasing Business Premises - identified in the Portas Review as a key tool in tackling the high street's decline.

The lease is also being endorsed by the British Property Federation, which has recently launched their Short Term Commercial Lease for larger retailers. Together, these 2 complimentary leases address the need for flexible leases across the UK retail sector.

By enabling small and independent retailers to take up space in vacant stores these leases directly support the public sector in revitalising the high street. Furthermore, they illustrate the importance of both public and private initiatives in addressing the needs of the high street, which move beyond the recommendations set out by Portas.



We believe RICS' Small Business Lease is a crucial part of the industry-wide effort to improve current vacancy rates. We hope that these initiatives will form part of a private and public led drive to

provide much needed support to boost the retail economy.

To freely download the lease and explanatory notes please visit [www.rics.org/smallbusinesslease](http://www.rics.org/smallbusinesslease).

The lease is currently being adapted for launch in Scotland later this year.



# THE COMMERCIAL LEASE CODE - ARE YOU A CLAS ACT?

Nigel Faircloth Estates Manager

*Nigel Faircloth is a Chartered Surveyor and has been Estates Manager at Bedford Borough Council since 2005. He had responsibility for the management of the Council's commercial property portfolio which comprises a mix of industrial, retail, and office premises generating a rental income of around £3.5 Million per annum. He has previously worked for Essex and Cambridgeshire County Councils. He has recently left Bedford to take up a role with Network Rail.*

In 2008 Bedford Borough Council became the first public sector body to adopt the Commercial Lease Code and be awarded membership of the Commercial Landlords Accreditation Scheme (CLAS). Five years on Nigel explains the process Bedford went through to adopt the Code and reflects on how membership of CLAS has affected the management of the Council's commercial property portfolio.

The Council first became aware of the scheme, which is run by the British Property Federation, in the summer of 2007, following a presentation by Julian Lyon, Manager, European Real Estate, General Motors. The Council has always looked to adopt policies and procedures that lead towards recognised best practice in the delivery of its functions. The Code was consistent with this approach.

Further investigation of the scheme revealed that to become members the Council was required to provide prospective business tenants with some basic information that explained the risks and pitfalls when taking a com-

mercial lease, and agree to abide by the Commercial Lease Code.

The first step was to analyse the Lease Code to identify what changes were needed to current working practices in order to comply. Six main areas were identified:

## **Flexibility**

The Council already had a policy of offering flexible lease terms, however, the terms needed to be more explicit to comply. This was addressed by promoting the availability of flexible lease terms on the website, on letting particulars, and in marketing advertisements.

## **Rent Reviews**

Previously the Council's policy was to seek upward only rent reviews. The Code required that landlords should, on request, offer alternatives to their proposed option for rent reviews priced on a risk-adjusted basis. The Council adopted the policy of offering upward/downward reviews subject to a minimum of the initial rent. Initially this was seen as a major barrier to adopting the

Code. However, analysis of historical rent review records demonstrated that had this policy been adopted there were no cases where the Council would have been faced with a rent reduction. Furthermore in the 5 years since the Code has been adopted there have been no rent reviews which resulted in a reduction in rent paid.

## **Assignments**

Previously the Council insisted on Authorised Guarantee Agreements (AGAs) for all its leases as provided for in the Landlord and Tenant (Covenants) Act 1995. Under the Code AGAs should not be required as a condition of any assignment of a lease, unless the proposed assignee, when assessed with any proposed guarantor:

- is of lower financial standing than the assignor (and its guarantor); or
- is resident or registered overseas; or
- for smaller tenants a rent deposit should be acceptable as an alternative.

Once again analysis of historical records proved that the adoption of this policy would have minimal impact due to the short term nature of most leases.

### **Prohibition of Sub-letting at less than market rent**

Historically it had been standard policy to prohibit sub-lettings at below market rents to protect the rental value of the commercial estate. However, the Council had very few sub-lettings and amending the policy to permit sub-lettings on this basis was not expected to be detrimental to future income from it. This has proved to be the case.

### **Repairs**

Previously the standard repairing covenant placed an obligation on tenants to put and keep the premises in repair, irrespective of the length of the lease. Recent case precedents suggested that in the case of short term leases this obligation could be considered harsh on tenants and probably was unenforceable.

Under the Code, tenants' repairing obligations should be appropriate to the length of the term and condition of the premises. Unless expressly stated in the heads of terms, tenants should only be obliged to give the premises back at the end of the lease in the same condition as they were in at its grant. The Council's solution to this was to have dilapidation surveys undertaken prior to any new letting and either bring the property back into repair itself or grant the ingoing tenant a rent-free period to undertake the works. We then had a clear indication of the condition of the property at the beginning of the lease, and the tenant had a clear understanding of our expectations of the condition in which we expected the property to be returned at lease end.

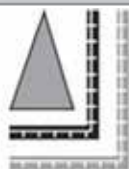
The Council amended its standard repairing covenant to reflect these provisions, but again it was not considered to have any material effect on the Council's position. Indeed tenants welcomed the transparency and reassurance that a detailed inspection of the premises had been completed prior to their occupation.

### **Alterations and Change of Use**

Previously all alterations to leased premises required the Council's consent as landlord, although this consent could not be unreasonably withheld. Under the Code internal non-structural alterations should be notified to landlords but should not need landlord's consent unless they could affect the services or systems in the building. Landlords should also notify tenants of their requirements regarding reinstatement of any alterations at least 6 months before the lease termination date. It was not considered that the Council would be adversely affected by adopting this practice.

Once these changes had been identified we worked with our legal team to adapt our standard Heads of Terms letters, and made changes to our standard leases to ensure that they were Code compliant. Following a report to the Mayor, we formally adopted the code and became members of CLAS in January 2008.

Nearly 5 years later the changes have



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not, in my opinion, had any adverse impact on the management of the Council's commercial estate and in my view the adoption of the code and membership of CLAS has actually given us a competitive advantage in the Bedford market:

- We are the only agents in Bedford able to display the CLAS logo on our marketing material;
- Prospective tenants appreciate

the openness and transparency provided by the information pack they receive when they first view a property;

- We received an award for innovation at the Bedfordshire and Luton Business Excellence Awards in 2008;
- We have had significant media exposure from our promotion of the code;

- Our retail vacancy rates last year were 4.5% compared to the average for Bedford of 12.2%.

The accreditation endorses the Council's commitment to adopting best practice wherever possible. Prospective occupiers take comfort from the Council's commitment to follow the Leasing Code and the other CLAS scheme rules. It's good for business and good for Bedford.



## BEHIND THE HEADLINES: RENEGOTIATING SECTION 106 AGREEMENTS

Guy Emmerson

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*Guy Emmerson is Development and Valuation Consultancy Faculty Head at commercial property consultancy Bruton Knowles. He specialises in residential and commercial development consultancy advice working with landowners, developers and local authorities. Guy provides a balanced perspective of the development process backed up by both valuation and marketing experience. Based at the firm's Guildford office, Guy is contactable via email: [guy.emmerson@brutonknowles.co.uk](mailto:guy.emmerson@brutonknowles.co.uk)*

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Guy gives a practical and forthright opinion of how to deal with viability of s106 Agreements, in the light of recent statements made by Eric Pickles. "The Planning Inspectorate's task will hardly be eased if they are routinely faced with parties who cannot even agree on the basic approach to viability"

On 6 September, Eric Pickles, the Communities Secretary, made an almost bewildering range of announcements and proposals, including some significant planning reforms. To be fair, he wanted to help a lot of people and market sectors, including support for the construction industry to provide 140,000 jobs and 75,000 houses; help for first time buyers; support for the private rented sector; and boosts for infrastructure projects. Any proposals that far reaching

were bound to be controversial - a fact not lost on David Cameron.

The reference to re-negotiating s106 Agreements to remove affordable housing certainly caused a stir - and this on the back of the government commissioned Montague report about the private rental market, which suggested that local authorities should consider waiving affordable housing requirements on new developments of homes being built specifically for private rent.

The furore has died down and it has been interesting to look beyond the headlines and into the detail. Sure enough, the announcements on affordable housing are not as radical as they first appeared. If a landowner or developer is sitting on an unimplemented planning permission and can successfully argue that it is being held back because it is commercially unviable, the

government will give them a time limited opportunity to side-step the local planning authority and appeal direct to the Planning Inspectorate. The Inspectorate will then consider the viability argument put forward by the landowner/developer and re-assess what level of affordable housing a scheme can viably provide in current market conditions. The landowner/developer will then have the existing s106 Agreement set aside for 3 years in favour of a new agreement with revised affordable housing provision.

As I understand it, the government is already consulting on proposals to take effect next year relating to s106 Agreements entered into before April 2010. Together, it is hoped that these measures could bring forward 75,000 homes, while the government simultaneously announced a £300 million balancing package of funding (drawn,



quite incredibly, from under-spending government departments) to support provision of 15,000 affordable housing units and bring 5,000 empty homes back into use.

Of course, more pragmatic councils have been entertaining a re-negotiation of s106 requirements since the downturn, but, as Eric Pickles delicately said, "...this is to deal with those local authorities who, frankly, have been dragging their feet and being wholly unrealistic, operating a kind of economic la-la land."

Pickles' attack on the planning system did not stop there. There is also to be legislation to allow applications to be decided by the Planning Inspectorate if a local authority has a poor track record in the speed, or the quality, of its planning decisions. That created shockwaves and, as one MP put it mildly, "astonished everyone". Pickles followed it up though by suggesting that planning departments should merge with neighbouring departments where they "simply cannot cope" and concluded with the heartening "...they will always find a friend to local planning in myself."

So a lot more emphasis is being put on the Planning Inspectorate to deal with the review of existing s106 Agreement viability, the grant of planning permission of poor performing local authorities and, in addition, the Inspectorate has also been told to prioritise, with immediate effect, all major economic and housing related appeals.

I do not envy the Planning Inspectorate. On the viability question alone, even assuming they have the necessary additional resources with the necessary skills, there is still the age-old question; what is 'commercially viable'?

The RICS has now (August 2012) published its Guidance Note entitled 'Financial viability in planning', which should help [see Summer Terrier for various articles on this – Ed], but the Note only seeks to establish a framework, methodology and principles to apply to viability assessments. It does not tell anyone how to carry out an assessment because this 'will inevitably vary in each instance'.

The Guidance Note does deal at length with the main stumbling block that arises in carrying out viability assessment, namely, what is the threshold land value that the notional landowner requires from a planning permission to release the land for development? This is termed Site Value in the Guidance Note and it is defined according to the following:

*'Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'*

Whilst this definition has been adopted to reflect the workings of the market, I still have concerns that there is a danger of circularity in this approach. One

needs to calculate the residual land value having regard to the cost of meeting policy requirements and compare the result with a suitable threshold land value to determine whether it is viable or not. If the threshold land value is determined by assessing the market value of the land, having regard to that same policy, and adjusting for risk such that, as the Guidance Note puts it, 'it will normally be less than current market prices for development land for which planning permission has been secured and planning obligations are known', then it is hard to see a situation when a site would not be viable.

This may all seem a little academic but as usual there seems to be a mis-match between policy and application. The Planning Inspectorate's task will hardly be eased if they are routinely faced with parties who cannot even agree on the basic approach to viability. The risk is that the entire process will become mired in the minutiae of phasing and discount rates, but perhaps fear of the uncertainty and delay implicit in a reference to a third party will encourage local planning authorities and developers to address this challenge earlier in the process.

I will be looking closely at the RICS' Guidance in a future article to get to the bottom of it all and note that the RICS hopes to set up an online viability community forum to facilitate continued debate. This 'real life' based resource could be the most useful thing of all.



## NEW OFFICES IN TIMES OF AUSTERITY!

Brian Prettyman

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*Brian Prettyman is the Senior Manager responsible for Property Strategy at Suffolk County Council, the most recent of many posts held at the council since he joined in 1990. He has been closely associated with key corporate initiatives in particular the Work Environment Programme, Single Public Sector Estate and building community capacity. He is vice-chair of ACES Eastern Branch.*

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Brian outlines the well established collaboration policies and practices of Suffolk County Council, including the latest project of the local authority and Suffolk Constabulary joint ownership at Landmark House

It may seem counter intuitive but in August Suffolk County Council (SCC) started moving staff in to its latest shiny new office, the 4 storey, 7,000 sq metre Landmark House in north-west Ipswich. Why in the hard times, with falling staff numbers and tight finances, has Suffolk gone through with this project?

This is the latest in a series of new office developments across Suffolk starting with the move to new corporate HQ, Endeavour House, in 2004, followed by the joint SCC area office and St Edmundsbury HQ, at West Suffolk House in 2009. A combined SEBC and SCC area office was opened at Haverhill House earlier this year and now we have moved to Landmark House, which is a jointly owned property between SCC and Suffolk Police Authority (SPA).

This collaboration between SCC and SPA will create long-term financial benefits. It will see the police and County Council working together more closely, is designed to improve services and save council tax payers' money. The two organisations expect to save £30 million over the life of the building.

## **Background**

Some years ago SCC via its then Work Environment Programme identified the need to provide staff with efficient and effective office environments that support the needs of customers. A principle feature of this being the need to treat front office, back office and support functions separately. Front office (where customers come to us) need to be in easily accessible locations (town centre with good public transport links) whereas back office locations (where we take services to customers) should ideally be placed for easy access by peripatetic staff travelling to and from and "hot-desking", probably on the urban fringe near good road infrastructure. Support staff, by their very nature, need to be located where they can best support the service

staff. It was recognised that new offices offer the opportunity to reduce total floor areas by moving from cellular space to open plan and with technology improvements, can encourage uptake of new ways of working.

## **Why a joint project with the Police?**

Within Suffolk there is a realisation that the current running costs of public buildings is not sustainable and one obvious way to drive down costs is for public bodies to share premises. In 2010 SCC launched its Single Public Sector Estate initiative, bringing together public organisations including borough and district councils, health, police and Government Property Unit representatives who regularly meet to exchange ideas and explore issues and opportunities. Out of this grew a realisation that both the council and police were seeking to relocate, the council from dated, leased office premises with limited car parking, the police from its central police station which will need significant expenditure in future years. Both organisations were looking to rationalise their estates by closing other smaller premises and centralising staff.

Building on the experience of West Suffolk House, we are bringing staff together in shared spaces, enhancing existing relationships and creating circumstances for new ones to develop. A good example is the SCC Trading Standards team locating with the Police Economic Crime

Unit enabling better communications and the ability to merge processes, and also sharing new storage arrangements with facilities capable of handling criminal evidence.

## **Why a jointly owned property?**

50/50 ownership is an emerging pattern in schemes in which SCC has been involved. In 2006 the original concept for West Suffolk House met early issues at Gateway 0 because of the large number of potential partners with differing priorities and time scales. The eventual successful project arose from 2 dedicated partners being able to move together, creating the opportunity for, but not dependent on, other partners co-locating to their own timescales. Two partners with equal ownership and control can work together with neither dominating the other in a spirit of compromise. By contrast SCC was also involved in an abortive scheme elsewhere where failure was partly attributed to the difficulties in managing 3 partners with unequal financial interests. West Suffolk House is a great success and is now run under the control of a joint committee of the 2 councils. Subsequently SCC purchased a 50% share in the St Edmundsbury Borough Council area office in Haverhill, which was renovated (partly by reinvesting the capital receipt) as joint offices under control of the same joint committee.



## **Why Landmark House?**

The property is situated on the western fringe of Ipswich close to A14 junction 53, which in turn gives easy access to A12 and A140. The primary interest of both police and council was to house peripatetic staff (e.g. Police rapid response and scenes of crime, the council for social workers, trading standards officers). The project is complimented by, relatively small, town centre public access facilities, and there is further work underway to consider whether these can be consolidated on a multi-agency basis.

Other parts of what had been a bigger site had been sold off but there was little market interest in Landmark House itself. Whilst the authorities on their own would struggle to justify acquiring such large premises, together they were probably the only potential purchasers for a building of this size. Consequently, a purchase price of less than a third of its advertised £12m price was negotiated.

## **Conversion versus New build**

Both Endeavour House and Landmark House were properties that had been built by another organisation but never finished or occupied. In the case of Landmark House an IT company had commissioned the building for specialist processes. This meant the building had some unusual design features such as being over engineered to avoid vibration from the nearby A14 and substantial areas, including ceiling voids, for plant and machinery to create and back-up a controlled environment. The large floor plates were deep with no fenestration to one side giving limited access to natural light. The building had been left as a shell for nearly 8 years before the police and council bought it. So, why buy it?

- It was available at a competitive price;
- It brought a prominent building on the gateway to Ipswich, (which might otherwise remain an eyesore), into economic use;
- It gave a focus for rapid decision making.

This last point is very important because it means decision makers who are not property professionals are dealing with something tangible rather than a concept and this can act as a catalyst for ideas. In addition, the number of initial decisions needed is significantly reduced. Issues such as size, height, location and appearance of the building are already set and can't be varied by discussion. It does, however, mean that you don't necessarily get everything you want and inevitably there are compromises to be made. There is probably a higher risk of cost escalation due to unanticipated factors in a conversion rather than new build (as evidenced at the Haverhill office) and it is therefore important that there is extensive due diligence before purchase and tight project management during works. An added factor, given the high proportion of peripatetic staff, was that this existing building has more car parking than would be permitted under a planning consent for new build.

## **Business case**

The business case for the project focussed on:

- Financial issues such as economies of scale, revenue reduction through having one site rather than many and an overall reduction in floor area through operating open plan and new ways of working;
- Cost avoidance of future investment to keep old and inappropriate buildings going;
- Business benefits of co-locating staff from partner organisations building links and synergies in the work they do and improving communication between organisations;
- Efficiency of having staff using new technology to spend more time out of the office with customers and less time behind the steering wheel;
- Environmental benefits of a shared green travel plan for site users and the carbon reduction potential of operating from a building (upgraded insulation and solar

powered water heating are part of the works).

## **Delivery of facility**

The partners agreed to use the existing SCC 'frameworks' for the appointment of Wates to the construction works, Atkins Global for design and Regen as programme managers. NEC form of contract was used on the contract, with a total scheme budget of £21 million. Final accounts will not be available until the end of the year and delivery of the project only slipped by 6 weeks from original plan.

SCC has now developed significant experience in move management. It is critical that staff are brought in to the process early. For them this is not just a change in location but also a major shift in working practices. It is vital that they understand why the changes are taking place and what will happen to them during the move process, where they are going to sit and how the building works. The IT should work when they turn on their PC on the first morning and support staff should be available in close proximity to help with any issues that might occur.

Moves were planned to take place over a series of weekends to minimise disruption. Staff were encouraged, months in advance, to start throwing out or archiving materials in their old offices. They were told how much space they were allocated in the new building and change champions appointed from within teams gave challenge and assistance. A few days before the move, staff were given removal boxes in which to pack their possessions and equipment. On their last day in the old office, these were moved by contractors and placed on new desks ready to be unpacked on the first day in new office. ICT was moved/reprovided and checked over the weekend so staff could log on and resume work on their first day. It is a credit to those involved that the council's moves have all gone very smoothly with high staff satisfaction.

## **Where next - building on experience**

Now that the west and south of Suffolk



have modern fit for purpose office facilities the priority for SCC is to complete the picture with a comparable scheme in the north. To this end both SCC and Waveney District Council cabinets in September 2012 approved a proposal based on the strategic business case to build a new shared office on WDC owned land at Riverside Road in south Lowestoft. Again this will be owned 50/50 by the 2 councils with a separate, shared, town centre public access facility at the Marina Centre in the town centre.

The council's drive for building efficiency continues. Moving to new buildings is just the start. Experience has shown that it is necessary to review occupation and working practices continually and to keep encouraging staff to maximise efficiency. In Endeavour House we have had 3 major re-stacks since initial occupation and have increased occupation densities from 990 desks in 2004 to 1320 desks in 2013, with a fairly consistent average ratio of 10 staff to every 7 desks. There are currently a number of area based reviews with other public sector partners to identify and deliver property sharing opportunities including offices and this has resulted in a SCC team moving to Forest Heath District Council offices earlier this year and the likely move of another team to PCT offices in Beccles before the year end.

Technology is, of course, always developing and this needs to be reviewed with regard to future impact on the office environment and ways of working.

### **Landmark House - Key Benefits:**

- By reducing the total size of buildings in use and operating from more modern, energy efficient accommodation we are supporting the environmental aims of both partners;
- Rationalised property assets – reduction from over 5 buildings to 1 building;
- Significant overall property running cost savings for both partners;
- DDA compliant buildings – fit for

purpose for both customer and staff use;

- Partners sharing accommodation and co-locating;
- More productive cross organisation working on corporate/community priorities;
- Reduced cost of 'churn'. I.e. the cost of moving individual staff, teams or departments around as a result of organisational changes through growth or contraction etc.;
- Much improved working environments for staff;
- Changing culture to a more empowering culture focused on service needs;
- Contribute to the government's agenda for closer integration of public sector services;
- Reduction of CO2 emissions.

### **Who is based in Landmark House?**

Numerous teams from both organisations are based in Landmark House, these include:

Suffolk County Council - Trading Standards, Community Safety, Adult Community Services South Team and a variety of Children and Young People service teams including Safeguarding and specialist integrated teams.

Suffolk Constabulary - Criminal Justice Unit, CID, Economic Crime, Priority Crime, Neighbourhood Response Teams, Coroner's Office, Drugs and TST team amongst others.

There are approximately 580 workstations/desks in the building, although nearly 850 staff will be based in Landmark House. The majority of staff are peripatetic and will not be in the building every day.

### **About the building**

Water conservation - Water conservation

measures will significantly reduce the water used in the building. Spray taps will save up to 80% water compared to standard taps. Water-efficient WCs and waterless urinals will substantially reduce water consumption.

Lighting - Lighting is high frequency or LED throughout, all with smart controls that are daylight linked and absence/presence controlled to reduce energy consumption. Lighting to most areas will be overridden by local controls. This form of lighting will add to the overall building life cycle cost savings.

Solar control - Solar control measures are installed to reduce the effect of solar gain on the building cooling loads. The orientation of the building already makes good use of solar control.

Green Travel Plan - A Green Travel Plan has been developed with both SCC and the Police for the move to Landmark House. The travel plan is a requirement of the planning application and aims to minimise the number of staff travelling to work by car on their own and to maximise the attractiveness of sustainable travel. This has several benefits, including reduced congestion, increased sustainability of public transport through increased patronage and more healthy lifestyles associated with an increase in cycling and walking.



# STOCKBRIDGE VILLAGE REGENERATION

Quentin Keohane

*Quentin was the concept architect for the redevelopment and undertook the detailed design of the school, library, health clinic, nursery and new retail unit. He worked with a strong architectural team which delivered the scheme as part of a multidisciplinary practice within 2020Liverpool. He qualified as an architect in 2001, working on a number of award winning regeneration and residential schemes throughout the UK and Ireland, before joining 2020Liverpool in 2008. The client was Knowsley MBC, led by Project Manager Audra Ross, who had the vision to think “big” and appreciate the value of good architecture upon people’s everyday lives.*

Quentin gives a comprehensive account of the rationale for and development of a new village community. He shows what can be achieved with careful planning and by applying highest priority to green principles. “People are proud of their new village centre.”

## Project Description

Stockbridge Village Regeneration was an ambitious project to provide a new village centre for a deprived new-town suburb in Knowsley, on the outskirts of Liverpool. The project was undertaken on a multi-disciplinary basis by 2020Liverpool for Knowsley Metropolitan Borough Council (KMBC). The construction budget was in the order of £21 million and was funded primarily by KMBC, with assistance from partners such as Merseyside police. The scheme was procured traditionally and constructed by Morgan Sindall. Construction on site was phased over a period of 22 months.

Stockbridge Village was formerly known as Cantril Farm, a ward with one of the highest crime and deprivation rates, in one of the poorest boroughs in the country. It was originally built in the 1960s to re-house residents from areas of inner city Liverpool. The design consisted primarily of council owned properties and included a number of high rise blocks. The estate experienced issues with unemployment, car crime,

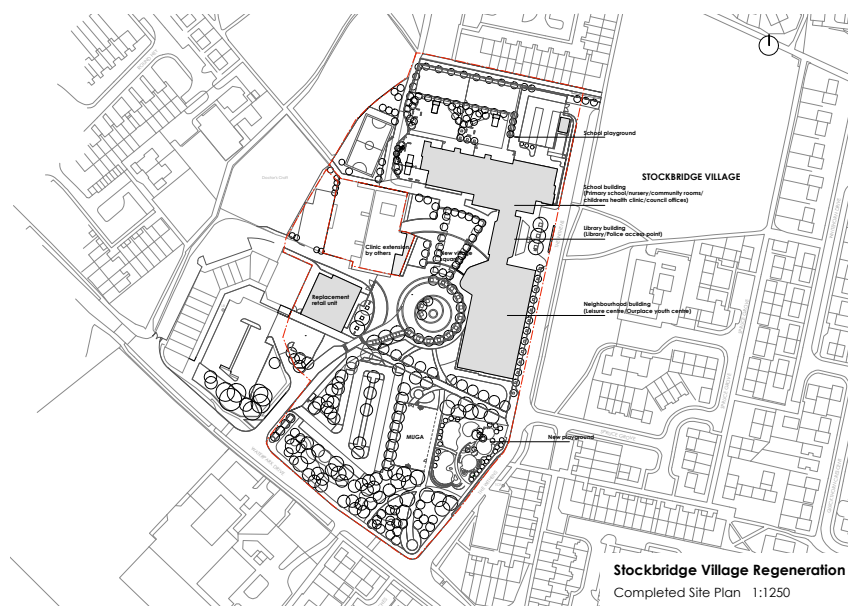
burglaries, and vandalism. Most of the housing stock has been improved or replaced by the local authority and a social landlord partner.

The project was to tackle the centre of the estate, a problematic arrangement of buildings which the local authority identified as being key to securing both the long term improvement of the estate and viability of the community. Since its original development the centre had not functioned properly and underwent 2 major piecemeal redevelopments. The village needed a proper centre with a main street and square. Buildings needed to be arranged to form this space.

A master plan was developed which included a new primary school, nursery,

community centre, children’s health clinic, library, police access point, OurSpace youth centre, leisure centre, outdoor sports pitches, playground and the replacement of an existing retail unit. All of these elements were knitted together to create an exciting new village square, to enhance the existing adjacent shopping arcade, and provide much needed community facilities.

The new community based buildings form 2 sides of a new square, whilst an existing health facility (renovated separately) forms the third side, creating an area of quality public space and which acts as a focal point. One corner of this square is a new retail unit which links the existing shopping arcade into the square, forming a new high street. Basic





urban design principles establish a sense of place and community.

The design of the new buildings was driven by the overarching master plan requirements, but each element was carefully considered to provide modern attractive facilities for the local community.

### The school

The school is based around a central "Agora" with a terraced seating area with all classrooms fully glazed internally and externally to provide a bright, open, attractive and welcoming school. There are extensive play decks on the first floor of the school to compensate for a limited playground area. Although in post occupancy surveys it has been noted that the pupils prefer the playdecks to the general playground space. The school building also contains a nursery, community meeting rooms, council office space, and a children's health clinic, all serviced by one central entrance and reception space.

### The library

The library building is smaller in scale and links the school building to the Neighbourhood Centre and provides facilities for both the general public and the school pupils. It also contains a small police access point.

### The Neighbourhood Centre

The Neighbourhood Centre links to the library and has a very simple plan of a bright attractive central spine which allows direct access to an OurSpace youth club and the leisure centre. The internal design of the building was very carefully

considered to provide a therapeutic feel.

### Retail unit

The replacement retail unit, to replace an existing supermarket, is a relatively modest building which links to the existing 1980s retail arcade whilst forming the cornerstone to the new square. This has been achieved through the careful positioning of the new building and its subtle choice of cladding materials.

The entire development had to be carefully phased to keep the village centre in operation throughout the works and some buildings such as the replacement supermarket had to be built and operational before the existing one could be demolished. The phasing plan demonstrates the phases of work required to transform the village centre.

### ***Sustainability Details***

KMBC set the following specific targets that drove the low-carbon design strategy:

- Reduce the carbon emissions to 60% of the notional building emissions rate;
- A BREEAM rating of very-good (upper quartile).

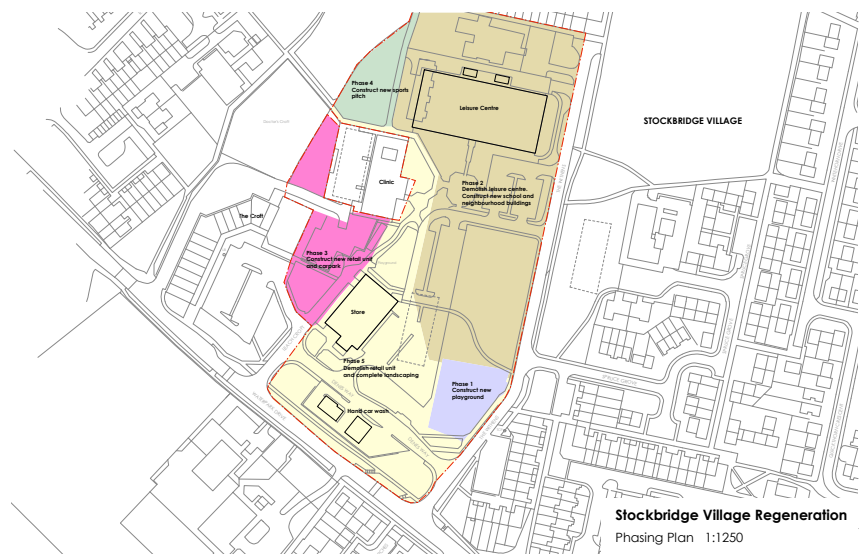
In order to achieve the client's BREEAM target we used the often recited lean, green and mean approach to sustainable building design.

**Lean** – The buildings' energy demand was minimised with the exploitation of passive design measures as follows:

### School and community building

Natural lighting was carefully designed to avoid overheating and glare, with the use of integral overhangs to all classrooms and large north-lights to the "Agora". Additionally all glazing was carefully specified according to specific elevations to reduce unwanted solar gain.

The school is almost exclusively ventilated and cooled by natural means. The



classrooms are provided with extensive opening lights at differing levels and augmented by wind catchers at the rear of the rooms to draw fresh air in and through. This strategy is replicated in the main school hall and nursery. A number of the classroom wind catchers project through the playdecks, becoming an educational aid and sculptural points of interest. The central "Agora" is vented by a series of automated opening lights in the north-light, which are linked to the Building Energy Management System (BEMS).



The energy performance of the building was further enhanced by the use of a heavyweight masonry outer skin for the most part and concrete ground and intermediate floors. This provides a good thermal mass which helps to regulate thermal differentials and prevent peaks in temperature.

The U-values of the building were designed to meet Part L 2010 requirements even though the building was submitted before these came into effect. This has resulted in a thermally efficient envelope, and when combined with an air leakage rate of only four, has resulted in a very lean building which requires minimal energy input.

#### Neighbourhood centre & Library buildings

The neighbourhood centre and library buildings rely on natural lighting wherever possible to reduce artificial lighting demand. The pool has extensive Reglit glazing to its elevations and a large rooflight. The hall has Reglit clearstory

glazing to 3 elevations, creating a bright airy space during the day and a glowing box externally at night. The central corridor space is punctuated with rooflights along its length, allowing a bright and inviting space without the need for artificial lighting during daylight hours.

To compensate for the mechanical heating and cooling system required for the sports uses, U-values of the building fabric were improved beyond part L requirements. We also employed heavy-weight masonry construction to provide the building with good thermal mass.

**Mean** – The buildings' energy demand will be met in the most efficient manner possible:

- A digitally based lighting control system;
- Artificial lighting installations designed to exploit the available natural daylight with daylight dimming controls to prevent unnecessary use;
- Emergency lighting installation designed to exploit LED technology;
- A voltage optimisation unit to improve electrical power factor and eliminate harmonic distortion;
- Hot water independent of the space heating installation and decentralised to minimise storage and distribution heat losses. Motion sensor taps were specified to limit hot water usage;
- Heating installation featuring optimum start and weather compensation controls. The systems are zoned to account for orientation and occupancy with all zones linked to a BEMS;
- All services are sub-metered in accordance with CIBSE TM39. All meters are pulsed output onto the BEMS.

**Green** – A detailed analysis was undertaken of all the renewable options available for this project, given the site location and budget allowance:

- The biomass boilers feed the space heating requirements of both the school and neighbourhood buildings, delivered via underfloor heating. The boilers are provided with fully automatic fuel feed and combustion control capable of burning chip and pellet with a range of moisture content;
- Low water use fittings minimise water consumption to below 5.5 cu m per person per year;
- The buildings are provided with pulsed output water meters with connection to the school BEMS;
- The buildings have a major leak detection system and proximity detection local supply shut-off to all toilet areas;
- The school is equipped with an internet based telemetry system which provides a graphical representation of live field energy usage data obtained from the pulsed output energy meters and water meters. The data is accessed via a web browser dashboard by pupils, staff and the general public;
- Only "A" rated materials were specified from the green guide;
- A new public transport hub was integral to the design of the new public space, as was the provision of extensive cycle storage and changing facilities.

### ***Inclusive design***

Inclusive design was promoted throughout the Stockbridge Village Regeneration project.

#### School

The entire curriculum is accessible by all, including disabled students and disabled teachers. All entrances and exits are level access, including service doorways. The main entrances to the school all have fully automated doors and are covered by integral canopy shelters. The main reception point is immediately



obvious upon entering the building and its height is designed to suit wheelchair users and younger members of the community. The reception has a full induction loop system and a dedicated children's play area, private breast feeding area and an adjacent changing room. Upon entering the building all areas are clearly signposted for partially sighted individuals and augmented by Braille inscriptions.



The school is open and bright with appropriate contrasts between adjacent surfaces and door openings highlighted in contrasting colours. The central "Agora" is relatively limited in scale so as not to overwhelm younger pupils and new guests. Its bright artwork, timber cladding and extensive natural lighting make it a secure and inviting space for all. This open and accessible arrangement of the central space and classroom is also designed to discourage bullying and to promote inclusive group learning. The upper floor of the school is serviced by a fully compliant lift and easily accessible ambulant disabled staircase. Access out onto the play decks on the 1st floor is level with a rubber tile finish externally, which the pupils love to play on.

There are disabled toilets carefully distributed throughout the school. Staff have a fully accessible shower and changing facility to encourage green transport.

### Neighbourhood Centre

Sport England's 'Access for Disabled Persons' and 'Sports Hall Design' were used

wherever possible. The design of the leisure centre provides a degree of shelter at the entrances whilst minimising the possibility of people congregating there. Throughout the leisure building, approach routes offer level access to all external doors. Clear minimum widths of 1800mm allow two wheelchairs to pass simultaneously.

The neighbourhood centre public spaces are all provided on the ground floor with only plant space at the upper level. The sports facilities are designed to be beyond normal DDA provision and include a changing places facility adjacent the entrance, a sensory rehabilitation room, clear and simple circulation and a fully equipped therapeutic pool. The pool is designed specifically to suit a broad range of uses with a dedicated disabled changing facility linked to the pool via a fixed hoist system. The pool plant is designed to heat the pool to in excess of 30 degrees, which makes it more attractive and pleasant for vulnerable users.

### Public Realm/Supermarket

Access for all was a critical design driver. The entire public realm provides level access, a challenging proposition on such a large site with multiple building entrance points. Obstructions such as kerbs, street lighting columns and signposts along approach routes are suitably highlighted with either bands of contrasting colour or tactile hazard warnings to the surrounding ground, to direct those with visual impairments. Tactile paving and signage guide users. Accessible parking spaces for both staff and visitors are located in close proximity to the main entrances of the buildings. Parking spaces and associated signage was designed in accordance with Merseyside Code of Practice on Access and Mobility.

A new playground and Multi Use Games Area are provided to encourage families to use the new centre. A replacement supermarket and new bus terminus facility tackled a number of the aspirations of the more senior members of the community and helped to ensure that the new centre is busy, vibrant and engaging for everyone in Stockbridge Village.

## ***Community Impact and Engagement***

### Community involvement

Community involvement played an indispensable part in the design development of Stockbridge Village Regeneration.

Throughout the planning, detailed design and construction phases of the project KMBC issued regular newsletter updates to the local community and local councillors were briefed regularly on progress, so they could disseminate information to their local community. This process ensured minimal objections to the planning approval and very broad support for the development during construction and once completed.

### Professional and Stakeholder involvement

An interactive design process has been carried out since mid 2008. In the initial stage various design solutions for the site were prepared for discussion and feedback was gained from all key stakeholders during the workshop sessions. KMBC planning services was integral to this design development and engagement process and assisted in the following extensive exercises:

- Future Schooling in Knowsley to develop the design of the school. Sessions were arranged with an accredited facilitator under the Design Quality Indicator initiative;
- KMBC Leisure Services. An in-depth and regular consultation process took place between 2020Liverpool's design team, leisure services, members of the OurSpace team and in the later stages of the project, members of Merseyside Police Authority. Regular design workshops were undertaken. Representatives of the facilities management team engaged in the design process at key stages to help ensure a building which is easy to maintain and retains its appearance for many years to come;
- OurSpace. The team was consulted through the early stages of design,

and post planning to aid the detailed design of the space. The users (youths under 18) attended these sessions;

- Knowsley NHS was consulted on the design of the health rooms offered within the community building;
- Merseytravel helped to progress the design and success of the new bus terminus;
- Merseyside Police Architectural Liaison Officer. Proposals with regard to site layout, external lighting, access control, intruder alarms / sensors, CCTV, construction materials and, building layouts were discussed and appropriate amendments made to the proposals.

### **How has it worked out?**

The new school has transformed educational provision and aims to lift achievement by creating an educational

environment which better meets the needs of children, young people and their families and contributes to the wider delivery of children's and neighbourhood services. Pupils love their new school building and find it bright, airy and colourful. The school building also provides very popular community facilities, a popular nursery, a children's health clinic and a replacement library.

The Neighbourhood Centre provides learning, meeting and leisure facilities for the whole community. The improved sports facilities encourage healthier living within the locality and for a wider catchment area.

The enhanced public space and community play areas provide attractive, interactive spaces in which to meet, pass through or play. The overall landscape was designed to be as open as possible to discourage anti-social behaviour and promote the village centre. In addition to this, the improved use of the site and increased footfall enhance natural surveillance within the area and there-

fore maximise security and safety of the users.

The new supermarket, although slightly smaller than the old unit, was vitally important for the vibrancy of this community to retain a meaningful retail presence in the village centre. The new shop opens longer, is much higher quality and offers a wider choice.

Since its completion the new village centre has been very popular with local residents and there has been the addition of almost 100 new jobs. The facilities are well used and respected by all age groups. Already a number of successful community events have taken place in the new square. Participation at the community facilities has exceeded client expectations and the local social landlord is promoting the development to encourage people to come and live in Stockbridge Village.

People are proud of their new village centre.



## **DON'T BE "BETAMAXED OUT" BY BIM**

**Daniel Webb BSc (Hons) MRICS MAPM**

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

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Daniel Webb asks whether or not the public sector is ready for the government's BIM adoption target of 5 years?

Adopt Building Information Modelling (BIM) or be 'Betamax'ed out. That was the message from the government's chief construction adviser Paul Morrell last year as he called for BIM to be

rolled-out on all projects valued at more than £5million procured by ministerial departments by 2016. Where central government goes, local government must follow and the construction industry is sitting up and taking notice. The public sector is the UK construction industry's biggest client. According to the Office of National Statistics, it accounts for around 40% of total construction spend, investing £46 billion a year in

infrastructure and building projects. The announcement that within 4 years the majority of central government projects will be procured using BIM has galvanised the private sector into action, with a third of consultants already saying they are using BIM on some projects (Source: National Building Specification). Major players such as Balfour Beatty and Mott MacDonald are committed to using BIM and the government has pledged to

invest £millions in BIM technology and training. However, according to Paul Morrell, "There is a huge gulf between those who get it and those who don't." The government's ambition is to get the whole industry over the space of 5 years to understand what it is and how to use it, he said.

BIM is a method used to create and manage a 3D digital representation of both the physical and functional attributes of a building. The model that is generated then becomes a shared resource, with all parties to the project able to access data and contribute to decision-making. This virtual version of the project can be used, before construction starts, to iron out problems with the design via 'clash detection' ie simulate the potential impact of any changes quickly and easily and improve safety. Sub-contractors can input data into the model allowing for accurate pre-fabrication of certain components off-site, reducing waste and allowing for materials to be delivered on a just-in-time basis. Following completion, the BIM model can be an invaluable tool to manage lifecycle and maintenance, potentially fully integrated with BMS and asset management systems.

But BIM is not just about enhancing construction projects and ownership via technology; it promotes a whole new way of working for the project team who are able to collaborate in an environment where all data can be accessed and informed decisions made in order to promote supply chain and cost efficiencies. However, this transparent approach to project delivery raises a number of issues relating to the legal, financial and insurance aspects of projects which have not yet been fully resolved.

As Joey Gardiner writes in *Building* (22 June 2012 issue), the government's promotion of BIM - as a way of driving efficiency in public sector procurement - has turned the concept from a sideline for anyone interested in digital technology to the hottest topic in construction. But beyond the 7 central government departments tasked with running BIM trial projects, is the wider public sector ready for this brave new world? Local authorities and quangos outside Whitehall are responsible for an estimated £25 billion of construction expenditure

a year but a recent survey revealed that only 15% of public sector clients had any experience of using BIM.

Our experience at Watts backs up these findings. Of the 31 OJEU public procurement framework and individual commissions we have responded to in the last year, not one has mentioned BIM. As we were bidding for project management or building surveying commissions this is of some concern, given the quest to ensure that more projects are procured utilising a BIM approach. BIM can deliver real value to clients but there is also real cost to consultants and contractors in investing in the technology as well as real differences to resolve in terms of role and scope of service. Given the current challenging economic circumstances, adoption of BIM on lower value construction projects will, in my opinion, only be realised if driven by client requirement. This, in turn, will only be of value (and comparably able to be assessed) in a tender if correctly and fully specified.

Key measures to be considered and addressed are as follows:

- A clear approach to BIM for the project or framework commission in question must be determined. From a BIM perspective, what level of integration is proposed, what platform or software should the team adopt, who will host the data, how will the data be maintained, backed up and owned? Will a separate BIM manager be appointed or is this role to be incorporated within one of the pre-existing design team member's roles?
- Have the scopes of service been fully updated to reflect the above approach and do the fees bid by the various consultant team members take full account of what will be required?
- Do the insurance obligations set out within the contracts reflect the implications of BIM?

From personal experience on a significant healthcare project, it is clear that the ownership of data and liability questions concerning potential error are sig-

nificant barriers to BIM adoption. Gone are the days of being able to rely on a disclaimer on the side of a drawing saying 'Do not scale', but on a BIM-enabled project, in the event of a dimensional error, who would now be liable? Is it the architect who did not spot a dimensional inconsistency, the survey team that perhaps did not survey accurately or the steel sub-contractor who fabricated from the BIM model without taking site dimensions? These are challenging questions but not insurmountable. These issues must be addressed and resolved and most importantly, adopted in a standard way throughout the industry, and therefore valued appropriately in commercial arrangements. BIM must also be fully understood and supported by insurers.

If local authorities are to meet government targets for greater efficiency and reduced construction costs, BIM should be regarded as pivotal to making these reductions, with all the associated benefits in delivering supply chain efficiency, eradicating duplication of data and cutting waste both on and off site. However, the ultimate goal of working at BIM level 3 (a fully integrated and collaborative process using 'web services') is likely to involve re-drafting new, collaborative contracts and appointments and will mean far greater consultation and engagement with the client at an early stage of the project.



# COMMUNITY ASSET MAPPING AND WHOLE LIFE COSTING FOR COMMUNITIES

Annemarie Naylor

This article describes 2 ground-breaking online tools to assist communities in taking informed decisions – the Place Station and the Building Calculator.



## Locality

Locality was launched in April 2011 following the merger of the Development Trusts Association (DTA) and the British Association of Settlements and Social Action Centres (BASSAC), 2 long established and highly successful organisations with over 750 members between them. Locality is now the UK's leading network of development trusts, settlements, social action centres and community enterprises. There is no typical member – we work in both rural and urban areas and with both large and small community organisations. What we do have in common is our approach, our belief in our communities, and our commitment to change through community enterprise and community asset ownership. <http://www.locality.org.uk/>

*Annemarie is Head of Assets for Locality. Since 2008, Annemarie has worked to establish a government funded Asset Transfer Unit (ATU), to promote and support the community asset transfer agenda throughout England in the wake of The Quirk Review of Community Management and Ownership of Public Assets' [2007]. She oversaw delivery of the Advancing Assets for Communities demonstration programme to support local authority strategy development and the transfer of around 200 publicly owned assets to the third sector. She also managed Locality's support contract with the BIG Lottery Fund for the £30m Community Assets Programme. Today, she leads Locality's cutting-edge multiple asset transfer, community managed libraries and digital assets for communities programmes. Annemarie's policy expertise includes spatial and economic regeneration as well as socio-economic inclusion traversing the public, private and third sectors.*

Locality benefits from a lengthy track record in supporting communities to bring local assets, land and buildings, into community ownership - reflected in the fact that our members hold diverse assets worth an estimated £800 million for public benefit.

Since 2007, Locality has spear-headed the asset transfer agenda and established the Asset Transfer Unit (ATU) on behalf of DCLG - working with two thirds of local authorities in England, and supporting more than 1,500 individual asset transfer initiatives. This work has, amongst other things, involved our supporting the transfer of parks, libraries, leisure facilities, town halls, castles and piers from the public sector to communities at a discount to market value – all with an emphasis upon delivering robust, sustainable and high quality outcomes for community organisations and their beneficiaries.

Over the past 18 months, Locality has helped communities to engage with the Neighbourhood Planning agenda. More recently, we have come together with

partners to manage the My Community Rights support service (also on behalf of DCLG) – which will offer advice and grant funding to communities that are keen to make use of their new Rights to Bid, Build and Challenge for 2012-15.

We have consistently encountered calls from third sector organisations that are interested in taking ownership of land and buildings for simple tools to help communities formulate a plan of action at the neighbourhood level. We have also identified the lack of information about the condition and running costs associated with individual assets – whether they're offered for discounted transfer or full market disposal – as a perennial challenge in supporting communities to adopt robust approaches to business planning.

All of this has led Locality to combine technology, mapping, and our know-how of community buildings to produce 2 ground-breaking online tools to assist communities in taking informed decisions.



## **The Place Station**

This tool is for everyone who cares about their local area - including social and community entrepreneurs: <http://www.theplacestation.org.uk/>

This simple yet innovative platform allows communities to map the land and buildings that are of greatest value to local residents. It invites the public to add or find (and comment upon the perceived value of) specific assets. It also encourages local infrastructure organisations and property professionals to offer their support via the same map to help get projects off the ground in practice.

The Community Right to Bid, which came into force in September 2012, imposes a duty upon local authorities to maintain a list of land and buildings deemed to be of community value. When assets on the list come up for sale, the local community will be afforded six months to raise the money to go on and bid for them on the open market. Locality is keen to work with local authorities to publish their lists via The Place Station

and, thereby, create a one-stop-shop for community asset mapping initiatives alongside offers of tangible support.

## **The Building Calculator**

In partnership with global construction consultants Davis Langdon (an AECOM company), Locality has also launched the Building Calculator: <http://www.buildingcalculator.org.uk/> to support owners and potential owners of community buildings.

Using the most up-to-date building component data and the whole life costing methodology employed by surveyors and construction professionals, this easy-to-use tool enables communities to plan ahead for future building maintenance and replacement costs. It can support the development of evidence-based business plans by communities seeking financial support, as well as help them to manage the ongoing cost of maintaining a building.

It is the first such tool designed explicitly for community organisations, and Locali-

ty is offering a range of related services that include on-site visits to support its take-up and use. We are also offering area-based licenses to local authorities who share Locality's desire to enable sustainable community asset ownership – where our watchword is 'viability not liability'.

There can be no doubt, interest in the acquisition, development and management of land and buildings by and for communities is growing apace. Locality aims to work with owners (and, prospective owners) of valued community assets to enable their stewardship on a sustainable basis into the future. We very much hope that ACES members will encourage people to make extensive use of the tools we've developed to support them, and look forward to working with you in the future!

### Useful Links

The Asset Transfer Unit – <http://www.atu.org.uk/>

My Community Rights Support Service – <http://www.mycommunityrights.org.uk/>

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# LOCAL ENTERPRISE PARTNERSHIPS – EQUIPPED FOR THE TASK?

Dr Lee Pugalys



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*Lorna Gibbons is Senior Economic Development officer at the Borough of Poole. She covers all aspects of Economic Development. Prior to this, Lorna worked at the South West Observatory on a Regional Efficiency and Improvement Partnership project. She also worked for the South West of England Regional Development Agency and Yorkshire Forward. lorna\_gibbons@hotmail.com*

*Gill Bentley has worked for East Sussex County and Sheffield City Councils but now lectures on Urban and Regional Economic Development and Policy at the University of Birmingham .She is currently carrying out research on LEPs.*

The authors are collaborating on the 'From Regionalism to Localism: Cross Country LEPs' research project to monitor what steps are being taken by LEPs to support businesses and the development of local economies. The research explores the issues arising from the formation of the LEPs over their first three years, 2010-2013. Monitoring the journey of the LEPs nationally, the research focuses on 4 'regions': the North East; Yorkshire and the Humber; the West Midlands and the South West.

## **What are Local Enterprise Partnerships?**

Local Enterprise Partnerships (LEPs) are private sector led public/private partnerships, tasked to provide the vision and strategic leadership needed to drive private sector growth and job creation in their sub-regional areas. The 39 LEPs

approved by government cover nearly the whole of England; the exception being a single local authority (see figure 1). LEPs are widely considered to be the chief vehicle for the delivery of national level initiatives but within a context of localism. They have been set a considerable challenge – uniting business, public and community interests in a way that enables the economic regeneration and growth of local places.

LEPs are now viewed as the only show in town, especially since the Regional Development Agencies (RDAs) were abolished in March 2012. Since their inception from 2010 onwards, most LEPs have populated their boards, agreed priorities and produced business plans. A key question arises: are LEPs equipped for the task?

## **Why were RDAs abolished?**

Established in 1999, RDAs operated with-

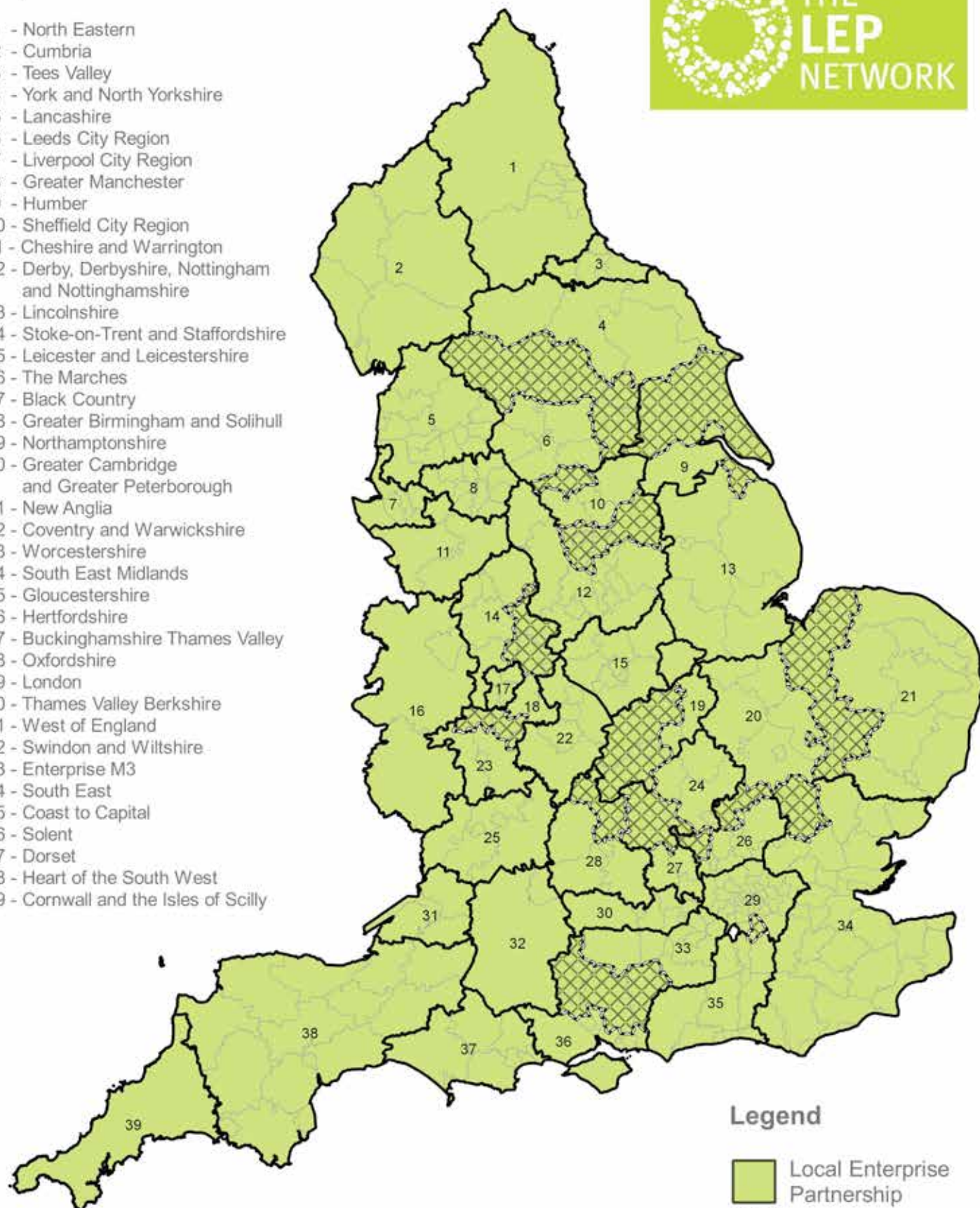
in a tight leash from Whitehall – regionalising central government policies. They were primarily responsible to ministers, although over time they became more embedded in the regions. RDAs were criticised for embodying a top-down regionalism, responding to the political whims of central government and were closely monitored to a stringent target-based framework. The Coalition Government considered regional apparatus to be needless, wasteful and even duplicitous. More so, RDAs did not accord with their localism agenda.

Questions have been repeatedly raised about the roles of LEPs. They are not mini-RDAs, but an alternative arrangement based on voluntary collective action. Nevertheless, each of these bodies shares a similar scope and objectives. LEPs are in effect the only replacement vehicle for strategic development at the sub-national level, designed for an 'age of austerity'.

# LOCAL ENTERPRISE PARTNERSHIPS

## Key

- 1 - North Eastern
- 2 - Cumbria
- 3 - Tees Valley
- 4 - York and North Yorkshire
- 5 - Lancashire
- 6 - Leeds City Region
- 7 - Liverpool City Region
- 8 - Greater Manchester
- 9 - Humber
- 10 - Sheffield City Region
- 11 - Cheshire and Warrington
- 12 - Derby, Derbyshire, Nottingham and Nottinghamshire
- 13 - Lincolnshire
- 14 - Stoke-on-Trent and Staffordshire
- 15 - Leicester and Leicestershire
- 16 - The Marches
- 17 - Black Country
- 18 - Greater Birmingham and Solihull
- 19 - Northamptonshire
- 20 - Greater Cambridge and Greater Peterborough
- 21 - New Anglia
- 22 - Coventry and Warwickshire
- 23 - Worcestershire
- 24 - South East Midlands
- 25 - Gloucestershire
- 26 - Hertfordshire
- 27 - Buckinghamshire Thames Valley
- 28 - Oxfordshire
- 29 - London
- 30 - Thames Valley Berkshire
- 31 - West of England
- 32 - Swindon and Wiltshire
- 33 - Enterprise M3
- 34 - South East
- 35 - Coast to Capital
- 36 - Solent
- 37 - Dorset
- 38 - Heart of the South West
- 39 - Cornwall and the Isles of Scilly



## Legend

-  Local Enterprise Partnership
-  Local Authority in overlapping LEPs
-  Local Authority



## ***Are LEPs fit for purpose and adequately resourced?***

A major difference between the RDAs and LEPs is the latter's negligible budgets and limited 'delivery powers'. Unlike RDAs, LEPs are not defined in legislation and do not have a statutory role. This has raised persistent concerns leading to the suggestion that LEPs will be short-lived 'talking shops' that fail to make a tangible difference. On the other hand, it can be argued that the flexibility afforded to LEPs could be a significant advantage.

LEPs lack core delivery funding from government. What little resources are available have to be bid for on a competitive basis. Therefore, an uneven landscape of sub-national development is evolving across England. All four of Yorkshire's LEP chairs recently expressed frustration at the number of initiatives and funding pots being launched, stating that the approach being taken threatens to overwhelm the LEPs. They argue that it will ultimately result in a poor return on the government's investment.

Although LEPs have been given the 'freedom' to deliver local priorities, they have the burden of delivering national priorities which might not be complementary to, or consistent with, local priorities. Consequently, local room to manoeuvre and the freedom to act have been stymied by the practicalities of operating on 'fresh air'. Funding such as the £500m plus Growing Places Fund is not without specific strings attached – contradicting the rhetoric that targets and top-down control are a thing of the past. This is a 'localism of constrained freedoms', where central government resources are released for a particular purpose, but deliverability is determined locally.

Expectations for LEPs to lead, influence and act are set to intensify. Heightened by the fragile economic climate, a gamut of different interests and organisations are asking what LEPs can do for them – contributing to ever lengthier wish lists. Many government departments have 'asks of LEPs'. Income streams from Enterprise Zones, such as business rate retention, and contracting direct with government will help some LEPs, although

what opportunities and incentives exist for the rest? Any additional funding that LEPs can access will be outside the purview of central government, although such funds are limited and direct private contribution to LEPs has been minimal. Nevertheless, the funding landscape is set to change. Major transport funding could be channelled through LEPs, or groups of LEPs, in 2015, as well as some EU funding 2014-2020. Funding of this type is far more preferable to short-term bidding rounds, which may enable LEPs to engage in longer-term, strategic projects.

## ***Do LEPs have greater freedom to deliver local priorities?***

LEPs, potentially, have much more flexibility than the RDAs to focus on and enable what local partners consider is most suitable and advantageous for their territory. Operating across supposedly 'natural economic areas' these sub-regional entities are presented with the opportunity to mesh bottom-up priorities within a broader, strategic framework. However, the marriage between businesses interests and civic leaders may be strained at times – evidenced by the bickering (within and across sectoral/political interests) that has already tarnished the reputation of some partnerships.

The dilemma of a permissive approach where LEPs are 'free' to intervene in the economy as they see fit – so long as they can resource it – is that they strive to appear to be all things to all people. Central government funding for LEPs through the Start Up Fund and the Capacity Fund, equating to an average of approximately £237,000 per LEP over a 4 year period, is clearly insufficient. Based

"As the economy continues to splutter and regeneration projects are put on hold indefinitely, voluntary partnerships that have minimal resources, limited staff and expertise, insufficient delivery track records, no statutory powers and lack the necessary clout to mobilise an ever more intricate array of partners, LEPs will not be able to operate on 'fresh air' for much longer."

solely on such a funding profile the likelihood for LEPs to make a tangible difference to the regeneration, restructuring and prosperity of sub-regions appears to be wishful thinking.

## ***How have LEPs progressed?***

Some LEPs have been forthright when it comes to publicising 'successes' whereas others have been quieter. Some LEPs have a limited online profile whilst 31 LEPs are on Twitter. The West of England LEP has launched a business support website, the Black Country LEP has developed a business friendly planning charter and Greater Birmingham and Solihull LEP is creating a more efficient regulatory environment. In terms of direct support to businesses, infrastructure enhancements and other measures, progress has been more limited although there are numerous examples of practice. For instance, Plymouth has utilised Regional Growth Fund resources to establish a programme that awards grants to small businesses that have struggled to access finance through other means.

Despite some positive examples, expectations of what LEPs can deliver and achieve requires careful management. The different roles, shapes and development success of LEPs reflects the coalition administration's policy preference for localism, but also aligns with their preference of enabling policies that tend to better support those 'who help themselves'. More critical interpretations view such a policy ethos as exacerbating social divides.

LEPs remain bereft of genuine incentives and tools to deliver; particularly those not granted or successful in bidding for an Enterprise Zone. As a result, some LEPs will seek to be 'all singing and all dancing' while others will focus on a more discrete range of activities; utilising different tools, working relationships and mechanisms to achieve regeneration and local growth ambitions (see table 1).

## ***Where next for LEPs?***

How radically different LEPs are in terms of form, functions and working practices to what has gone before remains open



LEP	Innovative practice
Coventry and Warwickshire	The LEP office is located in Jaguar Land Rover at Gaydon. Local authorities and other partners have provided funds to resource two members of staff. A Delivery Board has been set up and a 'LEP Access to Finance Group' is facilitating interactions between businesses and financiers.
Dorset	Committed to the creation of a 'DIY' Enterprise Zone in the Port of Poole, Portland Port and Bournemouth Airport.
Marches	Developed a £1.5million Redundant Building Grant Scheme to provide capital grant support of between £3,000 and up to £50,000 to small businesses and start-ups to transform redundant buildings into a base for their enterprises and to bring unused buildings back into productive economic use.
York, North Yorkshire and East Riding	Collaborating with local banks and the British Banking Association to develop a Certificate in Business Growth.

Table 1: Innovative practice in LEPs

to debate. Due to the non-statutory nature of LEPs there is no single model LEP – legal status, governance and board composition, priorities, functions and resources all differ to lesser or greater degrees. Some LEPs appear to be more proactive and others appear to be more reactive. The former making 'asks' of government whereas the latter are waiting for the next 'ask of LEPs'. To conclude:

- Symbolically at least, LEPs are the primary body at the sub-national scale for coordinating the delivery of development and enabling growth (i.e. 'the only show in town').
- LEPs differ in their style and composition, therefore different directions of travel can be expected and at different paces.
- Operating in the absence of a dedicated central government budget, expectations on what LEPs can achieve and influence need to be carefully managed. LEPs cannot be all things to all people; locally-contingent prioritisation is required.
- There is the opportunity for proactive LEPs to go beyond 'asks' of government and make calls for a new deal for LEPs (perhaps similar to City Deals).
- There is a danger that the more reactive LEPs will merely perform the role as a conduit for delivering national policies and initiatives, which would significantly undermine the localism agenda.
- Additional central government

funding is likely to come with many strings attached that would contradict the localism mantra of LEPs – perceived to be free from Whitehall interference.

- Additional funding will obviously come at a price, but probably a price that most LEPs would be willing to pay.

The future of LEPs is a story that is currently being written. Nevertheless, at this stage in their evolution it is clear that they are inadequately equipped for the task. As the economy continues to splutter and regeneration projects are put on hold indefinitely, even mini-RDAs (in the sense of LEPs performing a narrower range of statutory functions) would be preferable to voluntary partnerships that have minimal resources, limited staff and expertise, insufficient delivery track records, no statutory powers and lack the necessary clout to mobilise an ever more intricate array of partners. Whilst an austerity-proofed model of sub-national development is necessary in these troubled economic

times, LEPs will not be able to operate on 'fresh air' for much longer. More so, if LEPs fail to achieve tangible results then many business interests will retract their commitment and the principle of collective action is likely to quickly erode. Government is therefore urged to negotiate 'Empowering Deals' with each individual LEP.

Further details can be found on: [http://harrisresearch.co.uk/?page\\_id=538](http://harrisresearch.co.uk/?page_id=538)

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# WHAT FUTURE FOR THE UK PROPERTY MARKETS?

Kevin Joyce

*Kevin is a London based public sector surveyor, involved with assets consolidation and rationalisation, and having a particular interest in sustainable property development. nevskyuk@gmail.com*

Kevin gives a world perspective on the future of the economy and prospects for growth in some sectors and locations. "In general the prospects for financing new property projects would appear to be significantly more promising than they were this time last year and even 6 or 9 months ago."

## **A time of uncertainty**

A recent downgrade of UK economic growth forecasts by the International Monetary Fund from a 0.8% rise in GDP in April 2012 to 0.2% in July 2012 for the year, and Office for National Statistics advice that in July Government was required to find an extra £600 million to plug a gap between spending and tax revenues (1), suggests that there is not much prospect of any meaningful return to growth for the economy in the short term.

Subdued economic performance is not uniform though as the aerospace, chemistry, pharmaceuticals research and manufacture, scientific instruments, and car manufacturing industries are leading UK goods exports with manufacturing generating £137 billion a year for the economy. (2). For the first time since the 1970s, the UK exports more outside the EU than inside a troubled Europe (3).

In 2011, there were also promising

developments in the securing of the country's energy supply sourcing for the next few years, offering another glimmer of light for the longer term well-being of the economy.

An announcement of a BP led consortium securing government approval for a £4.5 billion oilfield development of the Clair Field in the North Sea in October 2011 suggests that significant levels of oil resources in the North Sea could remain recoverable even at increasingly expensive extraction costs. In November 2011 Centrica, the owner of British Gas, signed a £14 billion deal with Statoil, the Norwegian oil company, to develop

North Sea oil and gas assets and supply 50 billion cubic metres of gas to the UK for ten years from 2015.

## **UK Energy Supply Security: A glimmer of light for the economy**

Energy Minister Charles Hendry announced in May 2012 that there had been unprecedented interest in developing North Sea oil and gas fields, with companies applying for a record 224 licences covering 418 blocks in its latest exploration round. In September 2012 George Osborne announced plans to introduce new tax breaks for older oil



and gas fields, to incentivise exploration companies to invest in new equipment to maximise extraction from these fields.

Although shale gas as an energy supply source remains fairly controversial, after the discovery of 200 trillion cubic feet of shale gas deposits in Lancashire last year, which is thought would be sufficient to power Britain for 65 years, government gave the green light for onshore shale gas drilling to extract the country's large reserves of the gas. Shale is much cheaper to produce than coal and emits half as much carbon dioxide.

There is an intrinsic relationship between the health of the national economy and the well-being of much of the property sector. An economic upturn is likely to lead to a general strengthening of occupiers' demand for space, reflected in rising rents and capital values which in turn will stimulate the investment markets, particularly if there is a parallel easing of credit availability to the sector.

These same market conditions are also likely to stimulate the development markets, although the long lead periods for bringing forward such development can make the timing of delivery of new schemes relatively high risk. A nightmare scenario for a commercial developer would be the building out of a scheme in a rising economy, but without the benefit of a pre-let, and the economy moving into a downswing by the time the scheme has been completed.

### ***So are the prospects for some property markets better than for others?***

The glib answer might be 'that depends on who you ask', as few are likely to admit to having focused their energies, development or investment activity in poorer performing markets when there were better alternatives open to them. The answer though is undoubtedly yes, but judgements about which markets are likely to perform best going forward rely on a combination of different considerations including confidence in the national economy and regional economies, government policies, changes in the demographics and needs of the population, and particular localised supply and demand characteristics of

different markets.

Markets which merit particular consideration, in my view, in a time of economic uncertainty are markets where specific or peculiar external influences and pressures might interfere with the traditional inter-relationship of economic demand and supply for property, such as the following:

#### a) Luxury Housing in London

The housing market generally is a market of contrasting fortunes at this time. Nationwide Building Society reported this May that house prices nationally had fallen by 0.2% in April 2012 which, following a 1% fall in March, indicates a market generally in the doldrums. The well-being of the market is unlikely to be helped by recent hikes in interest rates made by some of the leading lenders, notably Halifax, Britannia, Yorkshire Bank, Co-operative Bank and Clydesdale Bank.

The luxury housing market in London has continued to forge ahead though, despite the spring 2012 budget, increasing Stamp Duty on more expensive £2 million plus properties bought by individuals to 7% and introducing a 15% levy on purchases made by companies.

Russian, Middle East and Far East buyers have underpinned this market for several years now. It has been predicted that the market will also be a beneficiary of Francois Hollande's proposals to introduce a tax rate of 75% of incomes above 1 million euros in France, leading to an exodus of French high-income earners to 'the Paris 21st arrondissement' of South Kensington and surrounding areas in central London, and will also increasingly become a safe haven for a flight of capital out of Spain and Italy.

The resilience of the London luxury housing market and a limited supply of land and buildings, suggests that the real challenges for owners and developers may prove to be less about absorbing property taxes than about coming up with increasingly innovative solutions to create new housing units from building, converting and extending property from a finite housing stock.

Expect opportunities to be sought after, to deliver housing units with end values just below the £2 million top Stamp Duty tax threshold, and with no more than 4 units in number being created to avoid affordable housing commuted sum payments.

#### b) Luxury Retail in London

UK retail sales in the first quarter of 2012 have continued to struggle to stay on a level keel, with retailers reporting that low consumer confidence is discouraging their customers from making major purchases. This struggle does not extend though to the luxury goods sector where stores benefitted from record tourist spending levels in the first quarter, with Chinese, Japanese, Malaysian and Thai tourists being particularly active.

Chinese tourists alone now account for a fifth of all tax-free purchases in the UK, reportedly with a typical spend being around £747 per transaction. The shopping monitor Global Blue believes that increasing wealth in China will see Chinese visitors to London rising in number to over 1 million a year, with the typical spend rising to around £1,000 per transaction.

The profile and prospects of retail businesses which are engaged in the luxury goods end of the market is likely to be a salient consideration both for retail space developers looking to let or pre-let new shopping units in London, or retail landlords being requested to consent to retail lease assignments or sublettings. The impact outside London is likely to be more marginal until such time that tourists visit other parts of the country in larger numbers.

#### c) Age Care

Advances made in social care management, medical knowledge, medical technologies such as immunisation and regenerative medicine are considered to be an exceptional success story of the twentieth century with populations living longer and more healthily than before. These medical advances, and healthier lifestyles, have though also brought with them the so-called 'age time bomb', with the impact of longevity of people's lives

putting ever increasing pressure on finite age care resources and carers.

A need for reform of elderly care funding has now been postponed by government, but with a promise being made in the last Queens Speech at the State Opening of Parliament that a draft bill would be drawn up in 2013 to address care homes and home-help services reform. This postponement has attracted widespread criticism from Council leaders, charities, pensioners groups, nursing agencies and care home operators.

Until such reform is enacted in law, hopefully in 2013-2014, it seems improbable that targeted support for the construction and delivery of a new generation of special needs and special purpose age care accommodation will build up a real head of steam. There does appear to be a degree of inevitability about this happening though as the needs of a rapidly ageing population are only going to intensify in the years ahead. It could be assumed that Whitehall mandarins understand that failing to address issues which impact on an ageing population and their estimated 6 million unpaid carers could well be reflected in the ballot box.

#### d) Infrastructure Development

Of late, government has been conspicuous in heralding the new prospects and opportunities which the UK infrastructure development and investment markets offer, whether this be economic infrastructure, such as energy distribution including nuclear power, telecommunications, transport, water & sewerage facilities, or social infrastructure, such as schools, universities, hospitals and prisons.

Notwithstanding that much public sector infrastructure, such as the guillotine of the Building Schools for the Future programme, has been cut by government, Whitehall has set a target to generate £200 billion of infrastructure development over the next 5 years, with the Treasury anticipating over a longer time-frame that infrastructure spending needs will run at around £40-£50 billion annually until 2030. Government's expectation appears to be that funding will be provided primarily by the private sector.

In September 2012, the Prime Minister announced new emergency measures to kick-start the economy, including proposals to slash red tape to boost house building and jobs creation, and perhaps significantly, the first award of a tranche of £50 billion of government credit guarantees for projects such as road-widening and toll bridges.

Other than the question of the availability of development finance, another key consideration for parties contemplating bidding for major infrastructure projects is the likelihood or otherwise of the projects actually going ahead, as abortive costs incurred with scrapped or shelved projects could be prohibitive for those involved.

A proposed £36 billion High Speed 2 (HS2) rail line to link London and Birmingham, and then be extended to Manchester and Leeds by the 2030s, is an example of a transport infrastructure project where the economic and environmental case in its favour appears to be questionable.

Critics have suggested that the capital costs will deliver a total benefit of less than 50 pence on every £1 invested, whereas a comparable investment in upgrading existing rail infrastructure would reportedly realise a return of £6 on every £1 invested. Sceptics of the project include the former chancellor Nigel Lawson, the Director of the Taxpayers' Alliance Matthew Sinclair, and the Director of Policy at the Institute of Directors Graeme Leach. Fifteen local councils have also launched a judicial appeal, contending that there are cheaper and more efficient transport alternatives available than HS2.

A report by Oxford Economics consultancy, commissioned by Heathrow owner BAA, indicates that British economic growth will not reach its full potential if shortages in airports capacity are not addressed. The report predicts that if no new runways are built, the cumulative loss of national income by 2028 from the consequent loss of UK competitiveness would exceed £100 billion.

Whether this shortage can best be addressed by say further expansion of London Heathrow Airport, where 5

terminals and 2 runways already handle 70 million passengers a year, or the development of a new airport in the Thames Estuary, or even a proposed expansion of Birmingham Airport, remains contentious. Again the risk of abortive costs arising as a result of airport policy U turns leading to the scrapping or shelving of projects is something for potential development participants to be wary of.

In March 2011 Britain's nuclear industry was affected by a global loss of confidence in nuclear power generation following the tsunami in Japan crippling the Fukushima nuclear plant. The industry suffered a second blow in March 2012 with the announcement that the German utilities E.ON and RWE were abandoning £15 billion plans to build new nuclear reactors in Anglesey and Gloucestershire. The question could well be asked whether the principal beneficiaries of E.ON and RWE's decisions will prove to be their competitors such as Centrica and EDF, both of which have reaffirmed their commitment to substantial capital investment in the UK nuclear industry

A reported £40 billion is due to be spent on new reactors up to 2025, and £49 billion plus due to be spent on decommissioning existing programmes with 40% of the country's ageing coal-fired and nuclear power stations being due to close in the next ten years.

### ***But can new development projects be financed successfully?***

Criticism of government for neither persuading nor coercing major banks to delve more deeply into their cash reserves to both support UK businesses and to invest more heavily in development projects which will stimulate economic revival has been widely reported.

It now seems though that this may be about to change, as George Osborne revealed plans for £140 billion of loans to be made to banks at the 400th annual Lord Mayor's dinner for bankers and merchants this year. It would appear that under these proposals, a first phase of around £80 billion of (taxpayers') monies will be lent to the banks under a 'funding



for liquidity' scheme, whereby banks will be able to swap assets for government bonds over the next 4 years, in return for which the banks will be required to commit to lending more to businesses and individuals.

In fairness, not all major banks and financial institutions have been continuing to sit on their hands and on their cash while businesses and developers have been struggling to raise new capital, as several have been involved in funding new infrastructure projects.

In July 2011, possibly mindful of the pressure in London, for example, to find 65,000 new primary school places by March 2015 but with only 241 classrooms being built in the capital's schools to address this need, Barclays Bank launched a new £500 million fund to build schools and hospitals, the fund being seeded with some £200 million of

existing investments to offer investors an immediate return.

Aviva, Citigroup, Legal & General, and Prudential's M & G, have also been active in financing infrastructure developments. REPIA (Goldman Sachs), Met Life, CBRE GI, and Starwood are raising major new property debt funds, Legal & General has agreed to provide student landlord Unite with a £121 million debt facility, and Schroders has announced plans to set up a division to provide debt finance to property developers and owners.

The new £3 billion Green Investment Bank, to be chaired by Lord Smith of Kelvin and set up to leverage low-carbon investment, should also help to stimulate new green economy projects, and will consider developments such as waste recycling plants, energy-from-waste projects, and off-shore

wind farms, for financial support. Plans are also being developed in Whitehall for the creation of a government-backed business bank to boost lending to UK companies which wish to expand.

In general then, the prospects for financing new property projects would appear to be significantly more promising than they were this time last year and even 6 or 9 months ago.

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## COMPULSORY PURCHASE – ARGOS IN ICELAND!

Stan Edwards

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The CPO cases that have been challenged in court in recent years contain common characteristics that demonstrate a refreshing reinforcement of purposes and powers in promoting CPOs.

*The time has come so counsel said  
To justify the things  
Of purposes in the Order  
For the GVD it brings Stan Edwards*

### Introduction

It is said that 'it is better to re-read an

old book than to read a new one' and that 'those who cannot remember the past are condemned to repeat it' (G Santayana). In compulsory purchase it was seen that the outcomes of the Iceland case (Iceland Foods v Newport City Council 2010) and its basic principles were rehearsed in the Argos case (Argos v Birmingham City Council 2011) with the same outcome. The principles of the Wolverhampton case (Sainsbury's v Wolverhampton City Council 2010) have soon been forgotten (or selectively 'disremembered' by those who wished a different result) and yet the applications of the principles elucidated in Wolves

became a useful sounding board for a host of other cases reinforcing CPO law and practice. It seems we should learn more from the circumstances of Iceland, Argos and Wolves and other CPO failures. We shall look at these cases in turn and then attempt to extract the distilled juice from the decisions.

#### Iceland

The Iceland Food's challenge to the John Frost Square, Newport, CPO at the GVD stage was that since the confirmation of the CPO and the subsequent failure of the acquiring authority's partner,

Modus Developments, the purpose of the scheme had changed significantly. Iceland argued the scheme was unviable and the Council would just 'land -bank' to facilitate an unspecified development in the future. The detail of the Iceland case was rehearsed in the Argos case.

### Argos

In July 2008 Birmingham CC made a CPO under the T&CPA 1990 as amended, the order lands of which included New Street Station and the whole of the Pallasades Shopping Centre which sits above the station. It included Unit 30 occupied by Argos Limited who occupied under the 15 years remaining of a 25 year lease. Argos did not withdraw an objection to the CPO which had been pursued at the Inquiry only as a written objection. In its objection Argos did not accept that the entirety of the "occupational interest" in the Pallasades Shopping Centre needed to be acquired, nor the viability of the scheme, nor sufficient justification for taking its unit, or that sufficient discussion had been held about alternative premises for it.

Following a public inquiry the Inspector recommended confirmation of the CPO, which the Secretary of State did in July 2009 without modification. After confirmation of the CPO, Birmingham CC made a number of GVDs to transfer ownership and to obtain possession of various parts of the Order lands including GVD No.8 relating to Argos' interest. Possession was postponed. No land outside the shopping centre was included in GVD8.

After the CPO was confirmed, but before GVD8 was made, this scheme had become unviable and abandoned, mainly through problems with other uses and purposes outside the shopping centre. This had led to further proposals, not yet embodied in a planning permission, in which a John Lewis Partnership department store would occupy part of the Pallasades Shopping Centre, including Argos Unit 30, and extend to occupy the southern development site for retail purposes, instead of specific office, residential and other uses. Unit 30 could no longer be occupied by Argos during or after construction.

A challenge to GVD8 by Argos followed the grant of permission. The basis of the challenge was broadly that the CPO was promoted for a scheme which would have left Argos potentially able to trade, albeit with some disruption, through the construction and refurbishment works to New Street Station and to the Pallasades Shopping Centre, leaving it still in occupation afterwards. Argos contended that GVD 8 was unlawful because:

1. it was being used to obtain land for purposes outside the scope of the CPO;
2. unauthorised acquisition breaches Argos' human rights under Article 1 Protocol 1 of the ECHR and even legally authorised rights were breached;
3. Birmingham CC had failed to consider the balance required under Article 1 of Protocol 1 between public and private interests in the new circumstances after confirmation of the CPO;
4. the use of the GVD was unfair and unreasonable in these circumstances; in relation to CPO, it is a wider test than conventional Wednesbury principles.

Although both Iceland and Argos survived challenges, there were differences between them which the Justices explained in each case.

### ***Compare and contrast***

"If you cannot say what you mean, your majesty, you will never mean what you say ..."(R J Johnston). It is worthwhile reading the Argos judgment as a whole because it contains so much useful argument and discussion that cannot be contained in this article. Justice Ousely went into substantial explanation before dismissing the Argos challenge and it is useful to compare this with the Iceland Case. The Birmingham CPO, however, has a much firmer footing than the Newport one.

Both related to:

1. city centre projects;
2. a CPO empowered by Town & Country Planning Act 1990;
3. suffered funding failure;
4. no challenge within the six week

challenge period;

5. a challenge at the GVD stage;
6. challenges requiring making reference to the Simpsons Case (Simpson Motor Sales v Hendon Corporation 1964) where CP power authorised for a particular statutory purpose, cannot be exercised for a different or collateral purpose;
7. challenges in terms of human rights;
8. the purpose of the CPO as defined by the Act;
9. the purpose as defined in the CPO;
10. what was said in the Statement of Reasons (SoR);
11. turned on the facts of the case.

The Birmingham CPO was very coherent both in terms of the wording of the Order itself providing the purposes and the description in the SoR. Birmingham CC provided a focused CPO with a robust statement of the compelling case in the public interest that not only focused on the prime purpose - the changes to New Street Station - but the other associated benefits described in terms of well-being. In contrast the Newport CPO where, apart from a few lines that included 'there is a compelling case in the public interest', 'the SoR referred to a mixed used development which added nothing to the understanding of the CPO, and to a list of uses and floor areas. Some of the uses were not referred to and those that were listed nonexhaustively in the compulsory purchase order' (Ousely J). The Judge said that Wyn Williams J considered evidence about the council's current intention and concluded that the GVD was being used to further the CPO on its proper terms. Wyn Williams J considered the SoR, the Inspector's report and the decision of the National Assembly for Wales to confirm the CPO, the terms of which empowered acquisition:

*"... 'for the purpose of securing the carry out of a comprehensive scheme of development (including retail, leisure, residential and hotel uses together with car parking, highways alterations and public realm works).'"*

The latter records the language of the CPO as confirmed. The former 2 record its purpose in equally general terms.

## **The main argument in Argos**

A master plan (2003) and a subsequent range of options were developed for achieving the specific objectives of the Gateway Project, which were listed in SoR. This was dominated by improvements to New Street Station, its accessibility, the creation of “a gateway to the regions”, maximising the commercial value of the scheme within its passenger capacity and regeneration objectives and securing the successful regeneration of the Pallasades Shopping Centre.

At the GVD stage, Argos was either challenging the lawfulness of the CPO by reference to what was said at the Inquiry, which it could not now do, or was tying the CPO to the particular outline planning permission which Argos had also accepted it could not do. In determining the scope or purpose of the CPO, Argos was confined to examining the empowering statute and the terms of the CPO itself in its strictest sense. Extraneous material could be used where there was perhaps a genuine ambiguity in the terms of the CPO.

The proposals for which the City Council wished to vest the land in itself were clearly within the broad objectives of the CPO and the description of the permitted mix of uses. The Judge decided that the CC and Network Rail were essentially correct. The GVD powers can only be used in respect of land which the CC is authorised to acquire by compulsory purchase. The land to be vested was Order land and was not being vested for a different purpose. Although the SoR for the CPO is non statutory and, despite the dismissive and shallow approach to it in many CPOs, it is the only vehicle by which the justification for a CPO can be explained. It provides the audit trail from the authorising reports and resolutions of the acquiring authority and the basis for a statement of case.

## **The Public Interest**

The CPO on its terms contains the general purpose of:

*“... facilitating the major refurbishment and associated development of New Street Station and adjoining land in connection with alterations and reconfigurations of*

*the station facilities.”*

This was followed by a more specific description of what that comprises, being changes to the Pallasades Shopping Centre and new build construction including a list of uses for the new build, demolition and associated highway works, public spaces and infrastructure. All of this was to contribute to the economic, social and environmental wellbeing of the city centre area. To the Judge the final phrase relating to wellbeing clearly covered all and not just the final component. It is not itself a scheme specific assessment but rather it is the expression of a view as to the merits of the CPO. The uses of the refurbished “adjoining lands” are not specified. There was no requirement for the new build to be in any particular form or of any particular scale. The CPO is plainly not tied to any particular planning permission or to a particular development scheme defined in some other way than by a planning permission. It was not necessary for all listed uses to be provided for in the new build.

The phrase “changes to the Pallasades Shopping Centre” did not cover wholesale demolition and replacement by a new build, but so long as what is done to the Pallasades Shopping Centre comes within the concept of ‘change’ it is within the scope of the CPO. In the judgment “changes to the Pallasades Shopping Centre” is a broad enough phrase to encompass the atrium with the loss of some retail units, the retention of other retail units and the incorporation of others, including Unit 30, into a larger retail development involving land outside the Pallasades Shopping Centre. The Pallasades Shopping Centre would still exist but it would be changed. The new build construction would include retail, one of the listed uses and does not have to include the others. The Judge was satisfied that GVD8 was made for the purposes of the CPO being properly understood in the context of its stated purpose.

To clarify further, it was on the basis that Unit 30 might be required for some construction works that it was included in the CPO in the first place. Whatever change there may be between the prospects of construction works being carried out without possession being

needed, as envisaged at the Inquiry, and now, does not extend to whether the purpose of the acquisition is within the CPO. It was quite clear that, even if not essential or absolutely necessary, there are very significant advantages to the construction process and programme in taking ownership and possession of Unit 30, which were sufficient for the initial purpose to be wholly within the compulsory purchase order powers.

## **Human Rights**

The Judge pointed out that Article 1 was intended to give to signatory states a wide margin of discretion over what circumstances justified the use of compulsory purchase powers. Compensation for the loss of a property owned at market value was not the issue. The Judge also had clear conclusion on the balance struck as at 2007 and 2009, the 2 projects, and assumed that acquisition is lawful under ground 1.

He said that the overall tenor of the documents which are referred to in relation to the scope of the CPO, in particular the SoR, Statement of Case and the Inspector’s report, left him in no doubt that neither the acquiring nor confirming authority would have reached a different view as to where the balance of public and private interest lay if faced with the changed circumstances now relied on. Also his view was that the radical changes required to New Street Station, its operation, environment and access, and the changes required to the surrounding land, make a compelling case for acquisition in the public interest whether Argos stayed or not.

## **Wednesbury**

In the area of compulsory purchase, the courts have endorsed a broader basis of the view than Wednesbury principles constituted by the reference to “fairness and reasonableness”. On the Iceland Case it was not intended to convey anything different when saying in the Iceland decision that a local authority had to act “both fairly and reasonably” in deciding whether and when to take the step of executing a GVD. The question is whether acquisition in such circumstances would fall outside the powers of the CPO. The Judge considered the

absence of a firm proposal to relocate Argos temporarily or permanently in the shopping centre did not make the decision unreasonable or unfair.

Reverting to Iceland we must consider whether Wednesbury applied and even a duty of candour in respect of the material issues regarding Newport in the period between the confirmation and the developer's failure just before the GVD. In his judgment he did question the activities that occurred in that time period.

## Overview

One gets the feeling that Argos considered they had a reasonable expectation that they would remain in the Pallisades (perhaps with a temporary closure during works) and so did not press their objection strongly to the CPO at the Inquiry. They should have perhaps secured that as an undertaking but failed to do so. They seemed unaware that plans can and often do change; what is presented as "detail" in the Inquiry is possibly only a statement that there is

a deliverable scheme that will fulfil the objectives. If they had understood that was a possibility at the time that they may be told to get out permanently they may have presented their arguments differently.

*The Editor acknowledges the support of John Roberts, Managing Editor of IRRV Magazines (The Institute of Revenues Rating and Valuation).*

# COLCHESTER'S DIGITAL STRATEGY

Nigel Myers

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*Nigel Myers is Economic Development Manager at Colchester Borough Council.*

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Nigel gave a talk to ACES Eastern Branch and kindly prepared this paper outlining Colchester Borough Council's Digital strategy and infrastructure provision, and its ambitious targets to access broadband

## Introduction

The Borough of Colchester lies in a key gateway location between the UK and Europe, with access to Europe via the nearby Ports of Harwich and Felixstowe to the east and Stansted Airport to the west. Colchester is a diverse and growing Borough with a resilient economy and a buoyant town centre. It is the largest district in Essex County accounting for 13% of the Essex population. The population of Colchester is expected to grow by 23.9% to 215,900 by 2021.

## Background

The potential impact of broadband speeds on economic growth has been established in a significant number of academic studies. A recently published study in the US by Chalmers Institute of Technology concluded that a doubling of broadband speed would equate to adding 0.3% on GDP. The economic impact at local level of increasing broad-

band speed can be significant hence the 'intervention' by Colchester Borough Council to bring this about.

## Vision

Colchester Borough Council's Vision is to make the Borough one of the best-connected authorities in the East of England by 2014. To achieve this ambition Colchester will need to have accelerated the formation of a digital infrastructure that will enable access to a superfast, affordable broadband service.

*'All homes, business premises, and mobile phone users will be able to connect to an affordable, high speed, broadband network offering at least 25Mbps download speed and 10Mbps upload speed by end of 2013 and 40-50 Mbps download and 25-30 Mbps upload bandwidth by 2014.'*

Achieving this vision will help to address and correct for "market failure" in the provision of Next Generation Access Broadband (NGA) connectivity across the Borough of Colchester.

## Rationale

Achieving the vision is ambitious given the following baseline. Of the total of 80,520 homes and businesses connect-

ed in the Colchester borough, less than 20% are activated for BT's 21st Century Network (25Mbps and above download) and only 55% are in cable postcodes where superior speeds are becoming available. At least 15% of premises struggle to obtain up to 2Mbps and there are many more where even with a stated speed of 2Mbps and above, actual download speeds are insufficient to enable reasonable access to the Internet. Overall, without intervention it is estimated that only 61% of all premises in the Borough will be able to obtain an NGA service by the end of 2015. These figures are reflected in the worse than mid-way ranking of Colchester Borough in terms of connectivity - Point Topic places it 245th out of 407 UK local authorities. (Point Topic, November 2011)

## Approach

In February 2011 Colchester co-hosted with the University of Essex the launch of the Digital Strategy. The conference brought together over 50 key players in the industry to learn about the digital opportunities in Colchester and how to make these happen. 16 companies subsequently expressed an interest in working with the Council on digital projects. A specialist industry consultancy, Regional Network Solutions, worked with the Council to both secure industry



interest in Colchester and to help procure the optimum blend of partners to invest and deliver digital infrastructure in the Borough.

### **Areas for intervention under the Digital Strategy**

1. Improving the digital infrastructure across the Borough and introducing greater competition into the local market;
2. Delivering public services more effectively through digital content and fostering the economic and social digital inclusion of residents;
3. Encouraging consumer awareness and take-up of services;
4. Leveraging public and private resources to accelerate investment.

This article principally deals with point 1 above.

### **Delivery of digital infrastructure**

#### Mobile Wireless broadband

The Council's approach has been "Town Centre first" in developing the Strategy as:

- roaming access to broadband is important for all town centre visitors and businesses; and
- promoting business, leisure and tourism opportunities to the market provides a content-rich level of connectivity, opening up revenue streams; in turn,
- enabling location-based offers, "channel shift" for public services in connecting with service users and other applications.

Providing a "wireless overlay" in the Town Centre allows anyone connected to the Internet via a mobile device to have much better Internet connectivity while reducing the cost of being on-line and gaining access to local goods and

services in a cost-effective way. Deployment of this network utilises the Council owned CCTV street furniture installing wireless nodes with micro antennae on selected sites in the town centre. The Council's partner here is a major industry player with an established track record of delivering mobile wireless broadband in UK cities.

#### Fixed Wireless Broadband in Urban Areas



Because wireless broadband is the quickest and most economic means of delivering NGA Broadband to under- and un-served parts of the Borough, extending the network out from the town centre to business parks, suburban and semi-rural areas is the logical second area for intervention: the so-called "middle mile". The deployment requires the installation of 'line of sight' aerials sited in part on public assets. The Council's partner in this area is Briskona (backed by Motorola).

#### Fixed Wireless Broadband in Rural Areas



The relatively poor level of broadband connectivity in the rural area of the borough is a major driver for intervention. Fixed wireless broadband is the most cost-effective means of delivering high-download and upload speeds to dispersed settlements and rural businesses. Yet creating a local wireless network for major and minor settlements and building out to isolated dwellings requires considerable engagement with residents and business people and,

on its own, is only a partial solution to reducing the urban/rural "digital divide".

Pushing content out over the "middle mile" to the rural areas facilitates more sustainable communities and builds the business case for a Wireless Internet Service Provider (WISP) to invest in creating a robust infrastructure. The Council's partner here is County Broadband, a local WISP. County Broadband is developing its rural network across Colchester borough, working with the parish councils, and acquiring significant backhaul to maintain the quality of its high speed, offering (up to 64Mbps plus VOIP). Currently providing to 6 parishes and about to deploy in a further 4 parishes.

#### Fibre

Fibre optical cabling to transmit data is the most resilient and future-proof technology available over which to deliver information and communication content and services to the business and consumer. Currently, fibre to the home or premises (FTTx) is mainly provided by Virgin Media while BT are rolling out a Fibre to the Cabinet solution, the so-called "last mile" to the premises being delivered over copper lines.

The Council's role here is to lobby the incumbents to encourage them to advance their plans for NGA Broadband, both in terms of depth (speed) and coverage (territory). To date the Council has influenced BT's investment plans, accelerating their investment by 2.5 to 3 years and bringing forward superfast enabling of 4 more exchanges after Highwoods (Colchester, East Bay, Tiptree and Wivenhoe) by the end of Autumn 2012. This represents an investment by BT of between £8.5 - £9 million.

At present and without intervention, FTTx is available only in urbanised areas as the high cost of placing fibre in the ground inhibits wider commercial roll-out. However, if fibreoptic cable – or even simply the ducting that carries it – is put in alongside other infrastructure works (roads, water and sewerage pipes, etc) the cost falls by as much as 80% compared to providing the service after the development has been completed.

The Council's Digital Strategy recognis-

es that there are key opportunities in providing fibreoptic cabling or ducting alone to the premises on new developments in order to redress market failure created by the business models of the incumbents (VM and BT). In addition, there are firms which are willing to install fibre where these opportunities exist – infrastructure providers - in order to provide “open access” services at the content layer; these investors are able to deliver services which can deliver a more competitive market with consequent consumer benefits.

The Council is currently negotiating with a potential partner to replace the town centre CCTV fibre network at zero cost to the Council and enable other fibre providers to be aware of and able to respond to other development opportunities across the Borough.

### Summary

The Digital Strategy is based on proactive strategic partnering, bringing Council assets into use and encouraging external investment.

The Borough’s target of 40Mbps download everywhere by the end of 2014 is more ambitious than the EU, UK and ECC targets for “next generation broadband” connectivity.

An enhanced digital infrastructure supports the Council’s ambitions for “channel shift”, universal customer contact, regeneration, housing growth, inward investment, congestion reduction as well as the needs of our many partner organisations.



## ASSET VALUATION COMMISSIONING

Chris Brain and Susan Robinson

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



*Chris Brain FRICS is a qualified surveyor and Senior Property Advisor within the CIPFA group. Chris delivers the CIPFA’s Asset Management Network and Construction and Property Advisory Service, advises on asset management issues throughout the UK and undertakes a range of related consultancy. Since joining CIPFA from local government 9 years ago, he has applied his practical asset management skills and experience to developing the AMP Network. In addition he has worked with a range of authorities, providing consultancy and training including strategic approaches to asset management and delivering efficiencies. [Chris.Brain@cipfa.org.uk](mailto:Chris.Brain@cipfa.org.uk)*

In the first part of a two-part article, Chris and Susan explore the importance of the commissioning process in securing robust asset valuations for local authority balance sheets.

Ensuring that your Authority’s balance sheet is an accurate reflection of the value of your assets starts with the commissioning of the valuations themselves. If you get this first step in the process wrong, then the figure that is provided for the balance sheet may be incorrect.

There are some fundamental questions that should be considered when commissioning asset valuations:

- What should you include within a commissioning document?
- If you are undertaking the valuations in-house what form should the commission take?
- How do you ensure your chosen valuer or valuation firm has the required skills and knowledge to undertake your commission?

- How confident are you that you will get what you think you are getting?
- What checks should you carry out on the valuations you receive?

### The commissioning document

An authority’s balance sheet should accurately reflect the value of its fixed assets. The CIPFA Code of Practice on Local Authority Accounting (“the Code”) and the RICS Red Book set out the requirements that must be followed to

meet this objective. Whilst valuers may be familiar with the Red Book requirements, they may be less familiar with the requirements of the Code.

The commissioning document is therefore vital to making clear what valuations the authority needs and any specific local requirements that need to be met. Without some form of formal commission – whether instructing internally or externally – there is huge scope for misunderstanding. This can result in contractual issues and of course the wrong valuations being provided, or being provided in a format that the authority does not want.

Where the commissioning document is robust and comprehensive, this will greatly assist the production of the terms of engagement that need to be agreed once your chosen valuer has been appointed. By including most of this information you will bring clarity to the process and reduce scope for misunderstanding.

The commissioning document might include some or all of the following:

- Identification of the client
- The purpose of the valuation
- The subject of the valuation – which asset or assets?
- The interest to be valued – freehold/leasehold
- The type of property and how it is used, or classified, by the client
- The basis or bases of value
- The date of valuation
- Where appropriate, the currency to be adopted
- The arrangements for access to the property for inspection
- The information relating to the asset that will be provided to the valuer to assist the valuation process, such as copies of title deeds, leases, planning consents, plans

- Other information that will be provided to the valuer, such as relevant policies, e.g., componentisation
- Access that the valuer will have to service managers to discuss the suitability of the assets and any future plans for the assets that might affect value
- The form of the valuation report to be provided, e.g. text document, spreadsheet or both

### ***External commissioning***

Where an external valuer is appointed to carry out the valuations, the instructions should be formally agreed. A local authority property portfolio may include a number of specialised assets and it is important to ensure that the valuers who carry out the valuations have the appropriate skills, knowledge and experience.

If the same firm has carried out the valuations for the authority for a number of years, there is a danger that their independence and objectivity could be impaired. To avoid this, the Red Book recommends that responsibility for signing the valuation report should be reassigned not less frequently than every 7 years.

### ***Internal commissioning***

It is not necessary to instruct in-house valuers in the same way as an external valuer. However, where in-house valuers carry out valuations and produce the valuation report, it is advisable to have an exchange of correspondence or a service level agreement (SLA) between appropriate managers which formally records the arrangements. This exchange of correspondence/SLA should include the areas mentioned earlier and should be reviewed annually. There should still be agreed terms of engagement, signed by both parties and placed on file.

This process should also be followed where in-house valuers carry out asset valuations on behalf of other public sector bodies, such as valuations undertaken for the police authority or fire and rescue service.

Where valuations are carried out by in-house valuers, this should be disclosed in the notes to the financial statements. In many authorities, the same valuer is responsible for carrying out asset valuations for many years. The authority may wish to consider the merits of reassigning valuations at appropriate intervals; this would provide some degree of challenge to the assumptions made.

### ***Choosing the valuer***

To ensure that the figures provided to the authority are accurate, valuations should be undertaken by professionally qualified valuers.

This means that those carrying out valuations should have an appropriate combination of:

- academic/professional qualifications, demonstrating technical competence
- membership of a professional body, demonstrating a commitment to ethical standards
- practical experience as a valuer
- compliance with the valuer registration scheme where the valuer is a member of RICS
- sufficient knowledge of the particular market.

Where the valuations are to be undertaken in-house somebody should be appointed within the authority to ensure that those undertaking the valuations have the required skills and knowledge to do so, in order to comply with the Red Book requirements.

Where the valuations are being procured externally, the person undertaking that procurement (whether the finance officer or the authority's property representative) will need to ensure that the procurement process is structured in such a way as to verify adequately that those submitting quotes or tenders have the necessary knowledge and skills. This verification of knowledge and skills is especially important where the commission includes assets of a specialist or unique nature or where the market has

specific characteristics.

It is dangerous to assume that because someone is an RICS member and a registered valuer that they have those necessary knowledge and skills which can only come from previous experience of such assets or the markets in which they sit. It is equally dangerous to assume that because the firm tendering is well known, that it has valuers on its team that have previous experience of assets like yours. These areas should be explored in the tender evaluation and you should ask tenderers to submit details of the relevant experience of their team.

One particular issue to be aware of is the inter-relationship of price and quality scores in tender evaluation. If the quality of the valuations (e.g., valuer knowledge and skills) is of paramount

importance then this should be reflected in the tender scoring matrix. If not then you run the risk of appointing the firm not on their ability to undertake the valuations in an appropriate manner, but on the price quoted in their tender. The valuation market is very competitive at the moment and it is all too easy for you to be forced to award a contract to a firm that does not have the necessary knowledge and skills. If this happens you risk getting valuations that are not robust, with possible significant fluctuations in asset value.

### **Moderation of the valuations**

Whether undertaken in-house or externally, some moderation of the valuations provided should ideally be undertaken to ensure consistency and to check for errors. Where valuations are procured externally the firm providing the valua-

tions may well have their own internal quality assurance processes and may undertake an internal audit of the valuations before submitting them to you. In our experience it is risky to rely on these procedures and the authority would be well advised to undertake its own review of the valuations.

Part two of this article will examine:

- Feedback from delegates attending the CIPFA events in January 2013 on how they currently commission asset valuations, and how this varies around the UK,
- Lessons to be learned from the current approaches,
- The experiences of ACES members that have recently received an inspection visit from RICS Regulation, with tips for other ACES members that find themselves receiving a regulatory visit in the future.



## **“ESTATESUITE” IN THE PUBLIC SECTOR**

**Mike Andrew**

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

Specifically designed for UK public sector organisations with medium to large property portfolios, such as local authorities, education, NHS and Police Authorities, EstateSuite is proving to be one of the most cost-effective estate management software solutions available.

The suite comprises several self-contained modules, with each having versions tailored specifically for local authorities, and covers all aspects of the estate manager's data requirements.

Modules cover topic sets such as stock condition, space and occupancy, asbes-

tos, buying, selling and leasing of property, risk management, ISO compliance,

planned and reactive maintenance and environmental issues.

BUILDING	ENGINEERING	FUNCTION	SPACE	QUALITY	STATUTORY	FIRE	BSA	ENVIRONMENT	1
Location	Element	Sub-Element	Cond	Cost	Year	R Life	Priority	Flag	Complete
Whole Block	D - Building - Floor	01b - Attached - Sarking with knob	OK	45,000	2008	0	0	0	DETAILS
21800-01-0-003	A - Building - Physical Structure	01 - General Structure	C	2,675	2008	52	0	0	DETAILS
21800-01-0-003	B - Building - External Fabric	01 - Masonry	C	1,550	2010	52	0	0	DETAILS
21800-01-0-003	C - Building - Internal Fabric	02 - Ceiling	C	11,500	2007	52	0	0	DETAILS
21800-01-0-003	C - Building - Internal Fabric	06 - Luminaires	C	8,296	2011	52	0	0	DETAILS
Whole Block	C - Building - Internal Fabric	07 - Heat Emitters	B	55,000	2014	15	0	0	DETAILS
Whole Block	D - Building - Floor	01c - Attached - Flashing	D	6,275	2010	0	0	0	DETAILS
SOCO	D - Building - Floor	01p - Attached - Gutting	OK	180	2007	0	0	0	DETAILS
Whole Block	D - Building - Floor	01h - Attached - Down Fluewater	B	6,000	2011	10	0	0	DETAILS
Exterior	F - Building - External Works	02 - Car Parks	C	6,500	2011	0	0	0	DETAILS
Exterior	F - Building - External Works	04 - Drainage	C	2,500	2015	0	0	0	DETAILS
Exterior	F - Building - External Works	05 - Miscellaneous	OK	15,000	2011	0	0	0	DETAILS
Exterior	G - Building - Gardens	01 - Fences	D	2,475	2009	0	0	0	DETAILS
Exterior	G - Building - Gardens	03 - Trees	C	395	2009	0	0	0	DETAILS
Whole Block	A - Building - Physical Structure	04 - Chimneys	OK	1,250	2009	15	0	0	DETAILS





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The WebMadeSimple integrated content management system enables

land, the software is now being rolled out to the health and social care trusts in

information to be distributed via the internet to key managers and is GIS ready. Datasets are automatically 'published' as they are updated.

With EstateSuite already popular with NHS users in England and Scotland, Northern Ireland and the Republic of Ireland, Mike Andrew, says: "I'm very pleased that the project, now in its third year, to implement our software as a standard requirement for NHS Scotland, has been met with such enthusiasm throughout all the Scottish Health Boards. Building on the success in Scot-

Northern Ireland."

"I'm also pleased with the continuing use of the software by the Health Services Executive in the Republic of Ireland, a project now in its eighth year. It's quite a testimony to the ease of use and cost effectiveness that 3i Studio has managed to secure three national/province-wide projects."

Gery Hanley of the Health Service Executive Ireland said: "3i Studio demonstrated a good understanding of the corporate and operational requirements and we set out a road map with them. They had an understanding of the brief and kept us focussed on that. Things moved forward very quickly. – it gave us a framework to build on. As a result we have one of the first HSE-wide integrated systems." The details of HSE's properties have now all been populated onto 3i Studio's EstateManager that feeds and drives EstateTerrier. This gives the Health Services Executive key management information at its fingertips, providing a central reference point for all the essential estate data required to keep abreast of a property portfolio and internal organisational changes."



## HOUSING REVENUE ACCOUNT - RELEASING THE MANACLES?

Neil Webster

From April this year local authority housing finance has been devolved to local authorities to manage themselves. Neil is currently working with a number of authorities who are using the current freedoms to consider and plan the use of their assets in a more holistic manner.

*Neil established Cyclo Consulting in 2008 after a career in real estate change spanning client side and advisor, public and private sectors, UK and Europe. He is passionate about getting value for money from the public estate having delivered projects in health, local government and policing. He contributed a chapter to RICS Public Sector Asset Management guidelines. Recent projects include herding 14 public bodies towards a more effective combined estate. He is a MAMIL (cyclist) and was mad enough to undertake the Cycle to Cannes in 2012. [cycloconsulting@gmail.com](mailto:cycloconsulting@gmail.com)*

We seem to be experiencing initiative overload in local government at the moment. Some are ill conceived and are more trouble than they are worth but the reforms around Housing Revenue Accounts (HRA) appear well received. What are local authorities doing to use this to their wider benefit?

From April this year local authority housing finance has been devolved to local authorities to manage themselves. Authorities who own housing stock (about 170 in England and Wales) now have full control over both their housing income and expenditure. They can also make their own decisions on investment in tenants' homes.

In exchange for this freedom, authorities have been apportioned a share of the national housing debt. Coupled with this, authorities have had borrowing ceilings placed on them to limit the amount of money they can raise against the rental income, which they now receive in full. This is because the government is keen to control the Public Sector Borrowing Requirement (PSBR).

The policy objectives behind this reform were stated by CLG to be:

- To increase local transparency and abolish the current opaque system under which there is little connection between the level of rent charged and the resources councils have to spend locally;
- To give councils financial autonomy and therefore more accountability for the provision of housing services;
- To end decades of complex central control and allow council housing to be managed and financed locally;
- To ensure councils have the incentives to actively manage their housing stock on a long term basis rather than simply react to an uncertain annual funding formula.

Previously, the HRA and General funds were run separately with the HRA "ring-fenced" because of the need to funnel

the income to central government. Now, whilst the two funds still exist, authorities are looking at ways in which they can use these freedoms to their benefit. One recent report states, "Councils can now look at their housing as a real asset capable of generating additional investment resources". If they wish, they can even build new homes using surplus rental income. However, the freedoms taken will vary in authorities depending on a number of factors:

- Whether the authority still has any owned housing stocked;
- If it has, whether it has contracted with an ALMO (Arm's Length Management Organisation) for housing management;
- The proportion of housing stock relative to the rest of the corporate portfolio;
- The authority's strategy towards managing housing and other property assets as a virtual single portfolio;
- The authority's current management structure in relation to housing, finance, corporate property and regeneration.

A clear requirement, however, is the need for robust financial and business planning over the medium and long term. Debt will need to be managed, investment decisions made to enhance the portfolio, and strategies developed to inform where new development should take place and where stock needs to be replaced. Many authorities have such capability in place but those who have been used to reacting to the short term will need to up-skill.

### ***So what issues do WE need to think about?***

- Should maintenance regimes for housing and other assets be planned and delivered as one?
- Can General Fund assets be used to support the housing development programme and vice versa?

- Do our internal structures need to change to accommodate the above?
- Are there sites/buildings within the HRA and general fund which could be better used for alternative uses?
- What processes need to be put in place to prevent a political bunt-fight over investment decisions and disposals/transfers?

It is early days yet, with many authorities still finding their feet. However, some have already made changes to reflect some or all the above. Some are even working together to see if bi-lateral or multi-lateral arrangements in relation to business planning, debt management, financing, and/or development are of benefit in the current climate. At a time of pressure on housing supply can we seize the opportunity and use a number of the (overload) initiatives in tandem to help grow the economy, reduce costs and increase housing supply? The jury is out.



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# VOID PROPERTY SECURITY

David White



*David White is Chairman of Loxal Security Limited, the original innovator of void property management services. Loxal Security is built on over 30-years void security experience and focuses on low-impact access controlled security services with sophisticated digital key-less operation which is both user friendly and attractive. Physical and electronic security deterrent levels can be tailored to the risk of attack for each property. For more information contact Andrew Mapstone [a.mapstone@loxalsecurity.com](mailto:a.mapstone@loxalsecurity.com)*

Voids present a management headache for landlords. A close investigation of the specialist services and new technology now available can offer real cost savings and benefits.

Vacant property security and related support services are a £200m industry which mitigates the risk of vandalism, arson, squatting and theft from residential and commercial properties. Additional services support the landlord or facilities manager in the disposal, re-letting or refurbishment of properties by offering a 'one-stop-shop' in the clearance of voids, removal of graffiti and fly-tipping and the like.

According to The Empty Homes Agency, there are an estimated 870,000 empty dwellings in the UK and enough empty commercial property to create 420,000 new homes. Statistics for empty commercial premises are not correlated centrally and so the precise quantity is not known but a simple look along most high streets and retail parks amply demonstrates the scale of the issue.

Risks have escalated significantly with the recession increasing both the quantity of empty properties and the duration of the void period. In addition, increasing unemployment combined with the high value of metals such as copper contained within properties has contributed to a much higher incidence of attack. Metal theft alone is estimated to be running at £770m per annum. This is also reflected where the Metropolitan Police reported an 18.5% increase in house burglaries in 2011 when most crime is actually falling. Attacks are now more 'determined' and result in much higher repair costs where electrical

cable, boilers, radiators, cylinders and internal fittings can be aggressively removed from empty premises. This can result in flooding, follow-on damage to adjacent property, full electrical re-wires, lost rental income, refurbishment costs, legal costs to remove squatters, business interruption cost etc.

Homelessness has contributed to an increase in squatting and it is estimated that there are 20,000 squatters in the UK. Just because a property is empty however, responsibility for the property remains and landlords have statutory obligations under the Defective Premises Act and Occupiers Liability Act where trespassers can sue landlords under their 'duty of care' should they be injured within a vacant property.

The re-let process can be complex and protracted with multiple contractors, gas and electrical test and inspection, cleaning & clearance, property viewings, minor works or refurbishment, key holding etc. Any security installed to the property should not hinder this process by making access difficult for the multiple trades and should allow light / ventilation / weatherproofing inside the property to assist working.

Traditional approaches to void security such as plywood boarding can be unattractive diminishing the property asset value during disposal at sale or auction and potentially actually attracting attack as the property is perceived as 'value-less' and unwanted. This also has a negative impact upon adjacent property asset values. Static manned guarding is very expensive whilst mobile patrols tend to be ineffectual at deterring attack as this will always occur when the patrol isn't actually on site. A new alternative is the use of guardian companies who put individuals into properties on a short-term basis without creating a tenancy agreements however many landlords do not want to have 'licensed squatters' and insurance companies do not approve of such 'security' measures.

A number of specialist contractors offer proprietary anti-vandal and anti-squatting security services. These can be either physical security in the form of modular steel window screens and replacement doors or electronic in the form of battery powered temporary alarm systems. The latter generally feature GPRS communication of alarm events to an Alarm Receiving Centre with 24-hour key-holder response. These systems significantly minimise the risk

Vacant dwelling by Region

	2004	2005	2006	2007	2008	2009	2010
North East	45,732	47,598	48,287	48,099	50,375	47,243	46,399
North West	128,835	132,543	137,253	141,186	144,907	142,863	136,273
Yorkshire & the Humber	86,300	85,686	90,947	101,091	102,582	98,604	92,819
East Midlands	59,087	63,225	65,458	70,084	71,488	70,488	67,726
West Midlands	80,944	77,435	79,208	80,401	83,320	77,869	74,876
East of England	65,665	66,799	68,509	69,107	72,773	72,891	69,651
London	86,733	85,571	86,701	84,627	84,126	85,062	79,971
South East	97,804	100,480	102,812	101,809	102,884	103,470	99,277
South West	59,835	64,172	65,756	66,915	70,664	72,171	70,499
ENGLAND	710,935	723,509	744,931	763,319	783,119	770,661	737,491





Loxal digital void security door with digital keyless access control

of attack or squatting to a property and can be considered an 'insurance' against property loss and a necessary evil to maintain asset values during refurbishment, re-let or disposal periods. Clients range from housing developers, landlords, high street shops, pubs, schools, retail units, factories and the like becoming vacant due to long-term refurbishment, change of use, divestment, property portfolio down-sizing or liquidation. Residential clients are affordable housing landlords (local authorities and housing associations) through to managing agents, estate agents, mortgage

defaults, and buy-to-let and residential property owners.

Voids can be a dangerous place to work for agents, contractors and tradesmen so consideration should be made to mechanisms ensuring that operatives can evacuate a secured property quickly in the event of fire or other emergency. Landlords should ensure that evacuation can be through two separate routes and achieved without requiring keys which can be lost in an emergency. Staff can also be safely locked within the void to minimise the risk of attack or theft of tools when lone working.

New digital keyless access control technology for voids offers wider benefits such as improving re-let times and efficiency improvement for contractors. Improved operational and labour efficiency can be achieved through smarter access control for contractors working in voids – especially refurbishment, maintenance or "Decent Homes" contractors working on multiple affordable housing units. Poor key management can contribute significantly to costs and down-time lost

where access to the property is problematic. Using keyless technology improves efficiency and so reduces overall cost or schedule of rates for void works. Unique access codes can be issued by the landlord or contractor to the authorised individual with agreed parameters such as allowing universal access, time or date barring, one-off use etc. This in turn offers a comprehensive audit trail of all activity within the property.

New graphics systems for void security doors and window screens disguise the products to mimic adjacent properties or show agents re-let advertising. These have been shown to maintain the appeal of the neighbourhood and maintain the value of the property asset during disposal or auction. As a result, they can pay for themselves.

In summary, voids present a management headache for landlords and a close investigation of the specialist services and new technology now available can offer real cost savings and benefits which couldn't have been dreamed of even a few years ago.

## INDEPENDENT PANEL ON FORESTRY – RICS STATEMENT

Published 4th July 2012



RICS has responded following the publication of the Independent Panel on Forestry final report on the future of forestry in England.

Given the importance of this thinking to England's future land use, RICS has been engaged with DEFRA, the Forestry Commission and the Independent Panel through each stage of this review.

RICS welcomes the final report by the Independent Panel on Forestry and its twin focus on woodland creation and the greater management of existing and future forestry. This is a landmark report across the whole of England's land sector, not just those directly involved as foresters. It offers Ministers the opportunity to initiate a coherent and longer term approach to forestry.

The longevity of forest investment requires long-term policy commitment, even if its tax efficient status has seen a recent renewal of interest in woodland as an investment. The forestry sector has been historically dependent on public financial support and in the age of austerity, any increase in forestry is going to have to be attractive to the private

sector. The Forestry Commission has played an important role in maintaining England's forests despite the decline of traditional markets for timber.

The reality of woodland creation is that the great majority will be in private ownership and will need to generate income from a range of outputs. The creation of more woodland will not be sustainable if it does not have some commercial potential. Managed forests can supply a whole range of services, including access, carbon sequestration and eco-system services, but there also needs to be a focus on timber for fuel and construction.

In England's local rural economies, we need to join up these policy areas so

that more timber can be used in low carbon construction and wood fuel can be used by biomass energy systems at both domestic and larger scales. Where this timber is used in local buildings and to power homes, there is a virtuous circle with local jobs created in order to manage this greater amount of woodland.

Surveyors and land managers play a key role in delivering the landscape which is so highly valued by the English public, and in the tree planting aspirations outlined in this report. We will be working closely with DEFRA and the Forestry Commission on the report's recommendations.

As the professional body for Valuation, we welcome the report's focus on valuing the multiple benefits of forestry. We have already produced guidance on the valuation of woodlands and on the valuation of trees for amenity and related non timber uses. We are currently looking at the valuation of eco-system services, which will be essential to the delivery of this report's recommendations and more widely to the objectives of the Natural Environment White Paper.

Jeremy Blackburn, RICS UK Head of Policy

The Independent Panel on Forestry

succeeded the DEFRA consultation on the future of the public forest estate and the Forestry Commission. This followed a public debate on the ownership of England's forestry, public access to elements of that, and its role in society.

The Independent Panel's remit was greater than the previous consultation on ownership and covered the entire 'future direction of forestry and woodland policy in England'.

[http://www.rics.org/site/scripts/news\\_article.aspx?categoryID=197&news-ID=2777](http://www.rics.org/site/scripts/news_article.aspx?categoryID=197&news-ID=2777)



## GREEN BELT: PROTECT OR PROMOTE

Chris Hemmings

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*Chris Hemmings is a chartered town planner and surveyor and an Associate within the Public Sector Team at Knight Frank. Chris has 17 years' experience, working in both public and private sector organisations, and previously worked for Cotswold District Council, Chesterton, DTZ and Donaldsons. Chris advises public sector clients on development projects, including residential and town centre mixed-use schemes, and estate rationalisation strategies and site disposals. Chris.Hemmings@knightfrank.com*

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Chris outlines current pressures facing Green Belt land and suggests that collaboration between rural and urban councils might help relieve some of the pressures on finding suitable housing sites

The recent Government announcements intimating potential changes to Green Belt Policy in England have sparked the usual outcry from environmental groups, politicians, and media columnists alike, whilst house builders have been falling over themselves to buy up as much available Green Belt land as possible.

### Origins

The Green Belt was first established for London by the Green Belt (London and Home Counties) Act that was passed in 1938 to control the spread of urban sprawl from London into the adjacent Home Counties. The subsequent Aber-

crombie Greater London Plan of 1944 defined the Green Belt using a series of rings from the inner high density developed ring, through the lower density suburban ring to the green belt ring and the outer country ring. The principles of the Green Belt were later enshrined in the Town & Country Planning Act of 1947, giving local planning authorities powers to propose Green Belt areas within their development plans. The establishment of Green Belt policy came in 1955, with the Circular inviting local planning authorities to formally define the boundaries of their Green Belt areas.

### Current Policy and Issues

The Green Belt has always been an emotive and highly politicised issue, and the level of controversy surrounding the debate over the Green Belt has largely stymied an objective and ratio-

nale review of its current purpose and geographical extent. The government's recent soundings of a policy change come after the publication of its own National Planning Policy Framework, which reinforces the principles of the Green Belt. The NPPF states that the fundamental aim of the Green Belt policy is to "prevent urban sprawl by keeping land permanently open", and that the Green Belt serves five purposes:

- "To check the unrestricted sprawl of large built-up areas;
- To prevent neighbouring towns merging into one another;
- To assist in safeguarding the countryside from encroachment;
- To preserve the setting and special character of historic towns; and

- To assist in urban regeneration, by encouraging the recycling of derelict and other urban land.”

The large amount of brownfield land that could be developed for housing (in 2007 DCLG estimated that there were 26,500 hectares to support 1 million homes) is always cited as a robust riposte to any attempt at a review. However, this generalisation of the issue fails to take account of the suitability of this land for housing and more importantly its viability. Within the current economic climate and housing market dynamics, brownfield sites are becoming more difficult to develop, due to prohibitive infrastructure and remediation costs, an increasingly long list of s106/CIL contributions, and funding issues over the development risk. For example, in September Land Securities finally secured planning permission after a decade for the first phase of the Eastern Quarry scheme at Ebbsfleet, following protracted negotiations on the s106 agreement which led to an eventual lowering of contributions from £40 m to £25 m with staggered payments.

Therefore, it appears that having an over-reliance on the ability of brownfield sites to deliver housing over the short to medium term is likely to be misplaced, as it takes longer for these sites to be developed and a good percentage of them will probably remain undeveloped for the foreseeable future due to viability and market issues. Of course, some major brownfield sites can be found within the Green Belt, such as military bases, research establishments and training centres etc. For these sites, the policies within the former PPG2 provided clear guidance on their redevelopment. One of the issues with the NPPF is the deletion of PPG2, and the lack of guidance on how local authorities should treat major sites within the Green Belt in terms of their redevelopment to alternative uses, such as housing. There is a danger that without further guidance at national level, seemingly similar sites will be treated differently by local planning authorities in terms of constraints on redevelopment such as height and floor-space parameters.

A better balance between greenfield and brownfield sites would provide a

## Geographical Extent

The latest official available statistics on the Green belt as at 31st March 2011 show that there are a total of 1.64 million hectares of land with Green belt designations, representing 13% of the total land area of England.

Region	2010/11	Key Green Belt Areas
	(Hectares)	
<b>North East</b>	72,990	Tyne & Wear Green Belt
<b>North West</b>	262,770	Merseyside and Greater Manchester Green Belt
<b>Yorkshire and the Humber</b>	264,640	York Green Belt South and West Yorkshire Green Belt
<b>East Midlands</b>	78,930	Nottingham and Derby Green Belt
<b>West Midlands</b>	269,380	Stoke-on-Trent Green Belt West Midlands Green Belt Burton-on-Trent and Swadlincote Green Belt
<b>East Anglia</b>	26,030	Cambridge Green Belt
<b>London/wider</b>		
<b>South East*</b>	554,670	Greater London Metropolitan Green Belt Oxford Green Belt South West Hampshire Green Belt (New Forest)
<b>South West</b>	110,130	Avon Green Belt (Bristol and Bath) South East Dorset Green Belt (Bournemouth and Poole) Gloucester and Cheltenham Green Belt
<b>England</b>	1,639,540	

Source: DCLG \*excludes the area of Green Belt land in New Forest DC and Test Valley BC (47,300 hectares) which were designated as New Forest National Park in 2005.

more robust housing strategy moving forward, and in this strategy there should be an opportunity to review greenfield sites within the Green Belt which meet certain acceptable criteria. For example, there are likely to be areas of Green Belt land within the M25 which could be utilised for housing in less sensitive locations. For example, according to CPRE, 57% of the London Metropolitan Green Belt is currently in agricultural use, but only 14% of the Green Belt is either Grade 1 or 2 in terms of its agricultural quality.

Any criteria for building in the Green Belt needs careful thought so as to protect the essence of the original principles of the policy, whilst at the same time allowing settlements to meet their increasing housing needs. There is no doubt that it is important to protect areas of high environmental quality within the Green Belt, such as AONBs and SSSIs; areas of good quality agricultural land, such as Grade 1 and 2; prevent coalescence

with neighbouring towns, and avoid unacceptable landscape impact. For land outside of these criteria, and not within flood risk areas, there should be a rationale for its promotion through the planning system. In seeking to review this land, design principles and targets should be unique to the Green Belt and not reflect the high density and generally poor quality of a number of semi-urban developments that have been built over the last decade, especially under PPG3 and the latter day PPS3. Housing development in the Green Belt should



be of a lower density threshold to reflect its rural fringe status, with larger dwelling size to attract families, and more green spaces to help retain its character. A balance also needs to be struck between the usage of public transport and car use, to again reflect the semi-rural nature of the Green Belt.

Collaboration between local planning authorities is needed to instigate a review of the Green Belt in a particular locality, which is easier said than done. By way of illustration, Oxford City Council has over 6,000 households on its social housing waiting list together with a huge private market demand, but only around 6,000 dwellings have been identified on all allocated or potential sites through the Strategic Housing Land Availability Assessment (SHLAA). Development in Oxford is constrained by the Green Belt with the majority of this land within the planning control of Oxfordshire District Councils, who wish to see the Green Belt retained.

George Osborne's recent comments

gave an insight into how a review would work, when he said "if you look for example at Cambridge, they have been pretty smart about swapping some bits of the green belt for other bits". The NPPF certainly provides the opportunity for a review by stating that "Local planning authorities with Green Belts in their area should establish Green Belt boundaries in their Local Plans which set the framework for Green Belt and settlement policy". However, a large proportion of the Green Belt land is located in rural district councils of England rather than the constrained urban councils that may be seeking a review. The NPPF does introduce a 'duty to cooperate' for local planning authorities to tackle cross-border strategic issues, such as housing numbers and their distribution. It remains to be seen how this requirement is used in the context of Green Belt disputes and how Planning Inspectors interpret this as part of the 'tests of soundness' for Local Plans. In addition, it is interesting to note that the government is considering only the partial

revocation of the Yorkshire and Humber Regional Spatial Strategy in order to retain the York Green Belt boundaries until the York City Local Plan is formally adopted.

Therefore, some form of further guidance may be needed in relation to the 'duty to cooperate' requirement, to enable those Councils wanting a review of the Green Belt to influence the Local Plan of adjoining Councils certain Green Belt areas.

What is clear from the current debate is that the Green Belt Policy will remain a highly sensitive subject, and any moves to review the Policy will be met with opposition. It will take a strong Government to force through any legislative changes in the short term, although I anticipate that any changes will be looked at again post the General Election in 2015.

*Please note that these are Chris' personal comments on the subject.*

## FEDERATION OF PROPERTY SOCIETIES

John Morris

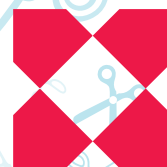
The latest Federation of Property Societies (FPS) Board Meeting took place on 7 September at CIPFA headquarters in Robert Street, London. I am the ACES Permanent Representative to FPS but I hope to hand over to an active ACES member at ACES Annual Meeting this year.

To recap for those new to ACES, FPS is an umbrella organisation for all the public sector professional property-related associations. Apart from ACES, representatives from the bodies representing architects, quantity surveyors, mechanical and electrical engineers, corporate property officers, a Welsh consortium and building surveyors sit on the Board of the Federation. This year and next, the Board is chaired by ACES so our President Heather McManus is the chair until our ACES AGM on 9 November and will be followed by the incoming President Tom Fleming.

Key points from the meeting which are relevant to ACES members are:

- The report on flexible working initiatives being prepared in conjunction with the Federation for Corporate Real Estate is finally in its final draft and is expected to be published soon. It will appear on the FPS website ([www.fedPS.org.uk](http://www.fedPS.org.uk)) when finalised and I will seek to arrange a copy or link on the ACES website.
- Leona Patterson from DCLG attended to give an update on the government's property programmes. Leona is taking on work started by John Connell and is clearly on a steep learning curve. She stressed the government's desire to promote the growth agenda through programmes such as the Capital and Assets programme. We gave feedback that unfortunately in the context of revenue cutbacks, some councils are taking short term decisions to scale back on property resources, which is eroding capacity for corporate and collaborative asset management.
- We have started to do some work on what the government's Construction Strategy means for local government and considered a first draft which I presented to the Board.
- Concern was expressed about the lack of due diligence undertaken by many academy trusts when they take on responsibility for building maintenance. Many buildings transferring to academy trusts on long leases are of system built design and may have exceeded their design lifespan, but many trusts may be unaware of this.





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# CHRIS RHODES, LONDON BRANCH SECRETARY

London Branch met at Westminster City Hall in March with Andy Algar in the chair and 21 members attending. Past national president Lee Dawson was confirmed as member of the London Energy Project Category Board. Discussion topics for future meetings were agreed.

The new Community Infrastructure Levy (CIL) was discussed. Mayoral CIL was coming into force with three charging bands. Boroughs would also be introducing CIL and would be unable to enforce s106 payments in the traditional sense after 2014. Concerns were expressed about viability of sites, the effect on regeneration and peaks in workload with applications being rushed in before deadlines.

It was noted that many authorities are reducing staff significantly and combining disciplines which are not always well-matched. Formal collaboration between boroughs on service provision was increasing.

Benchmarking activities were continuing although it was regretted that the number of boroughs taking part had dropped. With pressure on time and resources, information gathering was becoming more difficult although it was felt that a good system should generate the required data. A session dedicated to this work area would take place later.

Many authorities had been experiencing an upsurge in right to buy applications since the maximum discount had been raised to £75,000. The Royal Borough of Kingston would be taking on 70 staff in a public health integration exercise with shared facilities.

The May branch meeting took place at Southwark Council's headquarters with 13 members attending, chaired by Andrew Wild. Many authorities had recently attended the Sitematch event

at City Hall and the organiser Toby Fox of 3 Fox International had been invited to give a presentation on this initiative. Toby explained that the initiative had risen from the dearth of authorities represented at MIPIM and the need to present development and regeneration opportunities without the perception of junketing. Developers paid £200 for the chance to have up to 5 meetings with authorities, which were not charged. Eventually 165 developers attended, 105 sites were marketed and a total of 489 meetings took place. The GLA had asked for repeat events twice yearly and the next ones would be taking place in November 2012 and March 2013, including other public bodies with significant land holdings in London.

The regular meeting agenda followed and it was agreed that a membership "push" would be worthwhile especially among the few boroughs not represented in ACES. Other public bodies should be encouraged to join.

Several branch members had attended the Barnsley Spring Conference and briefly summarised the presentations. Members were glad to note the number of conferences was being maintained at the current level. One of the topics raised in Barnsley had been the Portas Review and potential changes to the Code of Practice [see other articles in this edition – Ed]. It was felt that there were many positive ideas but members felt the balance between landlord and tenant was crucial. Other key points for local authorities were felt to be the viability of traditional markets and availability of grant funding for retail areas.

Members reported an increase in demand for homeless hostel accommodation. Void property management by guardians was discussed. The increase in Right to Buy applications was noted and with it the potential for unscrupu-

lous loan providers to target council tenants. Southwark Council had a new homebuilding initiative designed to provide 1,000 units and would keep branch meetings updated with progress.

In July the Branch meeting was preceded by a guided walk around the Docklands area. Starting from the Tower Hill area, our blue badge guide took the group through the regenerated areas around St Katharine's Dock and towards the historic central part of Wapping itself with a fascinating look at new and historic buildings.

The meeting itself took place at Southwark Council's office and was attended by 18 members. Health and Safety concerns, especially fire risks in let properties were discussed. Colleagues had been obtaining legal advice on this important topic where in some cases responsibility may remain with a local authority landlord even where a tenant is notionally liable. Implications for multi-let and long-let buildings could be considerable and it was agreed to bring this item forward for the next meeting with further information.

Relaxation of the silo around Housing Revenue Account assets was discussed. Around half of the represented boroughs still had a large housing stock of their own. Arm's length management organisations were still operating in some areas and council home building was making resurgence. The loss of HCA grant funding had had a significant impact on some projects.

During the usual round-up of issues, members discussed legal challenges to large-scale disposals and structural changes to services taking place in many authorities.

# DUNCAN BLACKIE, EASTERN BRANCH SECRETARY

The meeting was hosted by Colchester Borough Council and took place at FirstSite on 6 July 2102.

Brian Prettyman took the Chair in Neil McManus' absence, to a gathering of 20 members.

Andrew Wearmouth highlighted a number of issues that had previously been detailed in his notes from the ACES Council on 20 April 2012 (featured in Summer Terrier).

The Branch Secretary reported that prior to the meeting a number of topical issues had been discussed by the Committee and a general consensus formed as follows:-

- a. Branch attendance. It was noted that this had risen from 15 to 20+ and given the number of apologies for this meeting it wouldn't be unreasonable to expect attendance at meetings of around 30. It was felt that this level of attendance need not inhibit the informal style of meeting.
- b. Representation. Having a central location for meetings was considered to be a factor that could encourage greater attendance from Hertfordshire & Bedfordshire in particular. The Cambridge area was felt to be the most accessible for most of the region and suitable venues should be identified for 1 or 2 of the three branch meetings. However, members also felt that the branch should continue to 'travel' as members would benefit from visiting buildings such as FirstSite. Further venues were offered.
- c. Format & content of meetings. The general view appeared to support the frequency of meetings, the duration and existing format of the

meeting and the choice of Friday morning/ lunch/ with an early afternoon site visit. It was also felt that the introduction of topics of interest such as; the state of play in the health/ other sectors, legal and planning updates and improved market awareness would be beneficial and suitable subject matter for central meetings in Cambridge. John Henry offered to assist in the matter of updating members on the evolving property structures within the health sector.

- d. Membership. There was a discussion about membership and the distinction between national membership and branch attendance [which does not currently demand membership]. Key objectives for the branch include improving the awareness of the meetings as opportunities for networking and education for property/ estates professionals and to provide support for those with responsibility for these functions within the local public bodies around the region. In this connection, it was suggested that when the branch 'travels' it may wish to invite representatives from the local management team[s] to participate in meetings.

A presentation was received from Nigel Myers, Colchester Borough Council on its Digital Strategy (featured in this Terrier). The Council recognised that it had an issue to address as it was the 8th worst area in the country in terms of broadband access. In response, the Council has used its own assets as a platform for investment, for example by upgrading & integrating its own CCTV network as a key part of 'the town centre mesh' and by using the town hall as an aerial capable of delivering broadband services by radio up to 20km. The initiative has stimulated considerable growth in terms

of representation of creative industries [particularly software designers] in Colchester and the town is well placed to take advantage of further opportunities arising from forthcoming 4G licenses.

There were a number of questions and an interactive discussion followed including a brief explanation of "tele-health", the potential for utilising public buildings and the perils of State Aid.

There followed the usual networking and exchange of information, including some involving the hosting of Olympic teams, the collaboration project between Suffolk County Council and the Constabulary, the problems of the new requirement to obtain Secretary of State approval for the demolition of former school buildings. Such approval is proving difficult to obtain, particularly with the current policy of favouring the setting up of Academies and Free Schools. There was some lively discussion around capital accounting and valuation requirements

Information was provided on the likely shape of the Health Estate post April 2013 and it was generally agreed that this would be an interesting topic for discussion at the next meeting. On a similar theme it was felt that examples of joint working between police and local authorities would be an interesting topic and in this regard Brian offered to make contact with Suffolk or Norfolk Police in order to facilitate a future discussion and branch attendance by police estates colleagues.

Emboldened by previous responses to his contributions, Brian enquired 'what has been done by colleagues with their deed packets following registration of title – had they been thrown away?' The response was less than uniform and the debate ventured into the wider concept of the paperless office wherein our vocabulary was further extended by intro-

ducing us to WORMs – apparently well established in Havering. This is actually a handy acronym which stands for ‘write once read many’. A show of hands revealed that around 50% of those present

currently scan files and archive old files. Andrew W was keen to stress that documents often have historic significance and warned of inherent risks associated with wholesale disposal of originals.

The meeting closed for lunch and more networking, followed by a conducted tour of FirstSite, a purpose built building for contemporary visual arts.

## RICHARD ALLEN, HEART OF ENGLAND BRANCH SECRETARY

The summer branch meeting was held at the Town Hall, Oxford; 15 members attended.

Two presentations were received in the morning session.

Richard Smith, Chairman of Public Sector PLC (PSP), supported by Adam Cunnington, the Managing Director, and Simon Marks, a partner from E C Harris, gave a presentation on how his organisation, set up to work with local authorities through a 50:50 joint venture model to meet their statutory, legal, procurement and financial requirements. He is working with a number of authorities to reduce the costs of maintaining and unlocking value in their property portfolios. Authorities have three options: do it themselves; go to the market; or adopt a public/private joint venture approach that PSP can offer. Of the authorities PSP is currently working with, Dudley is the most advanced. In this authority PSP is leading and funding the office rationalisation and service redesign programme. It is being achieved through the value of assets that will be released and providing ‘swing space’ to enable the programme to move forward. In Bolton they are supporting, not replacing, the existing property team to bring a commercial approach to the investment portfolio. Dorset has set, and PSP has accepted, a target of reducing the cost of running their property portfolio by 25%. It will principally be achieved by providing technical and commercial skills and resources beyond those available to the council. In Southend PSP is working with the council to drive regeneration in an arena where public funding has dried up. A long term strategy is being developed to bring forward projects that are not viable, but are desirable.

Richard said that the benefits of using PSP are that they can deliver a broad range of property and asset based projects, but by working on a ‘flexible’ case by case basis, so an authority is not locked into a joint venture, as with for instance an asset backed vehicle, the whole risk is transferred to PSP who also have immediate access to substantial private sector funding. The risk to PSP is in choosing the right authority to work with. Their approach will only succeed through a committed equal partnership. Richard would welcome the opportunity of giving his presentation to other branches. He believes the PSP approach provides the best of the public and private sector working together to mutual benefit.

Joe Reeves, a Pricewaterhouse Coopers Director, who leads on local government and infrastructure funding in the Midlands, gave a thought provoking presentation entitled ‘Tools for economic growth’. As the talk was given on the day the government had announced the first round of ‘City Deals’, he chose to focus on the changing landscape for local government financing. He looked at the development of future funding through the existing box of tricks made up of LGRR, TIF, LEPs, HRA reform, CIL and introduction of City Deals. He explained how all the funding changes were supporting the localism agenda. The result would be the transfer of more decision making and risk to local authorities. He posed the question how would local authorities react to the new freedoms in which to operate and suggested some possible outcomes and behaviours. For instance, as authorities were being encouraged to borrow against future business rate growth, he suggested that some may review their planning policies

to promote commercial development that produced the highest rateable values, rather than what was actually best for their communities.

In the business meeting after lunch, the Branch agreed to sponsor a prize at Nottingham Trent University linked to public sector asset management. The University now includes a corporate real estate module in their first degree course and wished to consider in more depth public sector asset management as part of the syllabus.

The Portas High Street review was discussed. In particular the letter from Grant Shapps, Minister for Housing and Local Government, to all Council Chief Executives encouraging local authorities to adopt the leasing code to support recommendation 18 of the review [reproduced in this Terrier - Ed]. The code was being championed on behalf of DCLG by Bedford Borough Council which recognises the benefits they have found in adopting the code and being accredited. [featured in this Terrier - Ed]. Wolverhampton City Council had also adopted the code and found no drawbacks, but they pointed out that it was also necessary to adopt the service charge code. Adopting the code had forced Wolverhampton to look more closely at their policies and procedures and use of plain English for their property particulars and agreements. A number of branch authorities present said that they were now considering and are likely to adopt the code and seek accreditation. It was mentioned that the RICS model lease for high street shops was to be launched shortly [also featured in this Terrier - Ed].

There was a general discussion regard-





Following the completion of the business meeting members went on a very pleasant walk in the sun through the centre of Oxford, passed the Bodleian Library and a number of the more attractive colleges, to visit the Old Fire station. The building has had many uses over the years and when the fire service moved out the Council was keen to see it reused for the benefit of the community. Following a £3.5 million refurbishment, £3 million of the funding being from the Homes and Community Agency, the building reopened in October last year, as a new centre for arts including a theatre, studio, shop, art gallery and artists workshops. It incorporates 'Crisis Skylight Oxford', a charity run training centre offering education, training and employment opportunities

ing the approach to phone masts on local authority property. They can produce good income, but because of the telecommunication provider's statutory protection, authorities are finding that to facilitate redevelopment it can be very costly to buy out mast agreements or relocate masts. Authorities were now, therefore, adopting an approach of looking at each proposal on its merits and conducting a thorough cost benefit analysis before letting any more sites.

There was a discussion on how authorities are addressing possible clawback on children's centres when they are relocated into schools. It was suggested that as the children's centre is still operating the funding body may not want the funding back. This had found to be the case with some other government grants funded projects that had just been relocated into different premises.

There was an interesting exchange of views on where property services should be aligned in authorities as some are moving their property functions out of Resources into Regeneration. It was concluded that this could be a good move for promoting property and strategic asset management: Regeneration is a proactive function rather than a support service. It was felt that many Resource departments are still too focused on financial control rather than proactive strategic resource management and some Section 151 Finance Officers do not really understand the proactive role

Old Fire Station training room



property can play in service delivery and achieving efficiency savings.

A number of authorities had decided that there would be a conflict of interest to include the 'community right to bid' list in Property Services. It was considered the best home would be within the planning function as they have the most experience of public consultation.

There was a general exchange of experiences with regards to community asset transfer. Warwickshire County Council is transferring a number of libraries to the community/parish councils on short term leases.

for the homeless and vulnerably housed people and a social enterprise café in the heart of Oxford. Skylight is the lessee and holds the whole premises on an FRI basis at a market rent. In the early years the rent is being recycled back to the charity to help establish the centre. Skylight underlets parts of the building to a new charitable arts company that offers spaces for artistic professional development and training, performance and the visual arts events; and regular classes and courses for the public. The most exciting aspects of this unique venture are the areas where Skylight and the arts company can work together for the benefit of homeless people.



Bernard gives a broad insight to the APC process. He believes that "having been involved for all those years, I personally think the current system is fair across the board."

# THE RICS ASSESSMENT OF PROFESSIONAL COMPETENCE or "A funny thing happened on the way to the Assessment Centre"

Bernard White

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*Bernard's career started in the private sector in Manchester, assisting with the management of a large property portfolio. He then moved into local government in 1970, and has served with Stockport MBC, Newcastle-upon-Tyne and finally in 1974 as Chief Estates Surveyor to Harrogate BC, a role he continued in, until his retirement in 2005. He is now a part-time consultant surveyor with a company which provides professional services mainly to the public sector. Since the early '80s he has been involved in the RICS APC (as it now is) as an assessor, chairman and also auditing the process.*

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Whilst over the past few years there have been a couple of good articles on the APC process covered in The Terrier, I was asked if I could pen another. It came with the request that I try and approach it perhaps from a slightly less serious viewpoint, yet still getting a message across, not just to candidates/potential candidates, but also their Supervisors and Counsellors, who have an important role to play in getting their member of staff through the process and qualified. I will not attach names and titles to any of the "interesting" moments I mention, but if anybody does recognise a situation I cover, my lawyer is on notice!

I have been undertaking assessments for the RICS since....well some would say too long judging by the fact that I now occasionally assess with people I passed (or initially referred!) at interview some years ago.... and during that time there have been a few "interesting" moments.

Where do I start, well perhaps it is best that I start with myself, just to show I can take a joke. I was assessing at The Park Inn, Heathrow, the hotel being on the Bath Road, right opposite the airport. Myself and two colleagues invited me on a walk (one a dour Yorkshireman) which took us by the airport perimeter fence. Three burly policemen came through a gate in the fence. "What you doing here lads" one enquired (we liked that 'lads'). "Just checking out the road out of here" said our Yorkshire friend. "Where are you from" came the retort. Our Yorkshire spokesman, proud of his heritage, came back with a one word answer....."Yorkshire". "We might have known" said the policeman. "Better move on, not really allowed here" was his advice, but coupled it with telling us that the nearby pub did a good range of beers and better than "that stuff up north". The tale, on re-telling, has got us the odd beer.

The lesson for a candidate from that tale, is, check out the detail sent by the RICS which will have interview venue and information (the day, date, time and location) and be sure you know the way there. Easy you would think, but in my time assessing, I am into double figures with the number of no shows. My record is two in one day. On that occasion, not having turning up at the allotted time, both were contacted and claimed they were there the following day. However, red faces when they were asked to look again at their letter calling them to interview. One case we fitted in later in the day (but no overtime payment!) the other the RICS agreed with reluctance to fit the candidate in at another centre a few days later, rather than 6 months later at the next half-yearly Session, which would normally have been the case. I could not do that interview, but was asked if I could seek out a colleague chairman at the centre we were at, to

ask if he could. It so happened on the day he was with an assessor who was also the supervisor for that particular "no show" candidate! The air was blue when I mentioned the name and circumstances....oh to have been a fly on the wall next day at their office!

Simply check the detail and aim to get there in good time. Most do, but candidates have been caught out. I would say that late arrivals are accommodated where possible, but not before their reason for being late has been verified. However don't do as one candidate did, checked in early and then went back to the car and promptly fell asleep only to arrive at the desk ready for his interview about 40 minutes late. In Cardiff there is also more than one hotel called The Park Inn...as a few candidates have found out to their cost!

Moving more to the process of the APC, perhaps it is best I work through it, stopping to give snippets of advice and with the odd (strange but true) story.

The first stage is applying for and getting onto the APC process, one which, subject to the accreditation criteria, is boundless in terms of age, ability/disability. Assessors don't normally see, or get involved in, that part of the process. However, from time to time the odd snippet of information comes our way, like the lady who rang the RICS to ask if her husband was eligible to apply as being a builder all his life, his ambition was to become a chartered surveyor before he passed away. It turned out that he was well over 80 and totally deaf! Deafness is one of the many disabilities which the APC process has been able to accommodate without any real difficulty. I recall doing one assessment of a totally deaf candidate and prior to the actual interview, we simply noted the number of questions asked during the previous interviews and then applied the average to that interview, ignoring the time normally allotted for interview. Whilst the candidate did not unfortunately make it on that occasion (he did persevere and subsequently pass, which was good news) he thanked us for the "fair and equitable way" in which we had conducted his interview and made due allowance. A colleague chaired a panel which interviewed and passed a

gentleman who was almost totally blind. We thought at first they had been "influenced" by the presence of the guide dog in the room, but all reports were that it just sat in the corner and monitored the interview and it was simply his owner who excelled on the day.

The next stage is preparing and submitting the paperwork. Over the years, assessors have seen all manner of paperwork and methods of putting it together. However they never ceased to be amazed at the number of errors and omissions that occur, despite all the advice available. The message is to put your paperwork together in good time and in accordance with the very clear candidate guidance prepared by the RICS. Would you put together and send a submission to become chartered that was missing pages (in one case all but the front [title] page) of the Critical Analysis, the 3,000 word document which sets out a case you have been involved with and, as such (with questioning thereon) forms about 35% of your interview? It happens! A source of amusement from time to time is the photo of the candidate and which often forms part of the submitted paperwork. In years gone by, the candidate had to produce 3 passport sized photos. The number of times assessors got a block of 4 as dispensed from photo booths, but with three and then a blank where clearly the candidate had stepped out of or ducked down in the booth as only 3 were needed. One panel assessing on the rural pathway got a photo of the candidate and dog posing in a cairn on the moors! Occasionally they don't always match the candidate, as in the intervening period a visit to the hairdresser or optician has taken place.

At most centres candidates are taken to the rooms but not at all Centres.... as I know to my cost. I was chairing at Stirling and there, because of the layout, the form was to collect the candidate from the candidate waiting area. Trying to be cool and also not unnerve the candidate, I went and asked for "Kirsty". We walked back to the room, "Kirsty" sat down and I started the introductions etc. when a thunderous knocking occurred on the door. I opened the door to find a rather indignant member of the RICS staff, together with another young lady,

telling me I had the wrong "Kirsty"! I couldn't even blame the photo as it was spot on. I still see one of my co-assessors from that interview and he always greets me with "Hello, make sure you get the right candidate next time"!

On a more serious note, plagiarism has arisen on a few occasions. Candidates who contemplate this "well my mate got through so I thought if I followed and used what he/she did" might feel the odds on being caught are long, given the number of candidates. However even though the RICS hasn't yet adopted the very sophisticated means of checking work that some universities employ, there are ways that this problem is identified. Woe betides anybody who tries it and gets caught. I can think of at least 3 incidents which have been identified in the last few years and have had serious consequences at both candidate and employer level. Also in this category comes "incorrect signatures" on paperwork and having your presentation for the interview and/or chunks of text written for you. Both have come to light, again with obvious consequences.

It is the case, as the submission has to be signed off by the Supervisor/Counsellor that quite often the candidate thinks errors will be picked up in the reading/checking. Don't believe it. Maybe those reading/checking are too close to the issue, or are presented with the paperwork at the last possible moment. I always tell potential candidates to have a third and not necessarily trained, pair of eyes look at the submission, especially the Critical Analysis and Record of Experience. I have seen all manner of errors that change the emphasis totally, for example finding the word "ethnic" 13 times when it should have been "ethical"...and the Supervisor there was an APC assessor! By the way, my wife has proof read this before it was submitted!

Once the submission is in, that is it, so if a candidate then spots an error is it too late? Well not entirely. There is a way of redressing the matter, but it takes a bit of guts. On meeting the interview panel, when the Presentation of the Critical Analysis is about to be made, this is the time to own up to spotting the error. If needs be, offer a replacement page. You may think saying nothing is the best pol-

icy. Not so, because it leaves the panel not knowing if the candidate realised there was an error, or not.

In terms of the interview proper, the first part is the Presentation. The Critical Analysis, on which it is based, should not be repeated verbatim - give the assessors a bit of credit for having read it. However, it is a chance to add aspects that could not be fitted within the 3,000 word maximum allowed for the Critical Analysis. However don't do like one candidate did and present on an entirely different topic. When I stopped him and asked why it was so different, his reply was along the lines of "well you will have seen my Critical Analysis so I thought you might like something different"! Moving to the questioning, especially that of the declared competencies, the trick here is to make sure the submitted Experience Record has plenty of detail and includes examples of cases dealt with. In this way the candidate is helping focus much of the questioning onto things he/she has dealt with. In years gone by, there was always a feeling that public sector candidates were at a disadvantage. Personally, I never fully subscribed to this view, but do agree that the current process which makes much of the Experience Record, levels the playing field - assuming the submission is not on selling one (JOKE).

When questioned, candidates should take time to compose their response. Kicking for touch is easily spotted, especially by us "League" types! Answer honestly, but if not sure what is being asked, seek clarification. If you are still a bit unsure, then try and strike a balance between attempting an answer and not digging a big hole. If you are asked something more theoretical but have experienced something like the scenario set, turn it back on the panel by bringing your actual experience into the answer. There are no trick questions, but a bit like playing snooker, an answer might be being sought that then leads to another related question or aspect. So, again, think before you speak!

Having said there are no trick questions, an assessor I was with asked a candidate, who had made a big thing in his paperwork about commercial property yields, by way of trying to see if he fully under-

stood the concept, for a mathematically based answer...something like "the deal in the Estates Gazette said that the sale price was £1.5m and the rent £150k so what was the yield". The candidate got there after a couple of attempts. Intrigued by this, the assessor then asked the question of other candidates we saw that day. Three - yes 3 - different answers in the day. Another assessor I know asked something similar, but the answer that came back whilst clear and honest, was not what he was looking for..."don't really know, maths isn't my strong point" is what he got! If you put forward that you know/have done something, then you are fair game and trust me, most assessors have the tee shirt.

The last key area of any interview is that relating to awareness of both current issues/topic and also the ethics/rules etc of the RICS. All candidates will be questioned in these areas. The first aspect is mainly achieved through reading and also by attending courses (harder these days I know because of budget cut-backs). However there are criteria as to how much Professional Development a candidate must show and not all by reading the Estates Gazette back to front (well don't many start at the back with the jobs page?). Don't put down courses that you didn't attend but felt might look good. Assessors read the Professional Development log very closely and if they spot a subject, will question on it. I have been on panels where a fairly straightforward question has drawn "I don't know anything about that" yet there, in black and white in their Professional Development Record is "attended a course on....."!

In terms of ethics/rules etc., I feel many public sector candidates may have an advantage, given the fact they work in a sphere where rules are set down on matters of gifts, hospitality etc. and may encounter situations, where, professionally they may have to "act with integrity" or in accordance with the other 5 Professional and Ethical Standards (down from 12 from June 2012, but beefed up) set by RICS. Often in this area of questioning, there may not be a 2+2=4 answer, what the panel is seeking is the approach the candidate takes.

I have tried to give a broad insight to the

APC process. What I would say, having been involved for all those years, is that I personally think the current system is fair across the board. Yes it could be tweaked here and there, but overall I believe it is more than fit for purpose and not biased against public sector candidates. This is borne out not only by the fact that it has been rolled globally by RICS, but also aspects have been "taken in" by other organisations/agencies which train and develop professionals.

My final thought and bit of advice is, don't be afraid to ask. The RICS staff, whilst having much on their plate, will always seek to help. Sometimes it might be selecting the route to follow (of which there are several) or issues around training/experience. They, like assessors, want to see passes, not referrals. If they cannot help directly, they will put candidates in touch with Regional Training Advisors....or even old lags like me.

Finally, finally, I could not do the article without including my favourite assessment story. Years ago I was interviewing at HQ. I was in one of the large ground floor rooms and about 45 minutes into the interview. The knock at the door and the opening of it were simultaneous. In walked a senior member of the RICS staff and a large policeman. "You have to stop the interview now" was the command. Before I could ask if they had come because they had found out that the candidate was an imposter/ringer or something, I was told that they "needed to put the dogs in"....it turned out that the Princess Royal was due to visit in 30 minutes, so it was a full scale security sweep. The interview was terminated and left with no choice but to pass the candidate, well it was not his fault and he could have registered the most convincing appeal had we referred him. I have often wondered if it was just his lucky day, or if he was in some way connected to the Badminton Horse Trials and was calling in a favour!!!





# AN ACADEMIC GOES BACK TO HIS ROOTS

## or All in a day's work – the reminiscence of an estate surveyor

Dr Paul Greenhalgh

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*He is a member of the RICS national Urban Regeneration Policy panel and Planning and Development, Valuation and Commercial Property Professional Groups. He is also a member of the Regional Studies Association, Fellow of the Higher Education Academy and, of course ACES!*

*He qualified as a general practice surveyor in 1992 whilst working for the British Rail Property Board before joining Northumbria University in the same year.*

Paul was a speaker at the ACES Spring Conference in Barnsley and these are the memories his trip provoked.

I had a bit of a trip down memory lane today as I travelled to Barnsley by train, because in a previous life I was an estate surveyor for the British Rail Property Board working out of York. My patch was South Yorkshire and what a lovely patch it was! You can perhaps understand why I have since carved out a reputation for doing research into urban regeneration because if you want to see proper brownfield regeneration then you have to come to South Yorkshire.

I recalled some of the 'lovely' brownfield sites that I used to manage, at Grimethorpe, Wath upon Dearne and Manvers. I was talking to my taxi driver on the way to the hotel and he told me that before setting himself up in the taxi business, he had worked at Grimethorpe Colliery until it closed. I remember going on

one of my first site inspections, as a junior surveyor, with my boss Richard Starks, to Grimethorpe colliery. I was driving the hire car, I guess he wanted a chauffeur for the day, and I drove down to Grimethorpe from York. This was when it was still an operating colliery, and through the colliery gates, we headed towards the bit of land that we owned, which was right at the back of the colliery. To get to it I had to drive on to and along the railway track. Now you might think that is physically impossible to drive along a railway track in a car, but because of all the coal dust, the ground level was at the top of the rails. So, there I was, within just weeks of starting my career in surveying, and I am driving a car along an operational railway line! I said to my boss, "we are allowed to do this, right?" He told me just to keep going, presumably in the hope of avoiding

meeting a train coming in the opposite direction. What an introduction to estate surveying that was. But it got even better.....

One of my most memorable days ever working as a surveyor was in the summer of 1991. I had to do a track walk of a non-operational branch line that ran up the Dearne Valley, between Wath and Barnsley. I was negotiating the sale of the redundant line, on behalf of British Rail, to Barnsley Council, for a Sus-trans cycle path. Don Bedford was the council's surveyor, and I spent a glorious summer's day with Don walking the line from east to west up the valley. We were spotting liabilities, such as culverts and bridges, and noting any encroachments. Conveniently there was a pub situated half way along the route and it made a perfect day. Whilst this was a delightful

experience, there were other more scary incidents.

I soon learnt that you should always take your surveyor's clip board with you when doing site inspections, particularly when chasing up rent arrears. There was an occasion when, as I was knocking on the front door of a terraced house in a remote rural area, that I heard a dog start barking. That's OK, I thought, it sounds like it is in the back garden. Then I saw a large Alsatian appear round the end of the terrace and start running towards me. I held my sturdy clip board in front of me as a shield to fend it off, whilst screaming for someone to help. Fortunately, the dog's owners were upstairs in the house and the window was open, so they managed to shout out to

the dog not to devour me on the spot. I was still shaking as they came to the door to apologise.

The clip board also came in useful when doing inspections along the Princess Street Arches in Attercliffe in the Don Valley in Sheffield. At the time, before Sheffield Development Corporation cleaned the area up, there were a load of car repairers and second hand car salesmen in the arches. They did not have guard dogs, but something far more savage: Guard geese! They are much worse than Alsatian dogs; their beaks are just at that sort of 'dangerous' height and they always seemed to have a threatening look in their eyes. But the malicious guard geese of Attercliffe were not the scariest guard animal I

encountered. There used to be a scrap yard in Cudworth, just past the Redfearn glass factory, at the end of the valley. They didn't have guard dogs, they didn't have guard geese, they had a guard lion! Apparently the scrap yard owner had bought the poor thing from a travelling circus. That is one sure fire way to keep the annoying landlord's surveyor away.

You might think it rather strange for someone to hold such fond memories of apparently rough and blighted urban areas, but I found these places and the people associated with them to have a certain charm, character and integrity that is bizarrely attractive. This is, in part, what sustains my interest and passion for urban regeneration to this day.

## THE SUFFOLK SCRIBBLER

### ***Higgs boson made interesting***

The Higgs boson or Higgs particle is an elementary particle in the Standard Model of particle physics. The Higgs boson is predicted to exist and is named after Peter Higgs who, along with two other teams, proposed the mechanism that suggested such a particle in 1964 and was the only one to predict explicitly some of its theoretical properties. In mainstream media it is often referred to as the "God particle". The Higgs particle is a boson, which is a type of particle that allows multiple identical particles to exist in the same place in the same quantum state. It has no spin, electric charge, or colour charge. It is also very unstable, decaying into other particles almost immediately.

In an attempt to prove the existence of the Higgs boson, CERN has been conducting experiments first of all with the Synchro-Cyclotron, a particle accelerator with a circumference of 50 feet and currently with the Large Hadron Collider (LHC) built in 2008 with a circumference of 27 miles and at a cost of £3 billion.

The latest news from the LHC, and the

reason for this explanatory piece, is that the experiments already conducted may have (or presumably may not have) detected the Higgs boson, the particle which may (or presumably may not) actually exist.

Such is the excitement that this news has caused that CERN intends to shut down the LHC for a two-year upgrade to increase its power and plans are already being made for a much more powerful "Super Collider" with a circumference of 50 miles.

Any further comment from me is unnecessary.

### ***London 2012***

I had decided not to watch the Olympics this time on the basis that usually the live TV transmissions only take place in the middle of the night. It was only a severe bout of insomnia, brought about by damaged rib ligaments, that made me realise on the third day that this was not so and the live programmes were on during daylight hours. After that there was no stopping me.

I should explain here that years of commuting from Essex along the old

Great Eastern line and passing that huge area of dereliction at Stratford, now the Olympic Park, had led me to believe that Stratford was in another time zone as we nearly always arrived at Stratford on time, yet were very late at Liverpool Street station only a couple of miles down the track.

The main events at the Olympic Stadium and the Velodrome were excellent although how the officials failed to spot that the leading competitor in one of the cycling events was using a moped is beyond me.

What interests me about these international events is how the commentators and competitors describe what is going on. Over the first few days there is usually a desperate search for new superlatives and as soon as something that sounds profound emerges, everyone uses it as often as possible. This time, taking the lead from the 2011 BBC Sports Personality of the Year, the favoured word was "amazin" which roughly translated means "I have had a very expensive private education with

no expense spared but all I can say in response to any question is amazin."

Coming a close second, and this time lifted from SKY's coverage of speedway, was this response to any long rambling question so framed as to call for a confirmatory OK from the interviewee. It has to be delivered in a voice sounding like a very bad Bluebottle impression and goes "Yerssss, [long pause] definitely."

Nonetheless all the coverage I saw was exciting, genuine, well-mannered and respectful. In stark contrast to a football "showcase" event that followed that seemed mean-spirited and tawdry with a noticeable lack of any personal commitment whatsoever.

### **Resveratrol**

On Monday 20th August 2012 the Telegraph published a news item on resveratrol under the heading "Red wine's little miracle could keep you steady on your feet." As I have been taking this since 2007, this item caught my attention.

It explains that a compound found in red wine could improve your balance although it would take about 700 glasses of actual wine a day to achieve the effect, although this level of intake would probably exceed Government norms. Apparently when the active ingredient was fed to mice it helped older mice improve their balance and mobility and so the scientists are now suggesting that the addition of resveratrol to the diets of "our ageing population" could improve balance and walking and reduce falls.

I think some of our so called ageing population would prefer a more cautious approach and stick to the red wine initially.

### **Caister Men Never Turn Back**

In 1901 an inquest was held into the deaths of 9 Caister lifeboat men who died during repeated attempts to put to sea in atrocious conditions to go to the aid of the crew of a stricken vessel. At this time lifeboats were little more than sail assisted rowing boats. When the retired lifeboat coxswain James Haylett was giving evidence at the inquest the coroner asked why the crew had per-



sisted in their efforts to launch, his reply, above, remains a legend in the lifeboat world.

### **The Beatles 50 years on**

Apparently the 50th anniversary of the entry of The Beatles into the charts is upon us. The local media has been seeking out Beatles stories so here is mine which some readers may remember seeing before.

**"Meeting The Beatles:** In the late 60s I was "on the railway" working out from Kings Cross to the north and east. The area I worked included a number of Hertfordshire towns including Ware. There was an empty goods shed in the station yard. Built solidly in brick in the 1860s it was massive with a vast uninterrupted internal space with wrought iron columns and all the period features. A bit of a pain then but probably "highly sought after" now. It was also in remarkably good condition.

Sometime before Christmas 1968 I received a number of intriguing phone calls from someone purporting to represent Apple and The Beatles. Eventually it was established that these calls were genuine. In summary The Beatles were planning another TV Special and were looking for a unique building in which to film it. They had been told about the Ware goods shed and was it available etc. Yes. OK John and Paul would like to see it, was this possible? Yes. The only snag was that the only day they had

available was Boxing Day. Could I be available? Certainly.

I was living over in Bishops Stortford at the time and could borrow a car for the trip over. I remembered to take the keys home with me and Boxing Day dawned clear and bright with a vicious frost. Just in case of trouble on the road I set off early and arrived at the goods yard about 15 minutes early. After about 5 minutes a scruffy looking individual wandered across the yard and tapped on the car window.

"Are you from Estates and Rating? He enquired, for this is what we were known as.

"Yes."

"You here to meet The Beatles?

"Yes."

"Well hard luck mate they're not coming."

"Who says?"

"Their man phoned me at the Station House. Said they went over to Amsterdam Christmas Eve and now have got better thing to do than meet you and look over that pig sty."

And so my chance of fame and fortune was gone."

## A Few Jokes

This is one of my favourite one liners the origins of which were a mystery to me until a friend pointed out where it had come from. I will reveal the source, a well-known 60s spy story, in the next issue.

Vaclav, the Czech Officer is about to eat with the Russian KGB Colonel. They both have wet feet and Vaclav is stuffing the insides of his shoes with strips torn from the local communist newspaper. "Don't use that," bellowed the Russian Colonel, "Pravda is what I use, it seems to draw the moisture out somehow." Vaclav smiled, he knew he was being teased.

The colonel ate his veal and drank the whole of his lager in one go. "You don't waste time," said Vaclav. "**I had one knocked over once,**" the Colonel said and roared with laughter.

This one is from Canada. The first NASA astronauts quickly discovered that ball-point pens would not work in zero gravity. So their scientists spent a decade and \$12 billion to develop a pen that writes in zero gravity, upside down, underwater, on almost any surface including glass and at temperatures ranging from below freezing to 300 degrees C. The Russians used a pencil.

And from Scotland. I want to die peace-

fully in my sleep like my grandfather. Not screaming in terror like his passengers.

## Let's Be Careful Out There

A friend of mine (and indeed of many of you too) had a routine blood test in April. His doctor wanted to do the tests because, like many of us, he takes statins. The tests came back with a disconcertingly raised PSA (Prostate Specific Antigens) level above the previous test taken two years earlier. So he was sent for a prostate biopsy which confirmed he had prostate cancer. At the end of August he had his prostate surgically removed and it was caught early and will be resolved.

I tell you this because at no time did our friend have ANY symptoms that anything was wrong, and indeed but for the blood test, he probably still wouldn't know. Indeed I have had over the past 5 years 2 forms of cancer confirmed in similar circumstances ie no symptoms or pain or discomfort experienced at all, that is until I met the surgeon.

I am telling you this, because please all of you men readers go to your GP and ask for a PSA blood test. If you are OK, there is nothing lost and you have peace of mind, but if by some chance you aren't, it is better to learn as early as possible!

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# A LIBRARY STORY

"Come on Bill, get with the programme! Let's close a library or two and bring the Council's annual revenue expenditure costs down".

Bill Billingsford had been Borough Valuer for Valleydale District Council for some six years now and was finding the 'get with the programme' line of his Chief Executive, Gertrude Postlethwaite, increasingly tiresome and irritating to listen to.

"I'm afraid it's not that easy" he replied "if we should try to close any libraries then there will be all hell to pay, Gertie". How he enjoyed watching Gertrude wince at this purposely over-familiar first name use.

"Explain" she replied starchily.

"Well, the first thing that is likely to happen is that the local press will get hold of

this and publish a double-page spread. Local opposition will build up from users of the libraries and be orchestrated to pressurise the Council into changing its mind. Doubtless a judicial review will follow. Do we really want to go down this route?" he asked pointedly.

"Now look Bill", Gertrude responded "the Council needs to save money and running libraries is costing the Council money. How many people read books now anyway, rather than those Kindle thingybobs? Just man up and make this happen. You're the project champion so speak with George who will tell you how much we need to save and by when".

Bill's heart sank. He knew what an adverse impact closing libraries could have on the well-being of local communities, and had an uneasy feeling that Gertrude would seek to distance herself from the project once it all started to unravel,

leaving him alone in the hot seat as the responsible project champion.

He had no choice though but to do the Chief Executive's bidding, and was obliged to traipse along to the office of George Middlemarch, the Council's finance director, to discuss Gertrude's idea.

Bill did not like George much, portraying him in his mind's eye as a thin, parsimonious bookkeeper in a Dickensian novel poring over dusty ledgers, with quilted pen hovering and narrow eyes glinting at any prospect of saving even a few pennies.

"Not my idea, George, but the Chief Exec wants us to close some libraries to save money. We run five libraries. Any thoughts on this?" Bill asked vaguely.

"Well, let me see" George started "our capital programme is in rude health but

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we are running a deficit on our revenue account. That really will not do" he said, nodding his head from side to side like a braying donkey "that really will not do at all. It's unsustainable, but closing one of our libraries should do the trick" he added, immediately cheering up.

Although Bill was relieved to hear that the capital programme did not need supplementing with any more property disposals, meaning he might not actually have to sell a library building and deal with the flak which would undoubtedly ensue, the closing of a library to reduce revenue expenditure would, in itself, still be a poisoned chalice for him to drink from.

He trudged back to his office. Looking out his office window, his thoughts went back to a couple of years earlier, when the deletion of senior officer posts including director of leisure and library services meant that he had become responsible overnight for anything and everything to do with all Council buildings, and he wondered where he would be now if he had taken early retirement then.

"Join me in a cuppa, Bill" chirped Penny, his ever cheery PA, her voice cutting sharply through the reverie of his thoughts of sailing the Balearic Islands.

"You're looking a bit pensive. It can't be that bad. A penny for your thoughts" she continued.

There was something irrepressibly upbeat about Penny Pendleton, which would draw Bill out into sharing his problems even when he felt disinclined to do so.

"Oh, I'm under pressure to close a library which is going to go down like a lead balloon with the local community" he said glumly.

"Well why don't you get the local community or volunteers to run the library themselves" Penny replied.

Penny is such a well-meaning person, he thought, but where does she get her outlandish ideas from? Yet the more he

started to think about this suggestion, the more he wondered if it was such a crazy idea after all, and resolved to spend that afternoon making enquiries about how other councils had dealt with the libraries conundrum he was now facing.

He found that although volunteers were willing to run a number of libraries in the South Midlands, this initiative had been quashed by a High Court judge on the grounds that the volunteers did not have equality training.

More encouragingly though, he also found that a South Coast council had handed over the running of five libraries to community groups. The libraries had become community libraries, with the council investing in the training of the community groups as well as providing free access to the council's library book stock and broadband technology.

Armed with this information, he sought out Gertrude and George, and found them hosting an early summer's evening reception in the town hall gardens for Members and leading acolytes in the Valleydale community.

Looking around at the pink champagne and canapés on offer, Bill turned to George and commented, jokingly "I hope this isn't all coming out of my budget". A wan smile creased George's thin lips, though he did not reply.

"Ah, there you are Bill" Gertrude said, striding over to him "so how are you going to save the Council money?"

He proceeded to explain to her how handing over the management of a Valleydale library to local community groups might not only realise revenue savings but enable the library to continue operating in providing services to the local community instead of having to close.

Gertrude was clearly pleased. "Splendid Bill, what a good idea. Brownie points all round for me...er, both of us on this one" she said, adding almost coyly "you know you are quite a dark horse, aren't you" before moving away.

Bill looked around at the festivities and reflected that perhaps his lot was not such a bad one after all.

"Who needs the Balearic Islands" he thought "now, where are those canapés?"

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