The Terrier

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

VOLUME 17 - ISSUE 4 - WINTER 2012/13

ACES

Over ONE HUNDRED YEARS of managing PUBLIC PROPERTY for the PUBLIC GOOD

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EDITORIAL

Betty Albon

This edition contains papers and speeches from ACES Annual Meeting held at Fishmongers' Hall in November, where Tom Fleming took over from Heather as President and Keith Jones was awarded an Honorary Fellowship. Wayne Hemingway's presentation will be featured in the Spring Terrier.

There is a rural and community slant to a number of articles, as well as some practical case studies on partnership and asset management across the wider public sector, in England, Wales and Scotland. Other features include professional matters on compulsory purchase, financial viability and construction sustainability, to mention just a few.

Don't miss some important pieces on ACES involvement in the Distressed Property Taskforce, the notes of the ACES/DCLG meeting and follow up article on Community Right to Bid, and opportunities to help meet RICS CPD requirements.

Cover photo: Tom Fleming, President of ACES

CONTENTS

ACES FELLOWSHIP ADDRESS

Keith Jones

Keith was the recipient of the ACES Fellowship Award at the Annual meeting. His Fellowship address - looking back over the role of public sector property professionals since 1970, and making some observations on what lies in the immediate future - is reproduced here.

President, Ladies and Gentlemen

Thank you very much for inviting me to speak at the ACES Annual Luncheon and for that very kind and very generous introduction.

It's a great honour for me to be a granted an ACES Honorary Fellowship. Whilst I am not quite sure of the duties or benefits that accompany being made a fellow, I am aware that not many people have been granted a fellowship and therefore, it gives me very great pleasure to realise that someone out there has at least been listening to my ramblings over the years and has thought that they make at least some sense. I am both touched and very pleased to receive it. To me it really is a special moment and I do hope you continue the awards to others in the future. Thank you indeed.

It has also been a pleasure to be associated with ACES over many years. I have made very many professional and personal friends, who I value greatly. I have enjoyed the fellowship and fun and I always look forward to the events, lunches and conferences and that I attend.

It is quite challenge making a speech on ***"a subject of your choice".*** Actually I would prefer to talk about Harley Davidson motorcycles or my great holidays but I think you mean something relevant to the work of ACES. So here I am, dare I say it, in the mid to late afternoon of my career, and I thought it might be interesting to reflect briefly on the changes in local government and public sector property during my career and then to identify some of the issues that I think may be important over the next 10 years or so. In doing this I will inevitably speak in broad generalisations.

I started in local government in 1970. That was some 25 years after World War 2 but we were still in the throes of post war reconstruction and I can remember the ***bomb sites*** which had yet to be redeveloped. There had also been a massive expansion in public sector expenditure due, for example, to the setting up of the National Health Service, expansion in education and in social services following the Seebohm Report, and despite the country nearly going bankrupt in the mid-1960s. We also had large scale ***"urban renewal"***, as it was then called, mainly focussed on Part 3 and Part 5 of the Housing Act ***"slum clearance schemes"***, as they were called, and on town centre schemes. The focus was on managing what we had and on building new assets. There was a clear strategy to build better public service property, and investment in new projects and refurbishments flowed, if not freely, then steadily.

In those days local government, as we know it today, was taking shape. The Greater London Council and London boroughs had been created in 1965. The counties, districts and metropolitan boroughs were just about to come into existence. Health was being reorganised into Area Health Authorities. Police and fire services had gradually expanded. Overall it was an exciting time and a time of optimism, reshaping society after the social change of the sixties. There was a belief that local government and local services had a key role to play in that process.

My first job as a wet-behind-the-ears surveyor was to go out and interview Part 3 Housing Act occupiers and to inspect their properties as part of the Compulsory Purchase Order process. For those who do not remember it, Part 3 was intended to clear away homes that were unfit for human habitation, as defined in the Act. It was good

"growing-up-fast" stuff as you were never sure what reception you would get. I can remember being threatened, told to go away but mostly being invited in for a cup of tea and a chat. At one level it was humbling and depressing to see the conditions people were living in then, on the other hand it was often very funny.

Operational property was generally looked after by property practitioners dotted all over the organisation, with a loose but benevolent relationship with service departments, who felt they owned the property; the ***"devolve everything"*** ethos was only just gathering momentum. Professional property work was about estates and valuation work with acquisitions, the occasional disposal, leases and renewals, and development deals. Sometimes there were multi-disciplinary town centre renewal teams. There were chief architects and their teams who built lots of different things and did refurbishments and adaptations. Facilities management just happened on a pragmatic basis often by the person responsible for the actual premises. There were chief engineers who did the M&E and often the maintenance work. Holistic property management did not exist.

This is my starting point; highly fragmented property services with strategic direction for the way property should be used coming, indirectly, from central government. Then the ***"devolve everything"*** movement really got going. There was a feeling that support services provided by central departments were just clogging up progress and that the services themselves would be much better able to handle it and meet their own needs. As a consequence front-line service departments became responsible for human resource matters, day to day finances and more importantly for us, property decision making. To an extent devolution makes things more responsive to services' needs but it also makes them incapable of strategic management and inefficient, assuming that services have the capacity and capability to manage them in the first place. We really did not recover from this idea until relatively recently, as we have now realised that some things are better devolved and others are not. Even now, that old culture still hangs on in more than a few places.

But the ***"devolve everything"*** movement made the situation even worse for property management; not only service provision fragmented, but now there was no one even vaguely responsible for the strategic management of property across the organisation.

Then we moved into the period 1979-1990 when Margaret Thatcher was Prime Minister, accompanied by what seemed then to be extremely savage public sector expenditure cuts. This was brought on not only by economic circumstances but also by a political principal of the day which perceived the public sector to be overblown and inefficient and the private sector as much more lean and efficient.

There was much greater emphasis on the private sector to provide property solutions with the introduction of the Private Finance Initiative (PFI) and Compulsory Competitive Tendering (CCT). Funding streams started to become much more targeted with, for example, urban renewal and regeneration funded through the Urban Programme and the first development corporations, and there began the great pressure to generate capital receipts to help fund dwindling capital programmes. This cemented further changes in the way we managed and used property. It seems odd now that until CCT little attention had been paid to the unit costs of providing property services and the way they were organised and provided. Dwindling capital programmes and the demand for capital receipts heralded 2 further changes.

Local authorities stopped building new assets and instead started to focus on whether they needed all the property they already had. With the reduction in new building activity and the need to make in-house property services more efficient, came the beginning of internal consolidation of property services. Although this process has taken a long time to become active, fragmented property management continued in many places and sometimes does so even today. In summary this was the start of looking strategically at the way property was deployed and managed. At the same time, pragmatic local government consolidation began and, by the way, the health service was being reorganised again.

The 1990-1997 period, with John Major at the helm, continued this process, with large scale outsourcing and privatisations. However there were the beginnings of the re-establishment of the public sector and its role, as politicians began to realise that decimating the public sector was no longer a vote winner, if it ever was. This period also marked the beginning of schools and further education devolution, with governors, parents and head teachers taking much greater responsibility for decision making. This has continued to the present day.

It seems that in property and asset management terms the die had been cast. Consolidation and greater efficiency of property management services and outsourcing, including almost complete outsourcing of construction work; much greater pressure to manage property strategically and to question whether property was needed and in turn to dispose of any property which was not currently or imminently needed; and a gradual but sustained loss of control of the schools estate, paradoxically, whilst still retaining its ownership. And I dare say that the health service was also reorganised again.

One might have thought that with the election of a labour government in 1997, the period from 1997-2010 would bring with it a re-ignition of traditional mainstream public sector and local government activity. However it did, in the sense that there was a very significant increase in public expenditure on the back of a very healthy economic outlook, but it didn't in the sense that it was now more based on dedicated funding streams to schools, health and in fighting crime, and so on. For the first time central government started to take a very close interest in public sector property rather than just squeezing it, as part of public expenditure spending rounds.

Politicians and civil servants began to realise that the capital value of the public sector property asset base was a very big number indeed and that releasing some of this capital and the associated running costs, could make a significant national economic impact. A forerunner of the Department of Communities and Local Government, the Department of Environment, Transport, and the Regions, commissioned a study into local government property and then introduced compulsory asset management plans and subsequently Property Asset Management Good Practice. Central government property also came under the microscope through government reports and through the ministrations of the Office of Government Commerce. Oh, by the way, the Health Service was reorganised again.

So where does this leave us today? Looking back over my time, I think the process has been pretty consistent. We first went through a great and extensive

period of in creating new assets whilst at the same time managing in a pragmatic way a very fragmented historic inheritance.

We then moved to a rather clumsy way of questioning whether we needed all these assets and also questioning in a similarly clumsy way whether we were managing them efficiently. There was also the beginnings of a political view that perhaps the public sector was not very good at all aspects of property management and that the private sector should be involved. This has gathered momentum and developed into a more rounded approach to efficient property management, and the efficient and effective use of property, with public/private sector and community partnership. Oh and by the way the Heath Service is being reorganised again and this time it does have some property implications. We are also in the grip of the most significant reduction in public expenditure that we shall probably see in all of our lifetimes.

But what does all this tell us? Well it tells us that change takes a very long time and this is a key message. As frustrating as it may seem, this very slow progress is likely to be the best we can expect from property, partly because organisational change is a slow process in itself but also because property change has notoriously long lead-in times. But for me it also tells us that overall the direction of travel is right.

Nonetheless, I believe there are a number of issues that we need to consider.

Firstly there is now only an indirect commitment from government to asset management. Two or 3 years ago this did not bother me; I thought that good asset management practice was now embedded in the public sector, now I am not so sure. I think this is all down to ***"generations."*** The last generation of public sector senior managers and heads of property **"got it"** for the most part and it had become embedded. But they are gradually moving on or retiring and I think the new generation of senior managers is not so aware.

I now believe that the message needs to be continually reinforced and I am concerned that this is not going to be the case as government takes a more hands-off approach. The RICS has, to some degree, responded but this is not enough. It needs a joint government and property industry approach, facilitated by government.

Secondly, over the last 20 or 30 years, we have been through the process of divesting ourselves of assets which were not needed. I have no doubt that collaboration is an important route to the more efficient and effective use of the public sector asset base. To me it is self-evident. More intensive use of property, by bringing agencies together and by sharing services must lead to better property use. In addition it seems likely that there will be greater encouragement / compulsion by government to use assets more collaboratively in the future. What is not self-evident is how you do it!

I am dismayed that more effort has not gone into shared property services. It just seems to me that it is a win-win. Access to better expertise, greater capacity and efficiencies of scale seem in everyone's grasp with no effect on front line services. These could be public or private sector provided, there are advantages and disadvantages of both, leading to more shared services, possibly comprehensive shared services for each county in England, Scotland and Wales, ending up with some 40 service providers overall.

I am less surprised that collaboration in the use of property is slow to catch on. It is unbelievably difficult to get organisations of different political persuasions with different funding streams, different strategies and different timescales to jointly make long term property decisions. Even when they are able to do so, their joint working may be short lived as their funding, strategies and political will diverges again over time. I cannot see how this can be a long term success unless it is also accompanied by some form of re-organisation of local public services bodies, which governments since the mid-1970s have been reticent to do, other than on a piecemeal and pragmatic basis. Therefore I think there will be a gradual and pragmatic consolidation of public sector bodies, and I do think there are signs that it will be focussed on local government. I would like to think that more comprehensive re-organisation is inevitable but I fear it may be a while coming. Maybe community budgeting is the first step in this.

Collaboration also sucks in enormous amounts of management and professional time and therefore it seems to me that it is right to focus on the easier wins of, for example, shared offices and shared services. I think that there are early signs that this is now happening.

Thirdly I want to mention community

asset transfer. This is less of an issue but more of an observation. I think that all of us felt that this was not going to be the panacea that it was billed to be, some 3 or 4 years ago. That is not to say that it is not a good initiative. It is merely to say that it was always going to be a local and small scale rather than a national strategic property initiative with significant nationwide economic and community outcomes. The third sector does not generally have the capacity for large scale property transformation in this respect, although I continue to hear about some very interesting projects that are being implemented.

In regeneration, there begins to be some interesting stories about the benefits of local asset backed vehicles and whilst they may not be for everyone, they are a way of using the public sector asset base to achieve social and economic objectives that otherwise, in this period of economic restraint, may not be achievable. I believe that they are worth considering and that there needs to be more shared knowledge of their structures and uses, by practitioners.

Nonetheless regeneration will continue to be hard work whilst the economy is in the doldrums, whilst economic restraint continues and whilst the property market continues to tread water. But it will end and whilst there may only be ***"average"*** property market conditions for the foreseeable future, our economy will eventually recover and we need to be sure we are ready. It may not be as far away as some believe, and as property projects take a long time to put into place, I am sure that all of you are carefully laying your plans!

May I also mention service transformation? I get the impression from the work that I do that service transformation projects are continuing apace in the face of increasing demands for efficiency and public expenditure reduction. I see a danger here. The project teams that run these projects, whilst often multi-disciplinary, may not always have property expertise on board, sometimes because it was not felt necessary or sometimes because there is insufficient capacity to provide it. Sometimes both!

The danger is that service transformation projects may get to almost the implementation stage before property is thought about. This is fine if little or no property change is envisaged, but often the transformation includes property change. Non-property managers will not be aware of how long property change takes, and may have made unrealistic achievability and timescale assumptions about property. But the result is that property practitioners are then perceived to be holding the project up. Getting the organisation to understand this is major problem, and requires great patience by property practitioners.

And what about the continuing drive for efficiency? This will not go away but there is a limit to how little property you need. The perception that the public sector asset base is too large for our needs is probably still true, but much less so than 10 years ago. There is still more to be done but we need to start visualising how we might know when we have arrived at maximum efficiency and effectiveness. I am not saying we will ever get there, but what might an optimum local government estate look like in service property, back office property, regeneration property and investment property terms? What is our core and what is our flex? My concern is that the now habitual annual demands for significant but pragmatic capital receipts will continue beyond that which is healthy. I know I would say this wouldn't I, but improved property planning is beginning to be at a premium and I fear that it is only happening somewhat patchily.

As far as the profession is concerned, I ask myself whether we are well enough prepared for the challenge?

- Are senior managers in local government being kept aware of the role of property in their organisation?

- Do we continue to build the necessary asset management skills in the profession and how should this be done? Undergraduate, postgraduate, mid-career, continuing professional development? I am certain that it is not a one-off exercise.

In the last 10 years or so the RICS has become increasingly interested in public sector property and, with others, is showing some leadership in this area, although arguably not enough. ACES continues its good work, expanding its focus in recent years into strategic issues as well as staying strong in technical areas. Practitioners have gained a good grasp of strategic property matters as well as remaining strong in the technical areas, but we need reinforcement and I am concerned that the RICS alone will not be able to deliver it although it has a key role to play. Is there scope for a joint RICS / ACES / COPROP initiative here?

In conclusion, property and asset management has never been easy in local government and other parts of the public sector. There are always innumerable challenges, frustrations and disappointments. Part of the reason is that property is very slow to change, probably slower than almost all other organisational change, be it financial, human resources, information and technology, structural and political change. But if you take the long view, a lot has been achieved over the last 20 years or so:

- Property is still up there high on the government policy agenda (it certainly wasn't before)

- We are better organised and better skilled to manage it

- We use it much more efficiently, and great strides have been made in some areas

- We have a better blend of public, private and community responses to property challenges

- There is better, if not thorough, corporate understanding of the role of property in the organisation

I think the challenge is to keep that process going and in future perhaps to be a little more innovative and adventurous in our responses.

ACES ANNUAL MEETING 2012 PRESIDENT'S KEYNOTE ADDRESS

Thomas Fleming DipSurv MRICS, Property Manager, ACCESS

Ladies, gentlemen and distinguished guests

Firstly I would like to take this opportunity of extending a very warm welcome to each and every one of you to the ACES Annual Luncheon. It is particularly heartening, in these currently difficult economic times to see so many of you who have travelled distances to be here.

I would also like to express my gratitude to our outgoing President, Heather McManus, for all the hard work that she has put in during her Presidential year culminating with her excellent conference in Lancaster. During a recent conversation I had with Heather I asked if she was happy that her time as President was drawing to a close. Heather's response was a little reticent however and I could sense that if she had the opportunity she would wish to carry on for a further term. This is the true measure of Heather and her fidelity and support of ACES. Being the "newbie" I hope I can call upon your experience and trust that as Immediate Past President you will continue to serve the presidential team with the same enthusiasm you have already so ably demonstrated.

I would also like to pay particular thanks to my long suffering wife, Sandra, not only for being here today but also for all the support she has shown me throughout my career. Without her understanding and tolerance I do not think I would be standing here today; moreover to have put up with me this length of time, surely deserves some sort of an award in itself. Sandra; in the forthcoming year, you may be getting a bit more peace and quiet than you are used to. But you do not need to look so happy about it.

My sincere gratitude must also go to my employers ACCESS. For those of you who are not familiar with the company, it is a joint venture between Serco and Glasgow City Council set up to deliver ICT and Property Services to Glasgow City Council. ACCESS is to be commended for their unwavering support given to me throughout my ACES career; this has enabled me to take up this position today. ACES recognises just how important it is to have the support of one's employer particularly when undertaking the many duties demanded of the President. It cannot be underestimated how important this support is and so on behalf of ACES I genuinely thank you.

When I look back over the last 30 years or so, local government and the public sector has been, to some degree, the subject of a number of efficiency initiatives from successive governments. Initially central government tried to induce local government to cut its expenditure, beginning by requiring local authorities to reduce their budgets by 3% pa in the late 1970s, rising to 5% pa in the early 1980s. There was also an amendment to the way that central grant was awarded with a penalty and rate capping systems.

The insatiable drive for efficiency took on another dimension when the Conservative government sought to restructure services, and the introduction of compulsory competitive tendering (CCT) formed one of the central strategies in these attempts, particularly within the National Health Service (NHS) and local government. When the new Labour government came to power it committed itself to the removal of the compulsory element of competitive tendering and replaced it with a system known as "Best Value" which was not fully implemented until 2000. Then we had the Gershon review which sought to have a leaner but far more effective government; this was not limited to Whitehall departments, but included the National Health Service, local government, schools and the police. There have also been several other initiatives which are too numerous to mention here today.

In the current lean economic times, the public sector has borne the brunt of reduced funding and cuts to budgets. As a result, it has been at the forefront of finding ways to deliver effective services through cost-efficient and innovative means, including strategic asset strategies. As surveyors and property managers, we are at the very vanguard of influencing these strategies with the key objective of retaining services while achieving efficiencies and savings. The challenge facing us over the next few years is to ensure that we remain at the vanguard. However I fear that as a result of the scale and depth of the cuts, the likes of which I have never witnessed in the last 30 years or so, that we will lose the experience and skill sets to keep us at the forefront. We are already witnessing the haemorrhaging of very experienced senior property professionals from the public sector through early retirement and voluntary redundancy schemes. Quite what the future will hold for the property professionals remaining in the public sector is unclear but what is certain is that we will have do more with less.

Let us be under no illusion the worst has still to come and if we are to believe Nouriel Roubini, dubbed Dr Doom, the economist who famously predicted the financial crisis the world is experiencing today, he is sticking to his view that the global economy is on course for a ***"perfect storm"*** next year, 2013. This, as we all know, will have a significant impact on future spending reviews; with the public sector; dare I say it; bearing the brunt of yet again more than its fair share.

Cometh the Hour Cometh Man as the saying goes; we need to ensure that ACES and the RICS can rise to the challenge even in the face of adversity. So how do we meet these challenges? That is indeed the million dollar question and it is something that perhaps we need to look at jointly with the RICS to ensure that we have the right skill sets required in the changing public sector environment. Gone are those halcyon days when councils had their own estates departments or property services with multidisciplinary teams. Today you are lucky to have a small team embedded in a large department or at the very least a sole practitioner. We do not even have the luxury of the good old fashioned General Practice Surveyor who could turn his hand to almost anything. The way the profession has gone in recent times is to specialise. Whilst this may work in practice for the larger private sector firms, like agency, valuation etc, it really does not work in the greatly reduced public sector property departments; not now when there are so few of us left. I do not profess to have all the answers but we certainly need to consider what skills are required in the environment we find ourselves in today.

I recall from Paul's year in office that it was his intention to ensure that ACES remained relevant and to improve communication. I trust that you will agree with me that significant progress has been made in this regard. I wish to continue the good work that Paul has begun particularly in terms of relevance. During branch visits I think it is important that ACES should continually seek the views of the membership on the issues which are of concern to them and consider how and what ACES should be doing about them.

I want to encourage members to make greater use of the website as the conduit for information and communication and I will be emphasising this during my branch visits, however I must recognise that the website is to some extent a bit "clunky" and I will be taking this up with Council with a view to undertaking a refresh to make it more user friendly.

ACES already has a good working relationship with the RICS, central government and other agencies and I promise to continue to build upon these with a view to forging stronger relationships. At a national level I have to profess that we don't have the same linkages into local government associations in particular the LGA in England, CLAW in Wales and COSLA in Scotland. I aim to enter into tentative discussions with them to explore the possibility of establishing formal links to these organisations at a national level with a view to having liaison officers for each of them on Council. This is likely to take longer than my term in office will permit but I trust that through successive presidencies we may one day achieve this goal.

The President's role is a very important one but we should never forget that there is a very talented team in the organisation to ably support the President in his role and I would like to take this opportunity of thanking in advance the other members of the Presidential team, namely, Andrew Wild Senior Vice President and Richard Wynne Junior Vice President. I would also like to thank the support network that I will require over the next year, our very talented secretary Tim Foster and the extremely distinguished and talented treasurer Ian Doolan. Who says flattery doesn't pay?

The Presidential Conference will be held in Clydebank, just outside Glasgow with easy transport links from the city and the airport. Clydebank is a town which did not truly exist until 1886. At that time it had a population of just over 5,000 and by 1914 this had risen dramatically to over 43,000. The population expansion was due in the main to the rapidly developing shipyards and also the new Singer sewing machine factory. Clydebank is famous for its shipyards and the Clydebank yard built more destroyers than any other British shipyard during the Great War. The type of industries undertaken on Clydeside was essential to the war effort, which was not lost on the Germans; they blitzed it in one of the most intense, deadly and remarkably unknown air-raids of the war. Well over 1,200 people were killed in the Clydeside area and at least the same again were seriously injured by the bombing on the nights of 13 and 14 March 1941. The destruction in Clydebank was so severe that only 7 properties were left undamaged by the bombing and the population was reduced from almost 60,000 to little more than 2,000. The awful truth about the scale of destruction and the number of casualties never hit the headlines as wartime censorship meant that the whole event was effectively **"hushed up."**

The Conference will be held in the Beardmore Hotel and Conference Centre, situated on the banks of the River Clyde; it is arguably Scotland's top residential meeting venue, combining the quality and standards of a 4 star hotel with the service and focus of a Conference Centre of Excellence. The dates for your diary are the 19 & 20 September 2013, and I hope to see as many of you there as possible. I can guarantee you that you will not be disappointed with the professional content and warmth and cordiality of our famous Scottish Hospitality.

ACES Award for Excellence

Nominations for the ACES award for excellence closed in early October and after careful scrutiny 2 were shortlisted and invited to submit detailed submissions to the judging panel for further consideration. As a member of the panel which had the privilege of appraising them, I have to profess that I was enthralled by the calibre of projects that ACES members are involved in today. There is no doubt in my mind that this is being replicated the length and breadth of our country but as surveyors we tend to be a reticent lot, creatures of habit who are particularly quiet and reserved when it comes to singing our own praises. I will try to address this in the forthcoming year when I visit the Branches, to attempt to shake off this mantle and encourage our members to share their good work with the ACES community, and that they should be proud of what they are doing. Indeed there is no better way of doing this than by having a piece published in the Terrier or indeed put up for consideration for the Excellence Award.

The short listed entries this year are from Andrew Bond at Blackburn with Darwen Borough Council and Cambridgeshire's Making Assets Count Team represented today by Tobin Stephenson, the Partnership Manager at Cambridge County Council.

Andrews's submission was a complex project involving a land assembly programme and the relocation of Blackburn Market into a newly extended and refurbished Mall Shopping Centre in 2011. The project was a complex multi-disciplinary project requiring detailed planning to ensure symmetry in dealing with securing vacant possession of key property interests and relocating a market to its new site. Moreover this was done in parallel with working up plans for the redevelopment of the old site.

The second short-listed submission is from Cambridgeshire's Making Assets Count Team which sought to bring public sector organisations together in a partnership using their combined property portfolio in a more efficient and effective manner, with the key aim deliver better public services for communities and to reduce the cost of property occupation [Ed – see article in this Terrier].

The Judging Panel assessed the submissions against criteria including, but not limited to, initiative, innovation, skill, improved service delivery and effective asset management. It was an extremely hard decision to make, however after much deliberation the panel had to make choice.

Can you please show your appreciation to the runner up, Andrew Bond from Blackburn with Darwen Borough Council. And now please give a hearty welcome to Tobin Stephenson to accept the award on behalf of Cambridgeshire's Making Assets Count, this year's winner of the ACES Award for Excellence.

Nothing now remains but for me to thank everyone at Fishmongers Hall for the splendid lunch and service we have enjoyed today. And finally to quote Shakespeare, ***I wish you well and so I take my leave, I pray you know me when we meet again.*** **Thank you.**

RESPONSE TO THE PRESIDENT'S KEYNOTE ADDRESS

Duncan Mackison, Transformation Director, Public Sector, Serco Global Services

& Managing Director, Serco Scotland

President, members and honoured guests.

It is a real privilege for me to make the response to what I am sure you will agree was an excellent keynote address from your President and shortly to toast your esteemed Association in these spectacular surroundings of Fishmongers Hall.

I thought Tom was very gracious in thanking his employer for the time to undertake work for the Association. Can I, as a previous Chief Executive of ACCESS and current Board member, say on behalf of Glasgow City Council and Serco that we are delighted to continue to support Tom, and indeed ACES, in what we both view as its most excellent work.

Earlier this week I was at a lunch to celebrate the work of Serco employees who were involved in supporting the Olympics here in London. Some of you may be aware that our contracts include the Dockland's Light Railway (DLR), The London Bicycle Hire Scheme (Boris' Bikes) and The Woolwich Ferry. As you can imagine these services were put under terrific test during the Olympics and performed exceptionally so it was only fitting to celebrate the hard work of those involved.

I was fortunate to share a table with one of our team who is a skipper of the Woolwich ferry and has spent many years as a waterman and indeed, is a freeman member of The Company of Watermen and Lightermen, a City Guild that was established by act of parliament in 1555. It was during our conversation that I discovered that there are many links with that City Guild and The Fishmongers Company, in whose Great Hall we sit today.

Indeed the gentleman I was talking to takes part every year in a sculling race for watermen and lightermen, organised by The Fishmongers Company, from here to Chelsea. This race has taken place annually since 1715 and goes under the proud name of ***"The Doggetts Coat and Badge Wager."***

Now, as your President has told us, given that your next Presidential conference is to be held on the banks of the River Clyde, I do wonder if someone in my shoes in 300 years' time will be speaking fondly of an historic race for property professionals known as ***"The Fleming Coat and Badge Wager?"*** In fact I would venture to say that the idea seemed to be even more fitting as a tribute to an ACES President when I read that the race was between two pubs both of which were named the Swan Inn. So, Tom, I am not sure if there is a Swan Inn on Clydebank but if you need a hand testing a few of the alternatives then I am very happy to help.

My interest in the history of this place was ignited somewhat, so I hope you will indulge me as I share a few facts, with an estates bias by the way, and I apologise in advance for any inaccuracies in my account!

On the 2 September 1666, the original Hall on this site was the first of 40 London Livery buildings to be burned down. However, a site next door had been purchased in the previous century. Tom assures me that this piece of excellent strategic asset management came from one of ACES founding fathers.

The design specification for the second hall was then submitted to a Dr Christopher Wren, the then Surveyor General to Charles II. The design of the hall was so stunning that during its 150 year life it was immortalised by a number of artists including Canaletto.

Later, in 1828, following the removal of half of the building by the construction of the new London Bridge, and the subsequent water damage (Tom tells me that the ACES chap had left by then or maybe planning was to blame) a competition was held in 1831 from which the Henry Roberts' design, in which we now stand, was selected from some 87 entries and was completed in 1832.

Much later during the Second World War, this entire area was bombed during the London blitz, and although this building was severely damaged by fire, most of the original structure remained in place. However, due to post war austerity measures and shortages, the building was not fully restored until some 14 years later; what one might call a seriously long period of austerity.

Now if you will allow me a brief moment of personal recollection, it was during the blitz that my grandfather, a Fleet Street printer and trade union shop steward by day, spent his nights manning the London Fire Brigade switchboard in the underground below Cannon Street station just around the corner. He used to cycle to and from work from his home in South London. My grandma told me that it was not uncommon for him to be away for days on end before she knew whether he would ever be coming home or not. However, on a more positive note, my mother was born the following year so I figure that Granddad's old bike must have made it through the rubble often enough!

Returning to the history, I was also interested to see that throughout its life this building and the Fishmongers Company have been associated with the maintenance of both professional standards and the professionals in its care. It has been actively supporting educational initiatives for over 500 years, promoting the welfare and development of its profession as its true legacy.

So I hope that you will join me in perhaps reflecting momentarily on my light-hearted review of some of the many challenges that this building and its supporters met and faced down successfully over the centuries and maybe draw some parallels to those that face ACES, to which Tom alluded earlier. I would encourage you and your fellow members to take heart from your instinctive understanding of long-term planning and your high professional standards, and I would suggest that your skills have actually never been more needed and your opinions never more likely to be sought.

And so it is in that spirit of optimism in the future and pride in the past that I would ask you to be upstanding and to join me in a toast **The Association of Chief Estates Surveyors and Property Managers.**

MAKING ASSETS COUNT IN CAMBRIDGESHIRE

Tobin Stephenson

Tobin is Making Assets Count Partnership Manager at Cambridgeshire County Council. He is an experienced Programme and Project Manager, currently responsible for the delivery of the Cambridgeshire county-wide Making Assets Count Programme. This Programme is delivering better use of the public sector estate in Cambridgeshire. Among the projects Tobin has delivered is a pan-European project considering multiple aspects of flood risk, the SmartLIFE Centre in Cambridge (an internationally renowned centre for sustainable building) and a number of environmental projects.

Tobin received the ACES Award for Excellence at the Annual Meeting. The ongoing Making Assets Count initiative is described here

The MAC Team

Making Assets Count (MAC) is a partnership of Cambridgeshire public sector organisations including Cambridge City Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, South Cambridgeshire District Council, Cambridgeshire County Council, Cambridgeshire Constabulary, Cambridgeshire Fire and Rescue Service and Health, represented by the Primary Care Trust and other local health providers.

MAC also includes other key public sector partners, e.g. Job Centre Plus, Highways Agency and the Homes and Communities Agency.

MAC aims to reduce the size of the public estate by removing poor quality, inefficient and incorrectly located buildings from the property portfolio, making better use of the remaining assets and investing in new assets where these are required. New assets will have a focus on providing joined-up services to the communities they serve and providing spaces for local groups to use.

Making Assets Count - Providing the Right Spaces in the Right Places

MAC was set up to consider how to make best use of the hundreds of millions of pounds worth of assets that are owned by the public sector in Cambridgeshire. Taking a purely financial view of the world would see many properties sold and no new ones provided and it was recognised very early on that this could put service delivery at risk.

Changing a property portfolio takes time so as we start to consider how we ensure service delivery while making changes to the public sector property portfolio, we must ask the question 'what are the local needs of communities going to look like in the future?'

MAC has used modelling of demographic information to help service managers consider the future needs that will have to be met by the public sector, for example, where population growth will mean more people seeking access to services. Local differences might indicate a greater need for services eg for families with young children, older people or specific migrant communities. Whatever the changes to our properties, we must ensure that these reflect the likely community make-up in the future.

Within MAC we have a simple mantra that we have stuck by throughout. The spaces we provide to deliver services and for community uses should be open, flexible, accessible and where possible, modern in design. The openness and flexibility of spaces will enable the inevitable service changes in the future to be more easily accommodated. As long as the scale of space provided is sufficient and an area is provided for expansion should it be required then we can be confident that service delivery will be assured.

Demographic information is only one way to find out what a community's current and future needs are and MAC is committed to discussions with representatives of communities to identify the needs of community building spaces. Through identification of local needs, translation of these to service requirements and the creation of flexible spaces, we will ensure we provide the right spaces in the right places – and hopefully at the right time!

MAC – Some of the achievements so far…

- Health colleagues moving into Huntingdonshire DC's HQ building.
- Land swap between Cambridgeshire CC and Fenland DC in Wisbech allowed a new Pupil Referral Unit to be constructed and the future building of demonstration environmental homes.
- Joint Facilities Management and cleaning contractual arrangements between South Cambridgeshire DC, Fenland DC and Cambridgeshire CC to achieve efficiency and financial savings.
- The Ministry of Justice has worked with MAC to establish sustainable uses for 2 redundant Magistrates' Courts in Wisbech and Ely.
- A land swap involving Cambridgeshire CC and the Fire Authority in Burwell will enable the delivery of a new fire station for this large village.

MAC has delivered suitability surveys of some partner's properties, adapting the County Council's Asset Challenge methodology. This information has helped create the delivery priorities for MAC. An e-form was created and used to simplify data collection and analysis.

MAC has created a single map of public

Pathfinder House, Huntingdon

sector assets in Cambridgeshire called "Mapping the Public Realm". A simplified version of this map was made public as part of the Department for Communities and Local Government's 'pathfinder' work on the My Cambridgeshire website in 2011.

The map has enabled MAC to identify opportunities, for example where clusters of assets belonging to a number of partners and other public sector bodies are located. The tool has also been extremely useful when collecting or quality checking data that has been used in the financial section of the Outline Business Cases.

Cambridgeshire's Public Sector Asset Management Strategy (AMS) has been endorsed by the majority of the 9 core MAC partners. This document is guiding the multi-lateral management of a large number of local public sector partners' property portfolios and is an innovative approach. Through delivery of this Strategy, MAC means that individual organisations can save resources by not needing to develop their own or procure this expertise.

The AMS includes an action plan designed to help partners to co-ordinate co-location, lease breaks, selling poor quality/surplus estate and producing regenerative town centre schemes. It also seeks to embed and improve the joint management of assets, consolidating approaches to enable successful delivery of change. To do this the Strategy:

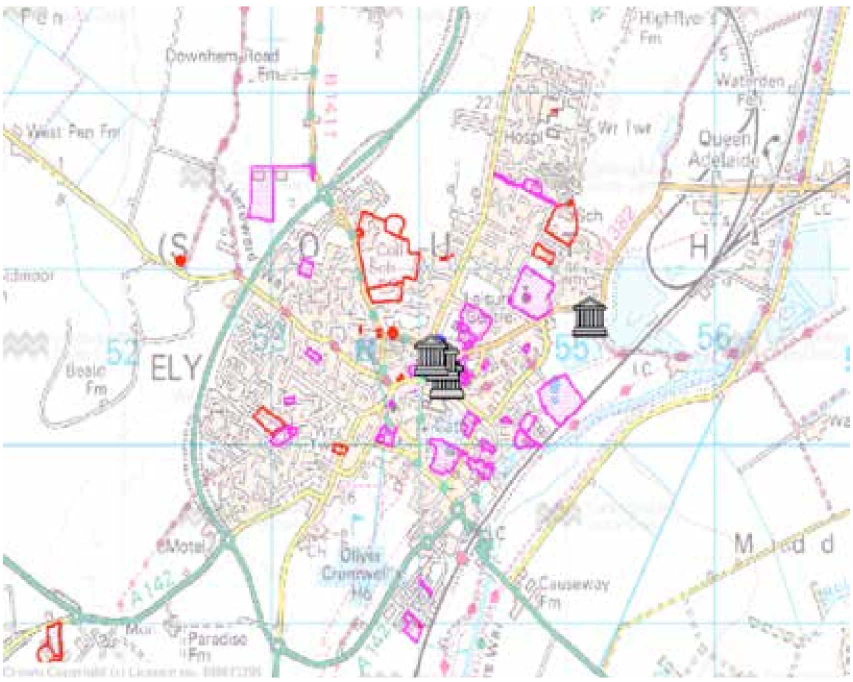
- Aligns the use of property more closely to the corporate aims/ priorities of each partner organisation, accepting the over-arching requirement for compromise.
- Achieves best value for money from property management activities irrespective of funding source.
- Ensures that short-term considerations do not compromise long-term sustainable and environmentally responsible property management.

- Contributes to a sustainable built environment, which is safe, accessible and complies with relevant statutory requirements.
- Develops partnership-working arrangements with other public bodies in order to pursue common objectives.
- Ensures that asset management responds to diverse community/ user needs and strikes a proper balance between aspiration and affordability.
- Contributes to growth and regeneration in Cambridgeshire.
- Establishes robust governance arrangements.

ACES recognition of MAC

MAC has won the Association of Chief Estates Surveyors Award for Excellence in Property Management for 2012. ACES recognised that the MAC approach is an effective way of making best use of the public sector estate in an area to achieve these benefits:

- Generate savings and capital returns for the partners.
- Contribute to the economy,



A Mapping the Public Realm map of Ely showing the public sector estate.

growth and regeneration in Cambridgeshire.

- Deliver better public services for local communities.
- Contribute to the Localism agenda and provide opportunities for the community to engage in determining outcomes.
- Ensure that short-term considerations do not compromise long-term sustainable and environmentally responsible property and asset management.
- Deliver to the agreed Strategic Asset Management Strategy principles.
- Share knowledge and learning with other public and private sector organisations/partnerships, both locally and nationally.

MAC – Upcoming Projects

Joint Operations Centre Project

A number of public sector partners including Cambridge City Council, South Cambridgeshire DC, the police, fire service, the Cambridgeshire CC and the Highways Agency have requirements for depot space/vehicle storage in the south of Cambridgeshire. This function was currently split across a number of sites, often close to each other with a large number of overlapping requirements.

Significant savings, operational efficiencies and better service delivery could be achieved if these sites were merged into a single major hub to service the whole of this southern part of Cambridgeshire. A full business case is now being developed to demonstrate this value and to develop the next steps in the project. The potential annual revenue savings across the partners are conservatively estimated to be £300-500,000 pa and anticipated capital receipts in the order of £9-15 million. Subsequent management and organisational efficiencies will reap further revenue savings.

Market Town Projects / Improvement East Project

Four market town/city projects have been established in Ely, March, St Ives and St Neots. The projects will deliver financial, service and community benefits and contribute to growth and regeneration. A key objective of each project is to bring partners and services together under one roof in new central hubs provided as part of new build projects of refurbished existing buildings. As a result of sharing space, teams will be expected to rationalise the amount of space they use.

Co-location of public services will provide customers with a better service through a joined-up approach to service delivery and additional community space (if required).

Capital receipts will be generated from selling buildings and other assets that are no longer needed and part of this income will be used to fund the new hubs. Revenue savings will also be generated by terminating leases, by teams operating in more efficient buildings and by the rationalisation of total floor space.

Improvement East (IE) is the Regional Improvement and Efficiency Partnership for the East of England. IE funding has been used to assist with expansion of the Market Town Projects to produce viable, deliverable and valuable schemes. In addition, the model for delivering these schemes will be developed to further ensure deliverability.

The Making Assets Count Team will continue to move forward with the initiative and expect to realise these benefits over the next few years, creating a fit for purpose public estate across Cambridgeshire for the 21st Century.

References

1. CCC press release on MAC partnership event (11/07/2012):

http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/News/Details.aspx?ref=626

2. Link to the Asset Management Strategy (first document):

http://www.cambridgeshire.gov.uk/council/property/Policies+and+Strategies.htm

3. Link to the 'My Cambridgeshire' mapping tool (this tool can be accessed by the public and shows a range of categories including public sector assets): http://my.cambridgeshire.gov.uk/?tab=maps

MEMBERSHIP

Tim Foster, ACES Secretary

I list below the changes in membership between 1 October and 31 December 2012.

New members approved

There were 4 new applications approved during this period

Roger	Moore	Essex County Council
Alan	Sharples	London Borough of Haringey
John	Stevens	Leicester City Council
Steph	Thorne	Tewkesbury Borough Council

Transfer from full to past membership

Two members transferred to past membership during the period

Yinka	Awofisayo
Jane	Pocknall

Resignations

There were 12 resignations during this period

Richard	Butler
Alan	Colston
John	Dennis
Martin	Fahy
David	Fletcher
Gary	Goodrich
Bill	Miller
David	Roxburgh
Nick	Sweeney
Mark	Taylor
Rob	White
Elaine	Wynne

Deaths

There were also sadly 3 deaths during the period

David	Gunson
Brian	White
David	Roxborough

The membership as at 31 December 2012 now comprises

Full	230
Additional	64
Honorary	33
Past	78
Total	405

Tim Foster
Secretary

BRIAN WHITE FRICS FRVA

PRESIDENT OF ALAVES (1978)

It is with regret that we have to report the death of Brian White who was a prominent member of ALAVES in the 1960s and 1970s and beyond. He served as President in 1978. He was made an Honorary member in 1982 and remained a member of ALAVES and ACES for many years.

Brian died after a short illness this summer. Brian was with London County Council until shortly after local government re-organisation, following which he was appointed as Borough Valuer to the London Borough of Lewisham in 1965 where he served until his retirement in the early 1980s. He ran a progressive department largely putting his faith in a young generation of valuers.

Following his retirement, Brian moved to his beloved Whitstable in Kent where he had already had a beach hut for a number of years. He continued in Whitstable until his death.

John Porter FRICS

John is featured in the photograph taken at the ACES conference in Spring 2003 held in Portsmouth.

[Ed - you might recognise younger versions of a few other ACES members]

DAVID ROXBOROUGH

1943 - 2012

David Roxburgh was born and educated in Stockton on Tees and during his school days he was a keen rugby and cricket player. He met Ann at Ralph, Appleton and Hall, Auctioneers, Estate Agents and Surveyors in 1964, and they married in 1968 and had two children Philip and Helen.

David continued to be a keen sportsman and played cricket at both Stockton Cricket Club and Preston Cricket Club, where he involved the whole family. He was a devoted husband, father and later grandfather to 5 grandchildren and nothing was too much trouble for David where his family was concerned.

Throughout his career, David remained local to the north east and first worked as an articled pupil at Appleton's where he later qualified as a Chartered Surveyor at the young age of 20. He joined local government in 1966 at Durham County Council where he served as Assistant County Valuer. David later moved on to work at North Yorkshire County Council, York Council and following his 'retirement' finally at Stockton Borough Council where he was offered a 6 month contract - 15 years later he was still there totting up almost 50 years of professional service.

Throughout his career David amassed a considerable range of experience and knowledge and was well known for his specialisms in valuation, rating and compulsory purchase work, with his crowning glory being a Lands Tribunal success in defeating a total extinguishment claim over a supermarket operator in relation to the 'Town Centre, Stockton on Tees Compulsory Purchase Order 1995'. David always worked to the highest professional standards and was very supportive of colleagues and his staff. He was very politically astute and well liked by colleagues and Members, demonstrated by the attendance at his funeral, including the Mayor of Stockton.

David was one of the founding members of North East Branch and played a very active role in branch business as the Treasurer and member of the Executive Committee. He missed very few branch meetings over his many years and always contributed to the debate, even at the last branch meeting in Durham in November 2012.

He loved and was very proud of being a Chartered Surveyor, and found it difficult to contemplate not being employed in the profession and wanted to carry on working as long as he could – sadly he could not have cut it any finer and was even busy with ACES branch business on the day that he passed away.

David worked and played hard and his competitive spirit and sense of fair play was his trademark. He was a true gentleman with a heart of gold, was greatly respected by many people and will be sadly missed by his family, colleagues and friends.

ACES/DCLG WORKING GROUP MEETING HELD ON 16 OCTOBER 2012

Betty Albon MRTPI FRICS

The Working Group discussed an extremely full agenda.

Policy update

Colin Wright advised that the new Minister for Housing as of September is Mark Prisk, who is a chartered surveyor, and has strong focus on delivery . Colin then gave a brief policy update:

- Housing – recent initiatives include the New Buy Guarantee, to which 50% of builders (by output) and 73% of lenders (by volume) are signed up; Get Britain Building which is a move to unlock sites; identifying public sector land for up to 100,000 new homes, with 'Build Now, Pay Later' deals available; New Homes Bonus; First Buy - increased funding; Empty Homes – increased funding. The HCA will become more involved in releasing surplus government land for housing.

- Planning – 46 Local Plans have been adopted in the last 15 months under the NPPF (65% of local authorities now have published plans). The next challenge is to review around 6,000 pages of supporting planning guidance. The September Planning Reform Announcement included; looking at improving Council performance, focussing on those LPA'S with poor records in respect of slow decision making or those subject to a high number of successful appeals. Other proposals included extending permitted development rights, at least for a time, and more emphasis on viability assessment for s106 agreements to ensure these are not holding back development unnecessarily.

Portas and town centres – Mark Holder

Mark gave a presentation on the contribution of high streets to the economy, including statistics indicating their recent decline (vacant shops, decrease in footfall). The government's response to the Mary Portas report has been to focus on the 28 Portas recommendations. For example, the "Portas Pilots" have been helped to set up 'Town Teams', established by local businesses, landlords. Community and public sector representatives to manage local high streets; town centres are favoured in the NPPF; and helping new market traders.

DCLG was pleased to receive over 400 applications for Rounds 1 and 2 to become Portas Pilots. As a result, there are now 27 pilot towns, including 3 funded by the GLA. Further 'Town Team Partners' are to be announced, which will get a small support package. A £1 million Future High Streets Challenge X Fund was recently initiated. Look out for the government report expected in March 2013, which will be a summary of the outcomes from the pilots.

Mark touched on the government responses to other important Portas recommendations including focussing actions through Business Improvement Districts (£500,000 made available for set ups); business rates and further concessions to small businesses and independent retailers; reducing red tape for retail regulations; more use by LPAs of Local Development Orders and Article 4 directions (to override permitted development rights) and the introduction of Neighbourhood Development Orders; more proactive use of Compulsory Purchase Orders to encourage the redevelopment of key retail space [something which engendered discussion from ACES members].

Another initiative in which ACES is represented is the Distressed Properties Working Group, to look at how barriers to high streets' prosperity can be removed

[Ed – featured in this Terrier]. DCLG is very keen to involve all businesses and organisations as well as local communities, to work together to try to transform local economies.

<u>"Community Right to"</u>

- Community Right to Build – Andrew Lynch outlined the process adopted to qualify for this. It includes the provision of shops and leisure facilities as well as housing, and if there is sufficient support, new build can be in the green belt and over-ride enfranchisement rights.

- Community Right to Bid – Sam Ashby [see article by Sam in this Terrier].

- Community Right to Challenge – Matthew West stated that this right had been in operation since the end of June. He explained that if a bid is received, the authority then has to undertake a procurement exercise, which can include rejecting or modifying the bid. Reasons for doing so have to be given.

DCLG has set up advice lines for each of the "Community Right to" initiatives.

<u>Asset Management Award</u> – John Taylor

An interesting discussion was held about whether there is an opportunity to develop the existing ACES Award for Excellence to involve both the DCLG and RICS. It was agreed that ACES will go to the RICS to discuss such a proposal. If it is received favourably then ACES will draft a scoping document and send it to DCLG as a working partner for consideration and liaison with the relevant Ministers.

<u>Asset identifiers and the transparency agenda</u> – Leona Patterson

Leona, as successor to John Connell, advised that the next wave of Pathfinders was being coordinated by LGA. She outlined progress of the Government Property Unit in rolling out asset management initiatives, including disposals and collaboration projects, based on 5 Regional Teams – the 'Single Journey' and "place based" approach across central and local government and all public agencies.

Wave 3 of the Pathfinders are focussing on growth. They are being encouraged to produce measurable outputs on number of jobs created; houses built or refurbished; redundant public space converted for alternative employment use; reduction of expenditure (including backlog maintenance); carbon reduction.

<u>Commercial Property issues</u> – Joanna Hahn

- Lease Code – Joanna encouraged ACES to support the Lease Code. So far, only 4 councils were accredited. Following discussion, she stressed that the Code's requirements are probably very similar to what we already practice. ACES responded that it is likely that the lack of take up is because members are so under pressure that formal adoption is probably not currently a priority [see article in this Terrier].

- "Rightmove" – we were asked whether ACES had expressed interest in supporting this web based facility? It was felt that one organisation could not be favoured.

- Company Voluntary Arrangements – whilst more an issue for private landlords, insolvency arrangements might be something we have to tackle.

- Portas – Joanna asked if there was any scope for a nationally based portal for dealing with enquiries for leasing local authority property.

<u>Land auction pilots</u> – Colin Wright

Elements of the Community Land Auction model are being tested through pilots at Richmondshire DC, Hastings and West Lancs, which will help inform development of a potential wider model. Colin thanked ACES representatives who attended the workshop last summer to scope the pilot study. Kingston University is now assisting and there are various learning points, such as motivations of the parties, treatment of land value uplift, avoiding land banking by purchasers, maximising value, and developing quality and sustainable housing developments. The first pilot sites were brought to the market in late 2012.

<u>ACES topics</u>

ACES members raised the following issues:

- UK power networks – this is a national problem whereby statutory undertakers are adding to the difficulties of achieving viability of development sites, by holding out for large sums of capital to provide energy.

- Broadband – a question was asked whether the use of European money to fund broadband improvements was potentially a State Aid issue. ACES were asked to provide more information to see whether this could be addressed at a future working group meeting.

- Local Authority Rural Estate Asset Management Planning – DCLG was asked to support the new good practice guidance prepared by the Tenancy Reform Industry Group [Ed - featured in this Terrier], in addition to an approach being made to DEFRA. The Rural Practice Branch of ACES sits on TRIG. ACES undertook to provide a written note detailing the 'ask'.

- School Condition Surveys – ACES members expressed their concern that independent surveys are being commissioned, which are undertaken by the Education Funding Agency. There are issues of who has and keeps the information, who does the works and who then has the liabilities. DCLG noted ACES comments, but confirmed that the policy responsibility for this resides with the Department for Education.

As usual, the ACES/DCLG Working Group covered a broad range of topical issues and initiatives. The Group fulfils a very useful role in providing a forum for exchanging ideas and practice. This relationship is appreciated.

PORTAS – RESEARCH PROJECT - PRESS RELEASE

DISTRESSED TOWN CENTRE PROPERTY TASKFORCE

Colliers International selected to government supported town centre property taskforce

Following detailed submissions from a range of organisations the industry-led Distressed Retail Property Taskforce has recently announced the research partner selected to support its work. Leading real estate advisory organisation Colliers International will work with the industry experts to undertake an analysis to identify the property-related barriers to vibrant town centres.

Government supported the establishment of this taskforce last year in response to the Mary Portas' review of the UK's high streets. Chaired by leading retail property trade body, British Council of Shopping Centres, it brings together the public and private sectors, with experts from banking, retail, local government and the property industry.

Now instructed, Colliers International will begin a process of thoroughly assessing towns and cities that are in "distress", examining the property-related issues affecting these locations and whether themes are evident across the country that could be acted upon to pave the way for regenerative change.

The findings will be assessed by the cross-sector taskforce, to identify real and workable solutions to issues relating to property investment, management and development, which are widely considered major issues affecting local town centres.

Mark Williams, Chairman, Distressed Retail Property Taskforce and partner at asset managers, Hark Group, commented:

"We were delighted with the level of interest and range of proposals put forward, which illustrates how important this area is seen by the wider industry. We were however unanimous in our decision to select Colliers and welcome them on board to support this important, and unprecedented, assessment of UK town centres."

[Ed - Heather McManus, Immediate Past President, represents ACES on the Taskforce. I hope to feature progress in future editions of the Terrier.]

LOCAL AUTHORITY RURAL ESTATE ASSET MANAGEMENT PLANNING GOOD PRACTICE GUIDANCE

Tenancy Reform Industry Group

ACES Rural Practice Branch has a seat on TRIG which advises DEFRA on matters relating to the agricultural tenanted sector, in which County Farms play a key role. The Guidance has been prepared by a cross stakeholder group and much of the content is taken from a draft of October 2012. Stephen Morgan of the Rural Branch supplied the draft.

Introduction

This document has been written to assist local authority elected members and officers to evaluate the asset management planning of their rural estates. The information has been provided by past and present members of the Rural Practice Branch and is intended to give a flavour of some of the matters that could be taken into consideration when reviewing their estates.

For over a century, the role of local authority owned rural estates (also known as County Council Smallholdings Estates or more usually as County Farms Estates) have been to provide opportunities for individuals without family owned land or sufficient capital to buy farms to become new entrants into the agricultural industry. Over the years, local authorities have also been keen to use their county farms as investment assets and as a means of supporting the provision of other key council services. However, it is important to ensure the continuance of a county farms estate managed within a coherent asset management plan which can provide income and capital for essential statutory services at the same time. Management of county farms needs to be alert to innovative ways of working and to be responsive.

In assessing how local authorities obtain "best value" in the management of their assets, in the context of county farms, it is also important to draw into consideration wider environmental and community benefits including education, recreation and access, flood management, environmental management and renewable energy.

Background

Legislation created over a century ago sets out the initial purpose for Council owned rural estates. (http://www.tisonline.net/environmentalservices/Agriculture section). The current rules for administration of statutory smallholdings are set out within Part III of the Agriculture Act 1970. Section 39 of that Act provides that:
"Having regard to the general interests of agriculture and of good estate management, [smallholding authorities] shall make it their general aim to provide opportunities for persons to be farmers on their own account by letting holdings to them".

Where farms are provided, management policy needs to address opportunities for new entrants, while also working to sustain existing tenants in their farming careers and to provide scope for advancement to bigger opportunities on privately let estates. Within the industry, it is felt that local authorities provide a unique or niche service by taking the risk of appointing young rural businesses to becomes its tenants, in the hope that they will develop to become serious contributors to the rural economy. The erosion of this service, as highlighted below, is a concern to this important industry.

National context

In 1966 the national estate extended to 153,296 ha providing 12,882 holdings at an average size of 11.9ha (29 acres). By 1988, the national estate had reduced to 132,652 ha with 5,922 holdings with an average size 22.4ha (55 acres). This equates to a 13.5% and 54% loss in area & holdings and a 188% increase in average size since 1966 (DEFRA reports to Parliament).

These trends have continued and by 2009 the national estate had declined to 113,523 ha and 3,635 holdings with an average size of 31ha (77 acres); a further 15% and 39% loss in area and number, and a 134% increase in average size since 1988 (CIPFA Stats 2008-2009).

Local authorities have rationalised their estates. Some estates have been maintained at the same size with fewer but larger holdings, some have disposed of their estates in their entirety and some have opted for retention in size but with a reduced emphasis on the use of the estate to provide opportunities to farm.

So what policies should be applied to the management of County Farms at both a local and national level? It is recognised that the average age of farmers is high and insufficient opportunities are available for people to become farmers on their own account, which may be damaging the interests of agriculture; opportunities, where they exist, should be retained. The most notable comment is Sir Don Curry's statement of November 2008 made at the ACES Annual Meeting (http://www.aces.org.uk/publications/The%20Terrier%20-%2008d%20-%20Winter%20-%20Curry%20Report.pdf)

The purpose of this document

Councils offer a wide range of services, most are statutory, but County Farms are discretionary. With the continued period of financial pressure, competition to secure sufficient funding to meet statutory services is high and councils will, quite rightly, review their assets to establish strategies to help bridge such gaps.

This document will assist and signpost property managers and elected members with responsibility for County Farms to help understand what benefits their estates provide, capture the expectations of stakeholders and strike a fair balance between meeting the needs of the authority (good estate management), the wider environmental and community concerns, and the general interests of agriculture and its allied industries.

This document should be read in conjunction with the RICS Public Sector Property Asset Management Guidelines.

Intelligence gathering

This part of the review process is to establish the benefits the authority provides through the ownership of its estate. Key items could be split into financial and non-financial. The ACES RP Branch Council Farms Rationale is provided at the end of this report. This lists some examples of the non financial benefits. It must be stressed that no two estates will be the same and consequently not all estates can deliver the same benefits, but the importance is to highlight what benefits are currently delivered and help identify what other opportunities could be explored.

<u>1. Financial Performance</u>

Financial performance comparables could be taken from CIPFA & DEFRA Statistics and other estate benchmarking initiatives to assist with demonstrating the performance of the estate against others and provide opportunities to explain the reasons why there may be discrepancies from benchmarks. The calculation of the internal rates of return from the estate can provide a useful comparator of its performance against other investments and property portfolios. Capital investment undertaken, receipts received, revenue surplus delivered to support other services could be also be highlighted to enable comparison against previously set targets, to asses performance over time.

Capital Receipts

An important benefit of a County Farms estate is the opportunity to obtain capital receipts. It is important that this is done in a way which ensures best value in the longer term by identifying potential for enhanced values in the future and to ensure that capital disposals take place within a considered and planned asset management framework.

Financial liabilities

The main drain on resources on many estates is repair and maintenance liabilities. Highlighting maintenance backlog from condition surveys is a useful management tool in understanding future cash flow requirements and the impact on returns. Suitability and sufficiency appraisals of each farm against current and emerging legislative requirements could be undertaken to establish and understand capital requirements. This information should then be screened against the tenancy agreements in place to establish what legal obligations the authority has over the whole estate, to establish its future capital investment requirements. This information, together with understanding each tenant's business aspirations and likely dates of possession can also indicate whether there are opportunities to alter the main farming activity at the farm to reduce the liability. Some farms may be located adjacent to a settlement and therefore there is a potential market for a diversified enterprise that could provide a better revenue return for a lower capital investment.

Repairing liabilities can also be handled by providing tenants with longer agreements in return for taking more of the repairing obligation. There is of course a limit to the extent to which this can be done particularly when holdings are in a poor state of repair.

<u>2. Non-financial</u>

Non Financial information to demonstrate the wider social, economic and environmental benefits the estate provides should be highlighted in every case. Almost every estate has tenants that have diversified to assist other corporate priorities with service delivery and these could be highlighted as case studies (e.g. care farms, waste recycling centres, green waste composting, community farms, allotments, renewable energy generation, etc). Some authorities hold a mailing list of persons that have expressed an interest for opportunities/land and this information can be useful to gauge demand.

The whole estate can be assessed against the criteria contained in the Rationale and an assessment made of the impact current policy makes towards achieving these criteria. Some of this evidence is anecdotal; some of it can be assessed in an empirical way. The potential for new targets to be set, which in turn will be based on a new approach or change of policy, can be included in the final review document. Engagement with local stakeholders can be useful in identifying benefits of the estate which may not be immediately obvious.

The non-financial information will be more difficult to collate but is equally valid in assessing the wider benefits to stakeholders and local communities of the rural estate.

Fundamental to the review is understanding that the rural estate is a service of the council to the wider rural electorate, not just an investment tool. It appears to us vital that this element of the review is carried out with the same level of commitment as the financial review.

Existing policies and practices

The starting point should be a review of the estate's contribution to the council's corporate plan. The review should examine how the rural estate meets those aims through its existing practices and performance, but equally should look to the future to identify how the estate could support the corporate plan through the introduction of new activities.

Alternative use potential

The whole estate should be appraised against the Core Strategy/Local Development Framework to establish which parts are important for future allocations for strategic change of use both within the current Framework period and beyond into the longer term. Other smaller scale change of use development opportunities should also be identified and recorded.

Some estates have properties located in areas with mineral reserves and the local Minerals and Waste Planning authority should also be consulted and an appraisal undertaken of the mineral bearing potential of the estate.

Consultation with other services should be undertaken as part of this review to assist with identifying and safeguarding sites for future operational requirements. Many estates have provided sites for schools, fire stations, affordable homes, care homes, allotments, road improvement schemes, waste transfer or recycling centres.

Estates have varying potential for renewable energy generation and each part should be appraised on its ability to contribute. Councils could consider and discuss with tenants joint initiatives for renewable energy generation.

Existing tenants

Tenants should be encouraged to organise themselves into a body whereby a small group is nominated to make representations on their behalf. Often, hurdles are identified and potential solutions highlighted with previous or current policy which the review process can then take into consideration. A questionnaire survey could be deemed an appropriate method of consultation for smaller estates or if anonymous representations are required.

Neighbouring communities

Consultation with parish councils should be undertaken to establish whether there are any community projects that could be accommodated on or benefit from having access to parts of the estate in their locality and such opportunities recorded e.g. pocket/country park, community woodland, Community Assisted Agriculture, Permissive Paths, allotments etc.

Stakeholders

Engagement with representatives from local and national organisations with an interest in the sector is often a useful method of intelligence gathering. Also, consider consulting other large landed estates and local authorities with rural estates in the region, to establish the level of opportunities for tenants to progress from the estate and also the level of demand for opportunities in neighbouring authorities and the quality of applicants etc.

The review process

<u>Review Methodologies</u>

Various management methodologies and tools could be applied to assist with this process (e.g. GAP, SWOT, cost/benefit, Needs v Wants analyses). This should assist with the identification of key findings/issues.

<u>Option Formulation and Appraisal</u>

Options should be developed to assist with addressing the key findings/issues and each option appraised against their impact on both financial (revenue and capital) and non-financial factors over the anticipated estate-wide asset management plan. There could be an impact on the arrangements that are in place for implementing each option in terms of operational management, which will need to be highlighted. Many tensions will be identified as part of this process but highlighting them will assist with the following stage.

<u>Consultation and "buy in"</u>

The information should be shared initially with elected members and key officers with a view to identifying a preferred option. This should include the identification of the linkages with the corporate plan and its associated asset management plan.

Once this internal "buy in" has been achieved and the reasons fully understood over why a particular option is preferred, this information should then be shared with external stakeholders.

This process should result in the formulation of an overall strategy and strike a fair balance between the interests of agriculture, the wider rural economy, its communities, and the environmental interests of the council.

Adoption and implementation plan

The collation of the main components of the above will form the basis of the strategic direction for the estate. A further report on how the direction is to be implemented should be the asset management plan. The plan should be of sufficient detail to identify the changing shape of the estate (e.g. core, development, community, surplus) but not provide so much detail as to be commercially sensitive. Other items that could be included are management policies and practices, programmes of work, sources of funding, capital and revenue cash flows and other key targets to enable the assessment of performance over time.

Communications

Once the plan is adopted, consideration should be given to preparing a communications plan to share the outcome to the media, partners, internal and external stakeholders.

Continued engagement

To ensure that the plan remains fit for purpose, annual monitoring and review is advised, with a more fundamental review possibly every 5 years. Those implementing the plan should also maintain regular contact with the portfolio holder for the service so that successes can be publicised.

Conclusion

The process of review is an essential part of the activities of local authorities. In reviewing County Farms estates, it is essential that there is an understanding of the rationale for its existence and the impact it has in both financial and non financial terms. Best value analysis should underpin all the council does and in respect of County Farms, this will involve ensuring that future potential value from development opportunities are properly assessed against achieving capital receipts from disposals in the short term. Also, the impact on the environment and local communities as well as on the revenue budget, need to be considered.

ACES RURAL PRACTICE BRANCH

The Council Farms Service – Rationale

Local Authorities have over a century of involvement in the agricultural industry through their management of Statutory Smallholdings, now known as Council Farms. The Service has a unique role and is a vital niche player in the tenanted sector. The agricultural industry and the countryside are constantly changing, and the Service continues to adapt to ensure it sustains the many benefits it provides to the wider community.

Against this background, the Rural Practice Branch of ACES has again updated its Rationale. This sets out examples of the many benefits Council Farms Estates can provide through the implementation of Good Estate Management Practice.

It provides: -

- A means of entry into farming and / or diversified rural businesses for those who may not otherwise have the opportunity to farm on their own account;
- The potential for tenants to establish and develop viable business enterprises, enabling internal progression to larger Council Farms and / or advancement from the Estate to bigger holdings on privately or institutionally owned let estates;
- A valuable source of rural employment opportunities on small family farms, often in remote locations;
- A tangible means of meeting the aspirations of the young farming community and the agricultural industry;
- An opportunity to contribute to the wider economic well being and development of the countryside, including products for local markets;
- A "bank" of potentially surplus development land arising from positive property reviews and estate rationalisations, providing a valuable source of capital for essential estate reinvestment, which assists rural economic regeneration and also contributes funding for the provision of other Council services;
- A potential land bank source of exception sites for affordable housing projects in rural areas;
- A valued Council Service managed on a dynamic, sound, commercial, business-like basis having regard to the principles of asset management planning and effective performance management;
- A direct stake in the countryside for Councils enhancing the links between the local farming industry, the rural economy and the wider community through school visits in relation to lifelong learning, open days and guided walks;
- An opportunity to implement best practice in rural estate and sustainable countryside management and stewardship: e.g. Environmental Stewardship Schemes, Health & Safety, and community participation;
- A wealth of traditional landscape features such as stonewalls, ditches, hedgerows and farm buildings which are more likely to be retained on small family farms;
- The opportunity, in partnership with tenants, for the implementation of positive strategies that address the challenges of climate change (e.g. wind farms and other renewable energy sources), together with sustainable farm management and good husbandry practices.
- Encourage and develop community involvement with the rural estate to strengthen the connection between food and farming.

COUNTY FARMS REVIEW IN SUFFOLK

Brian Prettyman

Brian Prettyman is the Senior Manager responsible for Property Strategy at Suffolk County Council. 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

Brian's article fits neatly with the Good Practice Guidance. He describes a practical review of Suffolk CC's farm estates policy and recommends ways of making farms more relevant to achieving broader corporate priorities.

When I joined Suffolk CC, County Farms was in a separate room to the rest of the Property Department and if land was needed for other council uses, like a road or school, it almost felt easier to buy it on the open market rather than use county farm land. Today things are very different and farms are viewed alongside other assets in a varied property portfolio. In current economic circumstances the temptation to sell off farms needs to be met head on by showing the many ways farms add value to the council and all council tax payers.

Suffolk County Farms estate was last reviewed in 2001 when its objective was defined as being for the benefit of the people of Suffolk. This resulted in a policy of 'progressive rationalisation'. This policy reduced the total estate from 138 holdings on 14,000 acres (2001) to 94 holdings on 12,947 acres (2012). Rental income remained consistent at around £1m pa and capital receipts in the region of £18m were realised over 10 years. Rationalisation, however, resulted in no new tenants, other than families of existing tenants.

The current estimated book value of the whole estate is £35m. Maintenance costs compare well with nearby counties, however, there has been under-investment, and most maintenance expenditure is on houses, not farm buildings.

40% of tenancies are for life or to retirement under the Agricultural Holdings Act and will end within the next 10 years. Farm Business Tenancies can be more flexible and focus on entrepreneurial initiatives, with conditions attached regarding wider County Council objectives.

Future capital value growth is anticipated through increasing land values in the agricultural sector, changing rental basis as tenancies are replaced, and development opportunities.

The Review

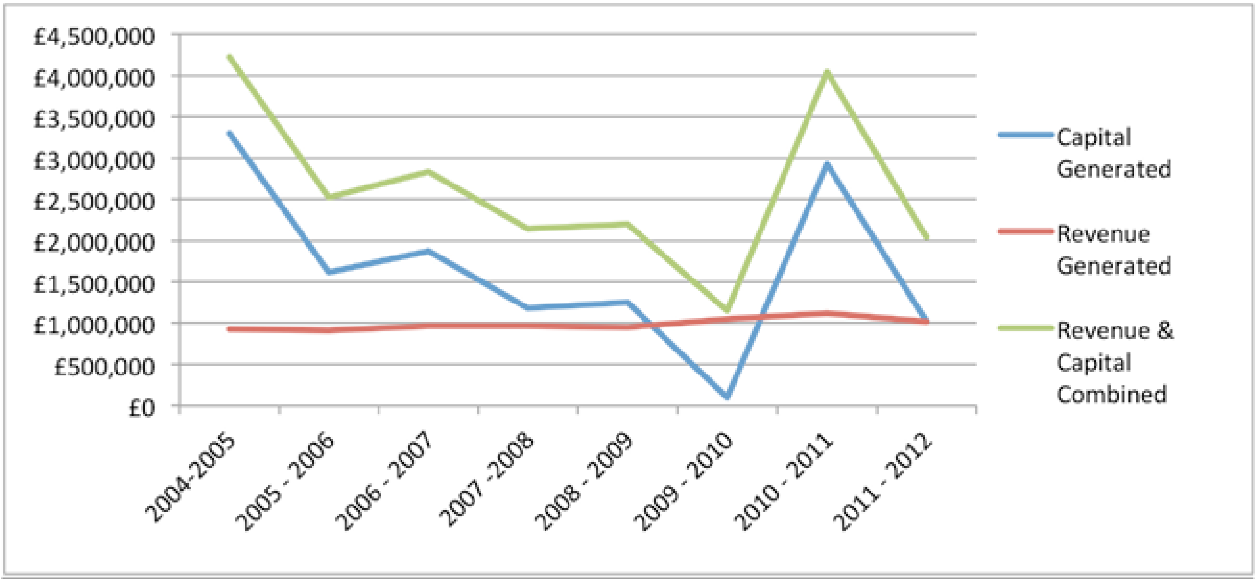
In 2012, the Council considered it was time to review these policies. A cross-party Policy Development Panel (PDP) was established. The PDP comprised 6 councillors and the Principal of Easton and Otley Colleges. Witnesses included 2 representatives of County Farms Tenants Association, a district council Leader who is also a farmer, a national commercial Land Agent, a Suffolk businessman/farmer, 2 people wishing to make a career in farming (recommended by Otley College), a Care farmer, 2 NHS representatives, the Chief Executive of a Development Trust and an individual who leads a Community Agriculture Project.

The evidence was supplemented with information from council officers and other external sources, including BBC radio studies and written representations e.g. from the Tenant Farmers Association.

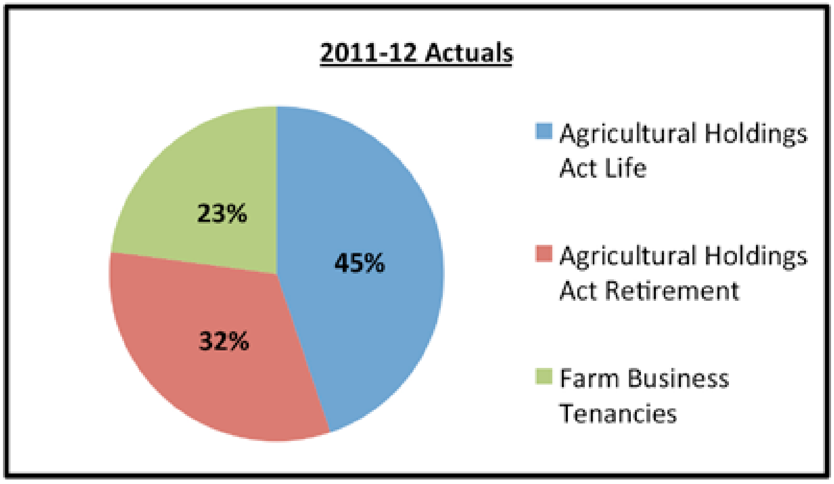
Currently, there is little employment on County Farms. This could change with greater intensification of use and encouragement of entrepreneurial tenants to give added value. Where jobs exist there is a need for high level technical skills. The average age of farmers in the UK is 58, with only 3% under 35 and there is no evidence that Suffolk is significantly different. Succession and availability of suitably skilled labour is therefore a problem. There could be scope for the Council to encourage education, community and industry-led pathways into farming and rural enterprises thus supporting Suffolk's rural economy.

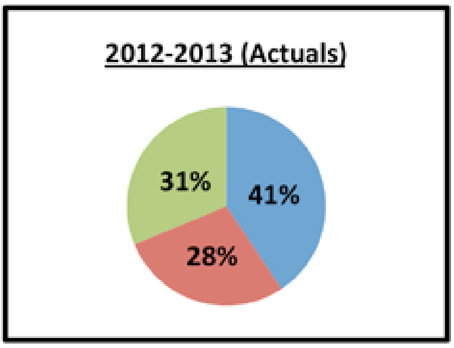
The estate should operate more as a council business. Contracts and lettings should be undertaken on a transparent basis. Greater visibility should encourage more interest, and more entrepreneurial initiatives, including non farming/rural business proposals. When holdings become available they should be offered on the open market with clear guidance on the outcomes sought, maximising

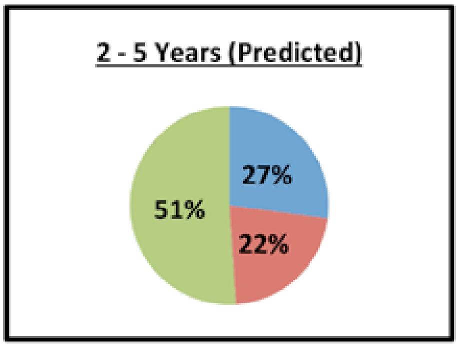
Capital and Revenue Generated over last 8 Financial Years

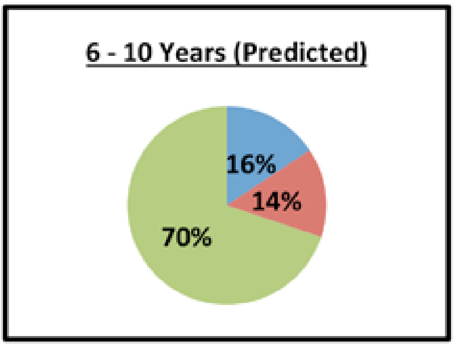


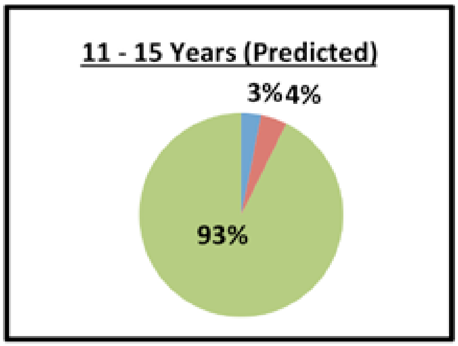
Tenancy Types and Predicted Tenancy Split over 20 Years

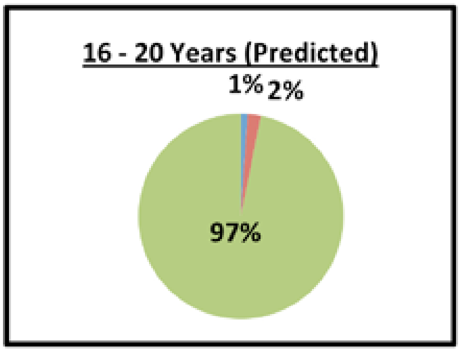


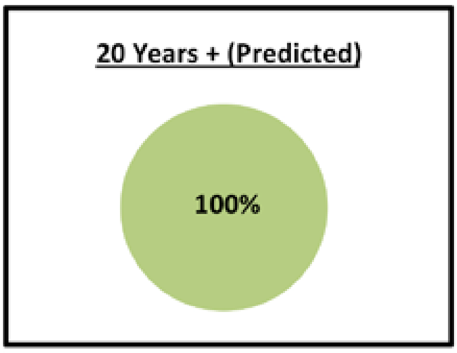








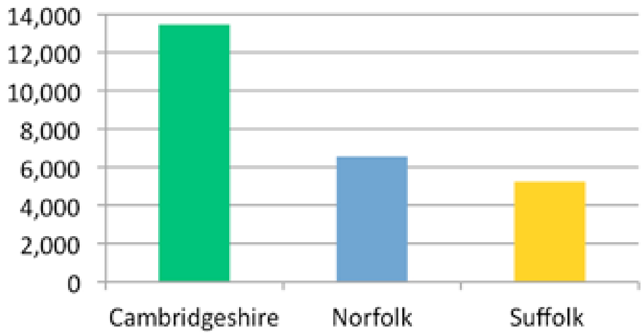




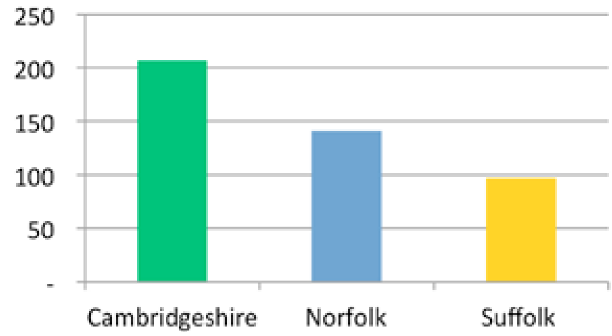
Comparison with Neighbouring County Council County Farms

Based on CIPFA Financial Year 2010 – 2011

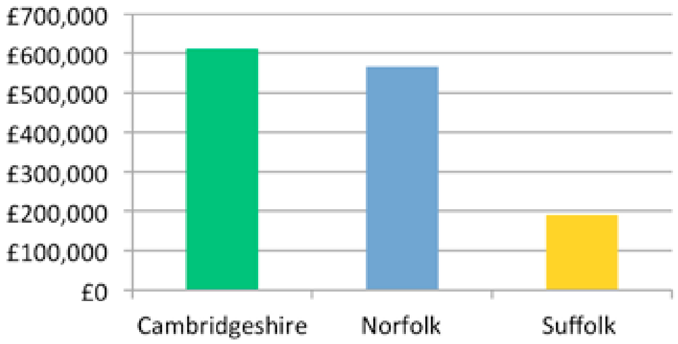
Total Hectares



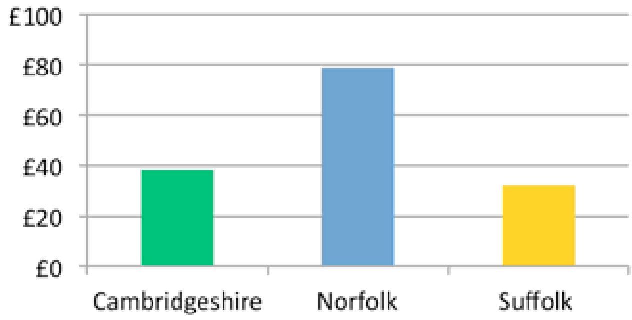
Number of Tenants



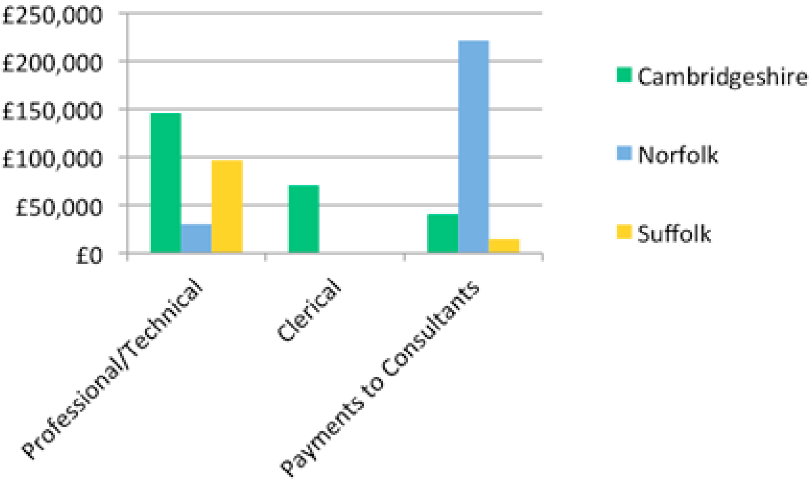
Expenditure - Maintenance



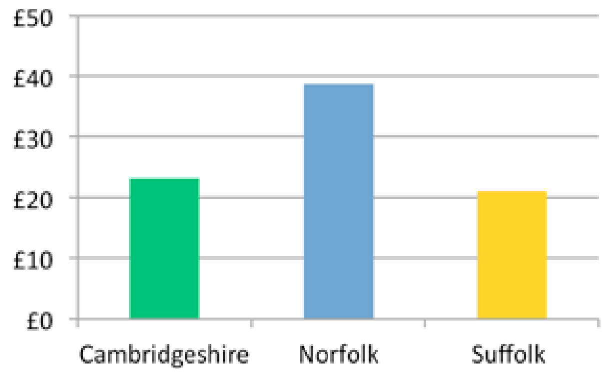
Average Maintenance Cost per Hectare



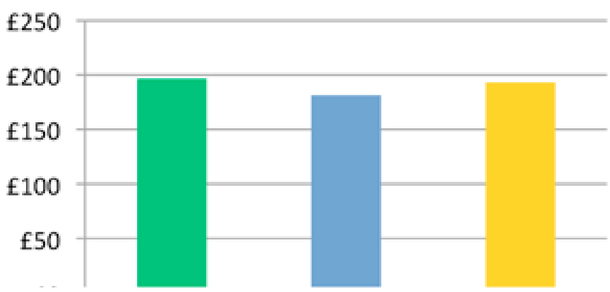
Staffing Costs



Staffing Costs per Hectare



Average Rent per Hectare



income and making a significant contribution to broader strategic objectives. This may require some flexibility in the initial years of a tenancy.

The tenants considered that the Council is a good landlord but concerns were expressed over the level of maintenance and lack of capital investment. It was acknowledged that a role of the estate was to generate capital receipts, but as short-term tenancies might not give sufficient incentive for tenant investment, could some of this be re-invested in the estate (if supported by suitable business cases)?

The young aspirants see the Council as one of the few organisations in a position to encourage people into farming. They believe there are younger people in Suffolk who have the enthusiasm, energy and commitment to enter the farming industry and who would be willing commit to the Council's wider Corporate Priorities. Tenancy terms of 5-10 years are needed to get established and new entrants are more likely to take risks and diversify than tenants nearing retirement. Aspirant farmers have difficulty with start up capital and cash flow. They would be willing to occupy smaller holdings and add value to their businesses through diversification. Larger holdings may be too big to finance and take too much tenant time to allow them to develop other income streams and spread risk across a range of rural activities. Investment is needed to facilitate intensification and diversification. Some non livestock holdings may not need dwellings. Young farmers are willing to travel and may be involved in a number of enterprises across a locality. Holdings on the fringes of larger urban areas, in particular, may suit diversification without housing.

There is scope for more Care Farms in Suffolk, run by both social and private enterprises. Once established, they are run on a commercial basis, funded via mental health initiatives. In the future funding may be available from health commissioners, Adult Care or personalised budgets. They tend to be small mixed cropping and livestock operations, therefore potentially suitable for county farms holdings. Staffed by employees and volunteers they aim keep clients in communities and rehabilitated into society, giving therapeutic and day time activity.

Community farming provides social interaction and education through Social Enterprise. It promotes good value healthy food at sensible costs, by using volunteers. Finding suitable affordable land is the key. It needs to be close to urban areas so volunteers can have reasonable access. Capital investment is very hard to source to establish this type of project.

There may be opportunities to develop projects such as youth enterprises for agricultural and horticultural training including practical business skills. Social and private entrepreneurs should be economically viable and self sustaining. Social enterprises may also be able to attract external funding and inward investment.

County Farms provide opportunities for affordable housing and other community schemes in partnership with district, borough and parish councils.

Conclusions

The principle questions raised were:

- Should the Council sell the entire estate for a one off capital receipt or just continue to extract capital receipts as opportunities arise?
- Should the Council set non-financial objectives for the estate in support of corporate priorities?
- Should the Council invest in the estate (including adding land on a structured or opportunistic basis)?
- How can better links be established between the Council and districts in connection with issues such as rural housing, economic development and development?

The Panel concluded that a key value of the estate is that it provides a range of opportunities for Suffolk CC:

- With 40% of the estate falling vacant over the next 10 years the rent roll (and capital value) will increase. Therefore now is not the best time to sell the estate, nor would a sale promote other SCC objectives like employment. Windfall disposal opportunities should, however, be realised.
- Investment could help facilitate profitable, intensified and diversified holdings adding value to the estate with potential for increased rent roll.
- The estate must maintain or increase its current revenue levels. A commercial approach should be taken to maximise revenue from parts of the estate, with a view to taking managed risks and releasing smaller units for more diverse uses elsewhere.
- County Farms are a valued Council service, which should be managed on a dynamic, sound, commercial, basis, having regard to the principles of asset management planning and effective performance management.
- The current policy of increasing holding size through amalgamation creates 100-300 acre holdings which are not of much interest as a stand alone arable holding, being too large for younger people and too small to produce a commercial return (unless combined with other land). A more flexible approach to holding size is required.
- County Farms should explore innovative business models with third parties to understand possible applications in association with County Farm tenants.

The Panel concluded that the estate offers potential to support each of the Council's wider priorities:

Economic Growth and Jobs

- Measures are required to encourage new and existing tenants to optimise their holdings through the addition of non-arable rural enterprises. By establishing and developing viable business enterprises, tenants could seek internal progression to larger County Farms and/or advancement to bigger holdings on privately or institutionally owned let estates.

- County Farms offers a tangible means of meeting the aspirations of the young farming and rural business community. It has potential to offer a means of entry into farming and rural business for those who may not otherwise have the opportunity.

- Rural enterprises on farms could offer a valuable source of rural employment opportunities, potentially in remote locations.

- There is scope for closer working with other partners and stakeholders to pro-actively promote economic development, housing, and development opportunities, and maximise capital returns.

- Other bodies e.g. the Local Enterprise Partnership (LEP) and districts are evaluating these opportunities and County Farms' management needs to work more closely with them.

Education

- County Farms should offer stronger links through school visits, open days and guided walks. People should be encouraged and supported to gain much needed high level technical skills and appropriate education.

- As one of the 3 largest estate owners in the county, SCC should explore development of pathways through education, community and industry into farming and rural enterprises. There is scope for working with other farmers and landholders to attract new entrants and to lower the age profile of the sector.

Supporting Vulnerable Groups

- Encouragement of initiatives such as care farming, community farming and allotments on county owned land could provide opportunities for improved health and well being with associated reductions in demand on other public sector resources.

Localism and the 'Our Place' Programme

- County Farms offer a potential land bank resource for Exception Sites for:

  - Affordable housing projects in rural areas, community schemes and allotments, and;

  - Creating stronger links between county, and district, borough, town and parish councils.

Building on Suffolk's Strengths

- County Farms offer an opportunity to contribute to the wider economic well being of the county and development of the countryside, including products for local markets.

- There is a "bank" of potential development land, providing a valuable source of capital and essential estate reinvestment, which assists rural economic regeneration and contributes funding for the provision of other Council services.

- County Farms offer an opportunity to implement best practice in rural estate, sustainable countryside management and stewardship: e.g. Environmental Stewardship Schemes, Health & Safety, and community participation.

- In partnership with tenants, positive strategies that address the challenges of changing climate, together with sustainable farm management and good husbandry practices can be implemented.

- Raising the profile of County Farms through greater transparency could promote public awareness and benefits of having an agricultural estate and the opportunities it provides for future tenants and the people of Suffolk.

Recommendations

- The County Farms Estate should be retained with a view to protecting revenue and future capital growth, and contribute to corporate priorities.

- A long term County Farms Estate Strategy should be developed to support the following:

  a. Enhance and optimise revenue returns, with new lettings offered on the open market, save where there are exceptional circumstances involving an existing tenant.

  b. Seek opportunities to generate capital receipts, predominantly through surplus buildings and development opportunities, but not generally the sale of tenanted property.

  c. Develop broader social value in line with corporate priorities.

  d. Seek investment in the estate, to preserve and enhance the capital value and support SCC objectives and priorities.

  e. Encourage innovative business cases from new tenants and existing tenants at any time, for farming and other rural enterprise, and develop evaluation criteria for prioritising these plans.

  f. Support development of pathways into farming and rural enterprises, from education, community, industry or other careers. Develop stronger links to educational establishments, farmers, rural entrepreneurs and other external stakeholders.

  g. Motivate tenants to work co-operatively for joint benefit.

  h. Redefining the County Farms estate to ensure it reflects the totality of rural enterprise.

Community Right to Bid

Sam Ashby

Sam Ashby is the Community Assets Team Leader at the Department for Communities and Local Government. His team takes forward the Department's policies on Community Right to Bid, Asset Transfer, Community Shares and Community Pubs. Sam has been a civil servant for over 10 years, focusing on policies relating to the voluntary and community sector, social enterprise, community assets and social finance. Sam.Ashby@communities.gsi.gov.uk

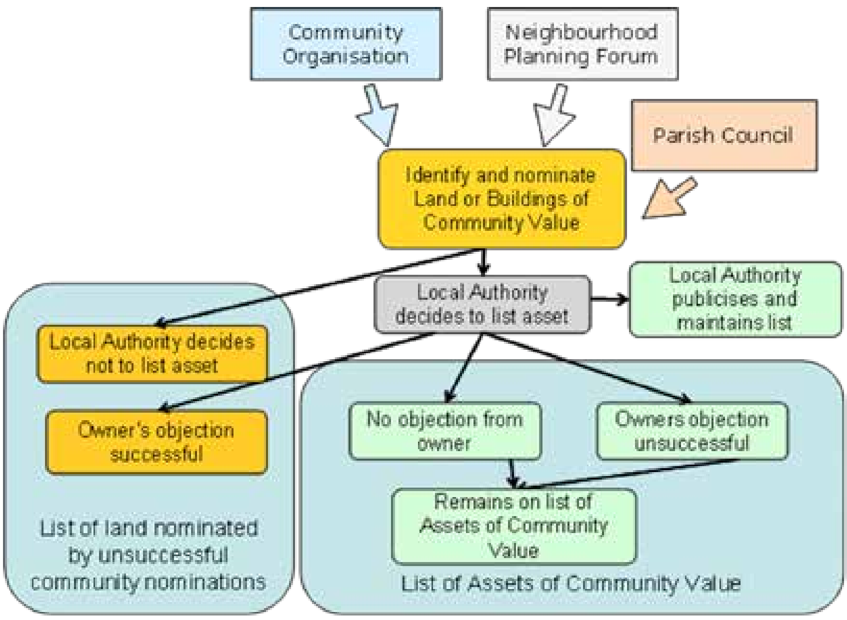
Sam sets out clearly the purposes and processes for Community Right to Bid.

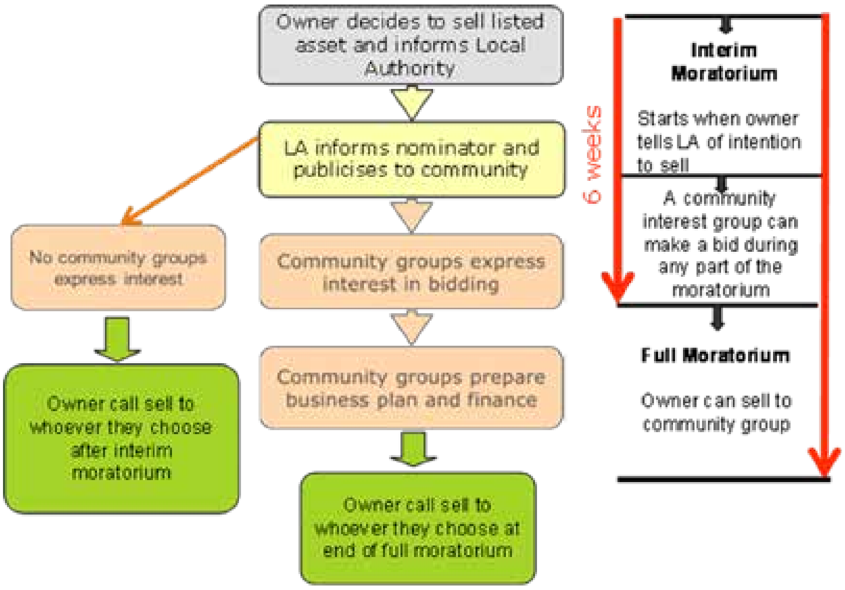
During the last decade significant concern has been raised by many communities about the loss of valued local assets and services. Particularly in these difficult economic times, many people have witnessed first hand the closure or selling off of assets such as pubs and meeting halls, as well as the blight of empty shops and under-used land. They have felt unable to do anything that would make a difference to this situation and as a result, many communities have found themselves bereft of the buildings and amenities that can help to contribute to the development of vibrant, active and sustainable communities.

However it is not all doom and gloom. The past decade has also seen a concerted effort by many communities to play a much stronger role in the way that local assets are owned and managed. Communities up and down the country have been able to come together to take over and run assets that are important to them. Pubs, libraries, community centres, sport venues and green spaces have all been successfully taken over by local organisations that want to enhance the social wellbeing of their community. Community ownership has resulted in successful, viable and robust businesses with strong local support. According to the Plunkett Foundation, village shops are a particular success story. In 1992 there were just 33 community owned shops; as of the end of 2012 there are just shy of 300. This is a tremendously successful growth industry when considering the scale of the economic down turn over the last few years.

It is just this local passion for getting involved and taking control of assets that the new Community Right to Bid seeks to build on. The Right gives communities the opportunity to keep valued land and buildings in community use by giving local people the chance to bid to buy them. It was introduced as the Assets of Community Value in the 2011 Localism Act and its regulations, bringing the scheme into force, came into being in September 2012.

The premise of the Right to Bid is extremely simple. Local people, community organisations or parish councils identify local buildings and land which are important to them, and which can be either in public or private ownership, and nominate them to their local authority. The authority will consider the nomination and assess it against the definition of an asset of community value as defined in the Localism Act. This essentially states that the current use of the asset (or its use in the recent past) furthers the social wellbeing or social interests of the community and could do in the future. If the nomination meets the definition then the asset should be listed by the local authority. The diagram below shows the listing process,





including what happens if an owner or the local authority does not agree with the nomination.

The listing of a building or piece of land is a clear statement on behalf of the community that it values the asset and feels that it should be retained for the community and contribute to the social wellbeing of the area. Indeed, a local planning authority may wish to decide that listing as an asset of community value is a material consideration, if an application for a change of use is submitted, when considering all the circumstances of a case.

The Right to Bid is designed as much as possible not to infringe on property rights. As such it does not place any restriction on what an owner can do with their property, once listed, so long as it remains in their ownership. Indeed, once the asset has been listed, nothing further will happen unless and until the owner decides to dispose of it. When this happens a moratorium on the sale will be enacted. Initially this will be for a 6 week period; however if a community group decides that it would like to submit a bid for the asset, the group can trigger a 6 month moratorium (from the point that the owner notifies the local authority of an intention to sell). During the moratorium an owner may not sell the property unless it is to a community group. A diagram setting out the moratorium process is set out above.

It is important to note that the Right to Bid is not a right to buy nor is it a right of first refusal for communities. At the end of the moratorium an owner of a property is free to sell to whoever they wish and at whatever price they choose. The purpose of the right is to allow communities the time and space they require to organise themselves and to raise the finance needed to put in a bid that might be of interest to a property owner. Some may suggest that 6 months is not a significant amount of time for a community to do anything meaningful. However this view is unwarranted, as the community owned sector is littered with examples of local people coming together, raising significant sums of money (often using the community shares model), and taking over local assets in a matter of months. Take the example of the Fox and Hounds pub in Ennerdale, Cumbria, which succeeded in raising the incredible sum of £77,000 through a community share issue in only 10 days. Volunteers from within the community also pitched in to transform the half-derelict pub in just 4 weeks, just in time for the tourist season. It just goes to show

what can be achieved collectively by a community motivated to save the assets that they cherish.

While the Community Right to Bid is aimed at protecting important assets and encouraging greater community ownership, many local authorities will recognise that it is not the only way to make this happen. Community Asset Transfer, the process by which local authorities, using existing powers, transfer assets into the hands of local people at below market value for the social and economic good of community, may still be considered to be a more productive and friendly process. In this scenario the Right to Bid may still play a role and could provide an added level of protection for communities. However the Right to Bid should always be viewed as one of a number of options that may be used to increase community ownership.

To help both communities and local authorities going through the Bid process, the government has put in place a comprehensive support package. For local authorities, DCLG has produced a non-statutory advice note that provides detailed information on the Bid process, including information of the enforcement regime, appeals and compensation arrangements. This can be found on the DCLG website. The LGA in conjunction with Locality has produced Making the most of local assets – A councillors' guide (http://locality.org.uk/resources/making-local-assets-councillors-guide) which highlights the many benefits that communities can gain through community ownership. DCLG is funding the My Community Rights support service, which is being managed by Locality. For further information visit the mycommunityrights.org.uk website. This service includes an advice helpline, a wide range of case studies and toolkits and provides grants to those communities wanting to take their plans forward.

After only being in existence for a few months, the nomination of community assets is already capturing the imagination of local people and organisations. By the end of 2012 there were over 100 listed assets across a wide range of local authorities up and down the country. Cornwall Council and Uttlesford DC in particular have shown great enthusiasm for the scheme, working with communities and parishes to list large amounts of buildings and land. Pubs, allotments, tennis courts, cricket grounds, lakes and churches have all been listed. More unusual assets, such as the control tower at the former American airbase at Greenham Common, have also been listed. The nomination and listing process shows the wide array of buildings and land that local people find important. Because of the simplicity of the nomination process, we expect that nominations and listings will increase rapidly over 2013.

The Right to Bid will play an important role in helping more communities to become aware of the potential they have to have a real say over what happens to their local assets. The government encourages other public sector bodies to follow the examples of Cornwall and Uttlesford and proactively publicise and work with their communities, not only to nominate and list assets but to have a real conversation regarding the potential of community ownership. The government will continue to support community ownership which shows localism in action and what can be achieved when a group of motivated people take control to develop and enhance their local assets.

ASSET TRANSFER – FROM POLICY TO PRACTICE

Linda Gillespie and Nicky Donald

Linda Gillespie is the Project Manager for the Community Ownership Support Service. Prior to joining the Development Trusts Association Scotland in 2011 she worked in both local economic development and the private retail sector. linda@dtascot.org.uk

Nicky has extensive experience in community economic, environmental and social development having worked in the field for 15 years, first with a Rural Partnership in Aberdeenshire and then as an advisor with the Community Ownership Support Service. Her particular interests include developing and running training programmes for communities and agencies on aspects of sustainable development, funding, governance structures and community consultation.

The Development Trusts Association of Scotland is funded by the Scottish Government to support the sustainable transfer of assets (land and buildings) from public organisations into community ownership. www.dtascommunityownership.org.uk

Linda and Nicky give some very clear and practical guidance to help the transfer of assets to run smoothly.

In the past the relatively low numbers of requests from community groups for assets to be transferred into their ownership has enabled local authorities to deal with these requests on an ad hoc basis. In the current changing economic and policy environment, the level of awareness and interest from communities in asset ownership has increased significantly over the past 18 months.

With communities potentially becoming a key recipient group of surplus assets, it is important that local authorities develop clear policies and procedures that articulate the process to all; both internally and to the communities they serve.

From our experience in supporting a number of local authorities in Scotland there are a range of operational approaches which have been adopted that are easing the progress of community groups through the asset transfer process.

Defining Community Groups

It is important that there is a clear definition of what a community group is, and recognition that there are different types of groups wishing to take on assets. As highlighted by the recent Joseph Rowntree Foundation report, these vary from ***stewards*** who wish to maintain a building and have it available for community use to ***social entrepreneurs*** who are or plan to run community businesses that deliver services to their communities.

- Decide what constitutes an eligible community group – constituted, democratically run, and accountable to a defined community, whether this is geographic based or will include communities of interest.

- Decide how to differentiate between the different types of group and the differing levels of support local authority teams and/or intermediaries may need to give to assist them through the process.

Work Interdepartmentally

Having identified that the asset transfer strategy will respond to both local authority and community objectives, it is crucial that a cross section of decision makers from key departments are identified to be involved in developing the procedures. This may vary between different local authorities but should include representatives from property, legal, finance, community development and economic regeneration developments. Input from the community sector and elected members from the start often helps ensure a process that is robust and has agreement from all sectors.

Facilities – Property Audit

Be clear on the properties that are available for asset transfer and how these will be advertised as surplus.

- Is there an asset disposal list and what is the process for communicating this to community sector organisations?

- Will surplus assets be advertised ahead of their closure, potentially giving communities the opportunity to develop proposals to take on the building?

- Will condition reports, utility costs and information on likely restrictions on use be available to interested parties?

- For those assets not included on a disposal list, will an approach be developed to respond to proactive requests for transfer from community groups?

Define the Assessment Procedures

A transparent and staged process should be developed for the benefit of both the local authority and the community groups. This will save time and energy for both parties. Clear assessment criteria are also beneficial when dealing with competing interests. It also maximises the likelihood of transfers actually happening rather than getting trapped in the process.

Stage 1: This should be a simple form gathering basic details of a group's structure and purpose, their experience in project development and main activities, their roots in the community, why they want to take on an asset and what benefits there will be for the local community. If approved as fulfilling the basic criteria, the group can then move onto the next more detailed stage of the application process.

Stage 2: This stage will involve the group providing a wide range of information to support its application. This will usually include:

- A 3 year business plan with full financial forecasts

- 2 years' audited accounts - if available

- Details of community consultation undertaken

- Outline proposals for redevelopment of the site

- An indication of the potential sources of funding

- Details of anticipated community benefit.

The cost of completing this stage and providing the information required has implications in both financial and time for a community group. From recent research we have found that for some local authority areas, the cost of putting together an application pack for a large asset (including community consultation, business plan development, design work, legal costs) can be in the region of £25,000.

Within a Scotland context this development work has often been supported by the BIG Lottery Investing in Ideas Grant Scheme up to a maximum of £10,000. Given the level of resource available to groups, being clear about the actual information and professional services input required for a decision to be made at this stage would remove barriers for a range of groups considering taking on assets. An in-principle decision from the local authority to transfer would enable groups to explore more fully their likely funding structure.

The other key element is the timescales for completing a Stage 2 application. Irrespective of the level of finance that groups can access for professional services, much of the development work falls to volunteer groups or boards. Being realistic about the time required to pull together a Stage 2 application is essential, with 6 months generally being the minimum time required.

Depending on the particular asset, we believe consideration should also be given as to whether the same level of detailed information is required from a group who could be considered as stewards with more modest ambitions.

Providing Support

There are several ways the local authority can provide support at this stage. There are examples where dedicated staff have been available to work with groups to help them develop a more robust business case or to build their capacity. Other options include:

- **Creating a champion** - It is important to a community group, and good practice for the local authority, to provide a single-gateway into the local authority via a named main contact or champion. This contact would have responsibility for liaising on behalf of the community group within the different departments of the local authority.

- **Providing information on the asset** – the local authority should be able to provide a property report for each asset to be transferred containing such information as the current condition of the building, property running costs, the current income from users, the cost of other outgoings.

- **Providing templates** – for business plans, asset management plans. Be clear and realistic about the information you require.

- **Providing support/expertise** – to help build the capacity of a group, develop the business case, give information on key policies, advise on risk assessment frameworks or supply funding information.

- **Providing links** – to other local/national agencies and intermediaries who can also offer support in some of these areas.

Evaluate and Refine the Strategy

It is crucial that the established cross departmental Asset Transfer Team continues to evaluate the process to test that it is working and that all departments that should be are involved in the process. Clearly it will be this team's responsibility to ensure any blockages are identified and changes are made.

Appeals process

It is important to have an appeals process in place at both stages of the application. If an asset transfer request is rejected on the basis of a poor business case or lack of capacity, the local authority should consider what support it is able to put in place to help the community group develop a more robust application. It has to be decided how the appeal is assessed and by whom.

Managing timescales

Experience suggests that in the majority of cases the time lapse between the community group submitting an application and the asset actually being transferred can be considerable. Lengthy timescales can undermine community confidence and commitment as well as potentially leading to a reduced level of service delivery. It is therefore essential that this is recognised and managed as the transfer proceeds.

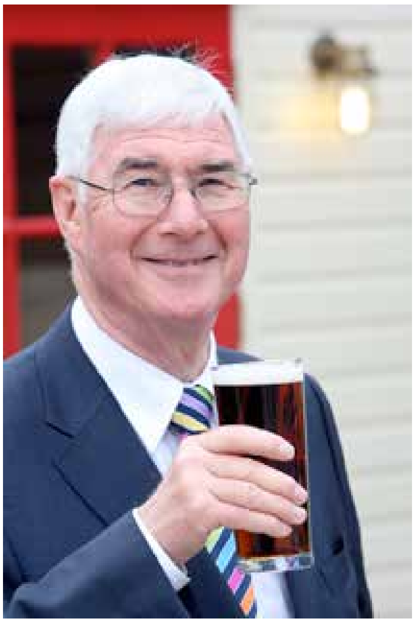
Asset transfer is not necessarily the right answer in every circumstance or for every community. Nevertheless, in the face of declining budgets and contracting service delivery, creating the conditions in which communities can explore potential new futures for surplus assets is ultimately beneficial for everyone.

References

Community Organisations Controlling Assets: A Better Understanding- Joseph Rowntree Foundation 2012 http://www.jrf.org.uk/publications/community-organisations-controlling-assets.

MAKING GREAT STRIDES FOR RURAL PUBS

John Longden FRICS FRSA



John Longden, Chief Executive, launched Pub is The Hub 10 years ago, following an inspirational challenge from HRH The Princes of Wales that rural licensees and pubs may be able to support some local services in their communities. Today he is supported by senior volunteers from the drinks, pubs and property industry who are keen to help licensees diversify and some communities consider taking on the great challenge of operating a pub themselves.

John previously spent his proper job as a Chartered Surveyor working in the 1980s with Grand Metropolitan and even had a time as Tied Trade Director in the North. In 1989 he managed the pub and hotels portfolio for Bass and Holiday Inn, followed by the main board at Greenalls as Group Director and from 2001 as a consultant in private practice with Gerald Eve.

As John often explains "you cannot stand still in this business or with rural services - you have got to try to help good licensees and their communities make a difference." www.pubisthehub.co.uk

This article follows on from the Community Right to Bid initiative. It shows successes in communities running rural pubs to provide a range of services, with the hands on help of Pub is the Hub.

What a year it's been for the rural pub services champions, Pub is The Hub!

The independent, not-for-profit organisation, inspired by His Royal Highness the Prince of Wales, encourages rural pubs to diversify to provide new services and advises communities deliberating whether to take over the running of their village pub. It has hit the headlines many times with some of the few good news stories about pubs in the last 12 months. Here's why:

- In the past 12 months, there were over 30 completed diversification projects in rural pubs providing 50 different types of additional services benefitting 10,800 people in the surrounding communities.
- With funding from the Big Lottery to support administration and expenses of its Local Community Services Champions programme, Pub is The Hub works with interested local authorities on a county by county basis. The aim is to identify what priorities exist for the provision of rural services in a region and then identify how many good licensees and pubs in those areas may be able to provide solutions for their communities. To date, 11 regions have launched initiatives

Workshop, east Yorkshire, October 2012

with the support of the Big Lottery Fund, ranging from Cornwall and Essex to Lincolnshire. New programmes are currently being progressed for Herefordshire and the East Riding of Yorkshire, which was launched recently in Driffield.

- £330,000 was leveraged by Pub is The Hub advisors for these pub-based service projects - approximately 75% provided privately and 25% funded through local authority services grants. A further £300,000 is currently proposed for ongoing or pending projects.

- 100 communities have also been provided with advice in considering the merits and feasibility of the community ownership or operation of their own local pub. An estimated population of 3,000 in these community areas has now been supported by 10 completed community acquisitions to date. A further 60 pubs remain under assessment with community groups around the country encouraged by the recent Localism Bill.

- In March 2012, Pub is The Hub launched a £1.3m national package of support for local services in rural pubs in Wales through a joint co-operation initiative between Pub is The Hub, Cadwyn Clwyd and the Welsh Government and aims to provide support for around 60 pubs that choose to diversify into new services for their communities across eight rural counties.

- During this time the organisation has been seen as a 'go-to' independent voice for community licensees with press and media appearances in the FT, Mail on Sunday, Sky News, BBC TV's Countryfile, BBC Radio's Moneybox, not to mention countless column inches in the local and regional media.

- December 2012 saw the launch of a new funding initiative called **The Community Services Grant** supported and kick-started by Diageo plc with a £50,000 contribution. The aim is to raise a country-wide fund to support rural pub services across the UK and was matched by Brandon Lewis, the Community Pubs Minister.

It is this initiative that John Longden sees as the next big challenge: "At the moment we have only been able to work on a piecemeal, county by county basis – as and when each local authority engages with us and is able to find small pockets of funding to support licensees. Unfortunately, as awareness grows it means that many pubs that fall outside these areas are not able to receive funding that they may need to pump prime schemes. We find that, generally, a pub will only need between £2,000 and £4,000 to get their project off the ground so the new Community Services Grant will typically pay for those initial costs."

John is hopeful that more pub owner/operators will kindly contribute to the fund - in many cases because they already support Pub is The Hub with financial contributions or with help in-kind through people-resourcing to run the regional hub structure. He adds: "When pubs are constantly held under the spotlight as an industry in crisis, we must respond with a unified approach to remind people that good licensees also represent an enormously valuable community and social resource that can be provided by a rural business.

"The recent debate in parliament about the Beer Duty Escalator tax highlighted, not only the country's love affair with the great British pint, but also its abiding affection for the local pub. MP after MP stood up to applaud the work done by good pubs to provide centres for their communities, social and economic hubs and drinking in a controlled environment."

Ironically, given the health lobby's onslaught against alcohol, Pub is The Hub is working closely with the Patient's Association and Age UK because both organisations can see that pubs play an important role in the well-being and, yes, the health, of many people – particularly those that can feel isolated in rural communities. In Cornwall the council's library services team are working with Pub is The Hub to put small library corners and IT suites into pubs as it's cheaper to operate and reaches far more people.

One scheme developed in Derbyshire at the Brickmakers Arms in Newton Solney interviewed a customer about how the new shop in the pub had really opened up and improved his life. After walking to collect his daily paper and groceries, he is also now having a coffee with other people in the village each morning as well as meeting all the mums who had popped in after doing the school run. Anecdotal stories like that are multiplied across every scheme, along with new part-time and full-time jobs, additional work for suppliers, and less travelling out of the village for essential goods and services.

Berry's Farm Shop, The Cholmeley Arms, Burton le Coggles

Perhaps the final words for all of those pubs run by great licensees can be summed up by John Jowers, the Cabinet Member for Communities & Planning at Essex County Council who made the wise observation: "Pubs are integral to our social and cultural lives; they are the keys to the community. Without pubs we lose the glue that brings communities together." Let's not forget that.

For more information about Pub is The Hub or the new Community Services Grant, please email info@pubisthehub.org.uk or telephone: 01 423 546165.

How can pubs diversify?

Here is a list of the schemes that enterprising licensees have developed with Pub is The Hub:

Community allotments

School dinners

IT training

WiFi access

Delicatessen

Café

Market garden

Camp site

Community marquee

Library

Post office

Meeting rooms

Cash machines

Butchers shop

Parcel drop off/collection

Local council information centre

Tourist information point

Lunch club for the elderly

Welsh language lessons

Micro-brewery

Farm shops

Keep fit club for the elderly

Theatre or rehearsal space

Community travel

Community cinema

Power wash & changing facilities for cyclists/outdoor activities

THE CODE FOR LEASING BUSINESS PREMISES – AGAIN

Richard Allen

Richard is a past ACES Coordinator for Commercial Asset Management and was for a time the ACES representative on the Commercial Lease Code Working Party.

Richard follows up articles in the Autumn Terrier with an exhortation for colleagues to adopt the Lease Code.

One of the topics discussed at the last DCLG/ACES Working Party meeting [Ed – featured in this Terrier] was the letter written to all local authority chief executives by Grant Shapps MP and Mark Prisk MP urging them to consider moving towards Code compliant commercial leasing terms and to consider the benefits of joining the Commercial Landlord Accreditation Scheme (CLAS). At the time of the meeting the only local authorities who had joined the CLAS were Bedford, Wolverhampton, Bristol, Milton Keynes, Boston and East Lindsey.

So why are local authorities reluctant or resistant to formally adopting the Code and seeking accreditation? In my view the reasons are:-

Political – Although the Lease Code and accreditation scheme were introduced during a central government labour administration, some local authorities who do not support the current coalition government's policies are opposed purely for political reasons.

Capacity problems so not a priority – Dedicating scarce and already over stretched resources to changing working practices to meet the accreditation requirements is not seen as a priority.

Do not see any benefits – Authorities that are already working to the principles of the lease Code do not see any benefits in formal adoption and accreditation and prefer to adopt a 'pick and mix' approach. As I pointed out during my time on the Lease Code Working Party this is often the case where authorities provide workspace for small to medium sized enterprises. So as part of their economic development strategy they already adopt a flexible approach. For example, my own former authority goes further than the Code with some terms by supporting business tenants in taking on the external maintenance responsibilities for such premises and not recovering the cost by way of a service charge. This policy was adopted so as to put the tenant, rather than the landlord, in a 'clear lease position'. By doing so it helps tenants with their business plans as they are not faced with any major repair surprises. The Council also in its marketing of business premises promotes that it offers streamlined, straight forward procedures for tenancy applications; easily understood tenancy agreements; flexible arrangements to suit individual business requirements; direct access to the Council's business support service that can provide business information, advice and support; advice on property and related matters to existing and prospective tenants; and that each tenant will have a dedicated property manager.

Misunderstanding of the Code – Some authorities believe that joining the accreditation scheme means adopting in full the 'model heads of terms'. Therefore, if they have an issue with any of the terms they do not think that they can achieve accreditation. This is not the case as it is possible under the Code to vary the terms. After all, the aim of the Code is to be flexible and offer options. It just means that an authority needs to be reasonable in doing so. For instance upwards only rent review clauses are permissible so long as the reason for inclusion is reasonable. This seems fair to me. The survey conducted by CLG through ACES also showed that there was inconsistency in which model terms authorities were reluctant to adopt - the main ones being rent reviews, alterations, insurance and repairs.

Restricts and weakens the negotiating position – The Lease Code 'model heads of terms' is an attempt by the industry representatives and key professional bodies, with the support of the government, to come up with fair terms that represent the middle ground in any negotiations. Some local authority estates surveyors are concerned that the Code could restrict and weaken their negotiating position, particularly when dealing with a major transaction where the tenant is professionally represented or in a lease agreement dispute with a difficult or awkward tenant. During my 35 years in local government, when latterly I was responsible for one of the largest local authority commercial property portfolios with over 1,000 business lettings, I cannot recall when working to the Code, as we did in principle anyway, would have weakened the landlord's negotiating position in any significant way.

Bedford District Council was the first local authority to achieve accreditation 5 years ago. As explained by Nigel Fairclough in the Autumn 2012 Terrier, this authority does not consider that the Code has had any adverse impact on its commercial estate and the adoption of the Code has given them a competitive advantage in the local market.

The Code was introduced because it was considered that small businesses tenants were not always getting a fair deal from private landlords. So I find it odd that the majority of the major property companies such as British Land, Land Lease, Land Securities, Grosvenor, Hammerson and Great Portland Estates, whose motive for holding commercial property is purely for profit, have all adopted the Code and joined the accreditation scheme. Yet the take up from the local authorities' remains slow when often a corporate objective is to support small businesses as part of an economic development strategy.

The letter from Grant Shapps and Mark Prisk said that 'accreditation will provide recognition to best practice and enhance the attractiveness of your local authority as a landlord'. Bedford Council has found this to be the case as have presumably the other CLAS authorities. The letter also said that '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'. At the meeting with DCLG we were encouraged to get our members to consider this 'wider general reason for adopting the code' as much as the direct benefit to the authority as a landlord. On behalf of DCLG and ACES I ask you to do this.

JOINT ASSET MANAGEMENT THROUGH THE CWM TAF REGIONAL COLLABORATION BOARD

Steve Dinnick

Steve Dinnick is Head of Corporate Asset Management and Support Services, Rhondda Cynon Taf County Borough Council. Steve spent his early career managing operational and development property within the ports industry. In 1993 he moved into local government and since that time has worked for 4 councils in South Wales, advising on strategic asset management.

Steve outlines a successful collaborative asset management initiative involving 11 public sector partners in South Wales. "by adopting a structured and transparent approach, the process has been far smoother than may have been anticipated at the outset."

Introduction

Partnership working across the public sector is a policy objective being promoted as part of a wider Welsh government strategy to ensure organisations are making best use of property assets.

It is clear that the appropriate vehicle to achieve this will vary considerably across Wales, depending on the organisations involved. This article, therefore, does not presume to offer a solution of general application. Instead, it sets out for consideration the steps that have been taken to improve joint asset management within the subject region, together with further work now proposed.

Background

1. Scope of the joint asset management cycle

Rationale

Local public sector partners each have their own challenging savings targets and plans to achieve. A discussion was initiated at the Merthyr Tydfil and Rhondda Cynon Taf Joint Local Service Board (now the Cwm Taf Regional Collaboration Board) in July 2011 about where opportunities lay for collaborative projects which would not just realise greater savings than individual initiatives, but would also provide an improved public sector infrastructure. From there it was agreed that Cwm Taf Health Board's Turnaround Programme would lead a number of collaborative 60 day cycles, the first of which to be scoped was joint asset management. The principle of a 60 day cycle is simply that once scoped and agreed, a project is completed within 60 working days – or less!

It was recognised that joint asset management can realise a number of wider benefits to public service:

- Better public service provision through improved property and co-location of services
- Improved productivity, changes in corporate culture and facilitation of corporate changes
- Property remains in good condition
- Improved property utilisation, bringing together similar uses into the same property, rather than providing them separately
- Release of capital for reinvestment or debt reduction
- Innovative strategic procurement

The project was lead by a dedicated Project Manager. This proved crucial to the project's success.

Purpose and Project Principles

It was agreed at the outset that the purpose of the cycle would be to provide a platform for:

- Securing best value from the collective public service estate
- Improving access to services and facilities for citizens
- Identifying opportunities for collaboration, shared services and integration

Anticipated outcomes

Scoping work with partners indicated that there was clear commitment and enthusiasm to take this work forward, driven by a collective belief that there are significant efficiencies and savings to be released through joint asset management. It was proposed that the collaborative cycle should achieve the following 3 aims:

Aim 1 - Develop a public service asset database:

- Use of the ePIMS Lite website (an electronic property mapping information service) to create a local assets database
- The database would detail the collective assets owned and leased by the public service partners
- This in turn would generate an understanding of those assets, by location and function

Aim 2 - Develop an understanding of the requirements for any mutual agreements/protocols (either nationally or locally):

- The need to ensure confidentiality, trust and sensitivity in sharing information across organisations regarding assets was acknowledged by partners
- The development of mutual agreements/protocols should be seen as a tool rather than a barrier to sharing information

By completing these aspects within a 60-day cycle it was anticipated that options would emerge which could be of mutual benefit.

Aim 3 - Identify opportunities of mutual interest:

- It was anticipated that this could be by service areas (e.g. health & social care or one-stop shops)
- Or may be by geographical area/ ward (e.g. as part of a town centre regeneration, or the areas identified with the greatest potential return once the joint asset database had been completed on ePIMS.

Partners

There has been great interest in this cycle from amongst public service partners, with the number of organisations involved growing considerably during its course.

Partners Originally Signed Up to the Cycle

- Cwm Taf Health Board
- Merthyr Tydfil County Borough Council
- Rhondda Cynon Taf County Borough Council
- South Wales Police
- Welsh Government

Additional Partners

- RCT Homes
- University of Glamorgan
- Welsh Ambulance Service Trust
- South Wales Fire & Rescue
- Wales & West Housing
- Third Sector (via VAMT and Interlink)

2. Outcomes of the joint asset management cycle

A comprehensive public service asset database has been developed. The majority of the above organisations have 100% of their assets uploaded on to ePIMS Lite. The possibility of a pilot with the third sector to begin to map their assets is currently being discussed with Welsh Government. Opportunities now exist to use ePIMS as a tool for planning collaborative opportunities. ePIMS Lite provides a valuable database which will be regularly updated and embedded into organisations' property review processes. At the end of the 60-day cycle, the position statement for the database of assets within Merthyr Tydfil and Rhondda Cynon Taf was established. It showed over 1,500 assets registered on the system.

Although not identified within the original scope of the project, it was felt that a useful starting point would be to identify examples of existing partnership arrangements before moving on to examine future opportunities of mutual benefit. The examples include sub-leases, shared premises and hosting arrangements. Partners were surprised by how extensive the list of examples was. This provides a strong and encouraging foundation for future partnership working. However many of these arrangements are historic and vary in nature. Whilst there is not necessarily a need to alter any existing arrangements which are in the interests of all parties, this exercise has posed the question of whether any future partnerships arrangements need to be standardised, for example through a common 'Heads of Terms' agreement.

Partners have shared operational priorities, from which some opportunities which may be of mutual benefit have started to emerge. From developing a full list of shared operational priorities, a number of opportunities of mutual benefit started to emerge under the headings of desirable acquisitions; planned disposals; known under-utilisation of facilities; and planned reviews of facilities/ assets:

- Potential to parcel the disposal of adjacent assets
- Rhondda CynonTaff CBC, Merthyr Tydfil CBC and Cwm Taf LHB are all

undertaking reviews of office accommodation. These may present opportunities for both facilities and back office functions

- The development of one-stop shops should be given further consideration
- Some public sector disposals could provide options for the development of additional student accommodation by the University of Glamorgan
- Planned acquisitions by housing associations should be considered alongside planned disposals by other partners

These emerging options were discussed at a wider stakeholder workshop in May 2012.

3. Next Steps

As an outcome of the work undertaken during the 60-day cycle, the Joint Asset Management Project Group made the following recommendations, which were agreed at the Cwm Taf Regional Collaboration Board:

1) Establishment of a formal Assets & Property Management Network with early input from town planners, highways and conservation officers:
This will be a strategic forum, the role of which will be to continue the population and review of asset management information on ePIMS Lite; to progress the actions identified as an outcome of the 60-day cycle in its first year (see below); and to develop a more sophisticated and planned work programme in year 2 based on the ongoing review of ePIMS Lite.

2) Organisations to ensure the on-going population, maintenance and analysis of ePIMs to explore further opportunities of mutual benefit:
This will enable the Assets & Property Management Network to continue to review opportunities of mutual benefit.

3) It will be important to ensure the network does not become a talking shop so **the Regional Collaboration Board is requested to prioritise a specific work programme**. It is recommended the work programme should include:

a) Matching Health, Council (including education) and Police disposals to planned acquisitions by the University of Glamorgan, RCT Homes, Merthyr & the Valleys Homes and Wales & West Housing.

b) Sharing the outcomes of the back office and accommodation reviews undertaken by RCT CBC, Merthyr Tydfil CBC and Cwm Taf Health Board.

4) Commencement of third sector asset mapping.

5) Retain links with the National Assets Working Group to explore the potential of developing a standardised Heads of Terms and a Disposals protocol.

6) National Assets Working Group to review the Land Transfer Protocol based on feedback from users after its first year to ensure all parties have greater confidence in its use.

Lessons Learned

Great commitment and enthusiasm was shown by partners. This bodes well for future collaborative cycles. The emerging opportunities of mutual benefit are coincidental rather than planned. Establishment of a formal network will be important in both progressing the initial work programme, and in developing a more sophisticated range of planned collaborative options.

The decision to invite housing associations/registered social landlords to take part was greatly appreciated by those organisations. Support from the Welsh Government was crucial in ensuring local work was linked to and consistent with the National Assets Management Work stream. The cycle benefited greatly from the experiences shared from a similar exercise at another Welsh Local Service Board.

Present Position

In October 2012 the establishment meeting of the Cwm Taf Property and Assets Network took place. Terms of reference have been agreed and a work programme for the first year has been recommended to the Partnership Board for approval.

The success of the approach in delivering outcomes still has to be demonstrated. It is clear however, that the partner organisations and individual officers involved are committed to the process of collaboration and therefore there is reason to be optimistic of a successful outcome.

Certainly it can be said that by adopting a structured and transparent approach, the process to date has been far smoother than may have been anticipated at the outset.

RATIONALISATION OF THE PUBLIC SECTOR ESTATE

Peter Parkes

Peter has been Head of Property Services at Worcestershire County Council since February 2010 where he has led many cross partner initiatives including the recent Capital and Asset pathfinder work which seeks to make savings from joint working, collaboration and sharing of public sector assets. This partnership, of 19 Worcestershire wide public sector bodies, is unique across the country and provides real evidence of the benefits to be gained from working in partnership with others.

Peter has over 30 years experience of working in property and construction, with particular expertise in project management, procurement, asset management and PFI. He has worked in both the public and private sectors. In his time at Worcestershire County Council he has acted as Project Director on two major PFI schemes, the latest of which is Worcestershire's innovative joint public and university library – The Hive, which was opened by the Queen in the summer of 2012.

Peter updates on progress with the Worcestershire Capital and Asset Partnership and its "One Town" approach to achieving effective service and property partnerships.

Introduction

This article is based on a presentation given to the Heart of England Branch and explains how the public sector estate is being rationalised in Worcestershire through a partnership approach. It is also an update on the article 'Worcestershire Total Place and the Public Estate' produced by Malcolm Williams, the former Head of Property Services at Worcestershire County Council, which appeared in the Summer 2010 edition of the Terrier.

The Public Estate

The public sector needs to transform the way it delivers its services and the way people work. But at the same time it must protect frontline services as much as possible.

The better use of property and land can help deliver this transformation, but this will mean having a different property portfolio than we now have. In future it must be one which is more customer facing, responsive to local needs, flexible to allow changes, more sustainable, energy efficient and above all affordable.

The Worcestershire Capital and Asset Partnership

This partnership includes Worcestershire CC, Worcester City Council, Malvern Hills DC, Wychaven DC, Cabinet Office, Job Centre Plus, West Mercia Police, Herefordshire and Worcestershire Fire and Rescue, West Mercia Probation Trust, Homes and Communities Agency, The Church of England Diocese of Worcester, North Worcestershire Economic Development and Regeneration and the NHS Trust.

Its property transformation programme is built on a partnership wide approach that places the customer first and uses its assets to both facilitate and drive service transformation and innovation – 'thinking differently'.

The partners have agreed that the days of single service single occupancy buildings have now gone. In the future its services will be delivered from property stock that will be multi partner/multi agency and customer facing. It will be a mix of public/private/voluntary sectors' assets and some will be community managed.

A 'One Town Approach' – A Strategy for the Future

Worcestershire is a county of small to medium sized towns from which the majority of public services are delivered. The strategy, therefore, has adopted a 'One Town Approach' - reviewing public sector service delivery on a town by town basis.

The first task was to establish an accurate data base and map of the entire public estate in the county. How this was done and the information used to inform decision making by the partnership is described in some detail in Malcolm William's article already referred to. The strategy was developed through locally based workshops which resulted in a one size does not fit all policy approach to the transformation of services. A Worcestershire Capital and Assets Steering Group was established which reports to a Partners Chief Executives Group. Worcestershire CC has established its own internal Corporate Landlord Board for its property assets so that they are seen as being owned by the council, not the service departments.

The following are examples of local solutions that have been developed through the partnership to improve public services by innovative thinking:-

EVESHAM – a community contact point has been developed to deliver a wide range of services through staff integration. This is based in a police building and has an integrated front desk for services.

STOURPORT – a new model of ownership and service delivery has been set up which includes asset transfer.

BROMSGROVE – property is acting as the catalyst for change to drive regeneration of the town centre by creating development sites through rationalisation.

PERSHORE – service transformation is being achieved through joint working which includes the sale of the county library to the Town Council.

MALVERN – a number of services have been moved into the local library, including the District Council customer contact centre, Registration Services, Job Centre Plus, and touch pints for Adult and Community Social workers.

UPTON – under the localism agenda the Town Council is leading a review of local services and the County Council and the Police are supporting a 'One Town' approach to improving public services.

WORCESTER – the Hive is Europe's first fully integrated public and university library which includes a community contact centre, family history centre and a range of other historic services.

JOINT POLICE AND FIRE STATIONS – have been developed from a wider estate review and are supporting regeneration.

DEPOTS – the South Worcestershire review will result in fewer more sustainable depots through co-location and sharing of facilities.

Progress to date

So far there are over 30 county wide partnership projects. The County Council has already released 19 buildings and is targeting to release 100 buildings by 2016. It has also identified £30m in capital receipts and a further £4m plus revenue savings.

Critical Success factors

These can be summarised and listed as follows:-

- Build on existing partnerships
- Establish strong leadership
- Identify benefits
- Ensure there is something in it for everyone
- Work with the willing
- Share delivery
- One size does not fit all
- Keep it simple
- Carry out all internal partner transactions at market values and fair rents
- Resource appropriately and adequately
- Service transformation and property rationalisation must be related

Partnership Vision for the future

There will ultimately be a 'One Town Approach' developed for every major town in the county. A Joint Worcestershire asset management strategy will be produced and new delivery vehicles will be explored such as joint ventures/special purpose vehicles/property trusts that give shared ownership with joint decisions, joint property and facilities management and a single property service - all designed to maximise the potential of land and property.

My Vision

I have a dream…………where the public sector property professional is the first person consulted on strategic transformation and change because services recognise we might just hold the key to them achieving true transformation.

Oh well………..I did say it was a dream!

BUT there has never been a more exciting more dynamic or more important time to be working in the public sector. This is our time – please make the most of it.

And good luck!

WHAT NOW FOR PRIMARY CARE ESTATE?

John Henry

John is the Assistant Director for Estates, North Essex PCT cluster. After obtaining a Degree in Electrical and Electronic Engineering, John entered the world of design and development in the defence industry. Disenchanted with seeing his designs go up in smoke (literally!) he switched to a career in the health sector. John collected the PFI of the year award for Darent Valley Hospital and achieved Best Operational Health Scheme for Lewisham Hospital.

Areas of work in both the Private Sector and the NHS included Bio-Medical Engineering, Information Management and Technology and ultimately Estates & Property Management.

Despite the technical nature of much of his work, John gets the most job satisfaction from the management of people; he has led teams of diverse skills and requirements from hospital porters to technology and estates professionals. He thrives on the development of teams, improving their confidence and abilities in order for them to make a real difference.

John lives in Colchester and his latest aim is to achieve Chartered Engineer status in 2013. He spends his spare time restoring an old VW campervan which satisfies his inner engineering desire to hit things with a large hammer!

The abolition of Primary Care Trusts and Strategic Health Authorities, following the passage of the Health and Social Care Bill, is the biggest single shake up of the NHS for some considerable time. This article examines the impact of recent changes to the NHS and in particular where that leaves the estate and opportunities to improve asset management. It is anticipated that the transition will take us through to 2015.

NHS Primary Care Trusts (PCTs) are currently responsible for controlling some 80% of the NHS' £76 billion annual budget, which is used to commission health services for their local populations. In addition, they have responsibility for public health, and many PCTs provided community-based health services, such as district nursing and community hospitals.

Commissioning a Patient-Led NHS announced plans to contract out community health services provided by PCTs to providers by the end of 2008. The separation of healthcare into Commissioners and Providers functions has now been completed, with Community Services being provided by a variety of organisations including private sector organisations, NHS Foundation Trusts and Social Enterprises.

The latest health care reforms aim to deliver "better health, better care and better value for money". This is to be achieved by the formation of a number of organisations.

So what are these new organisations?

Clinical Commissioning Groups (CCGs). CCGs will have the freedom to commission services for their local community from any service provider which meets NHS standards and costs – these could be NHS hospitals, social enterprises, voluntary organisations or private sector providers.

Health and Wellbeing Boards in every area will ensure that services work together and are responsive to communities' needs and priorities.

Local Healthwatch will give patients and communities a voice in decisions which affect them, reporting into:

Healthwatch England, a new national body to represent the views of the public.

Local authorities will commission care and support services and have a new responsibility to protect and improve health and wellbeing.

Public Health England will provide national leadership and expert services, to support public health and work with local government and the NHS to respond to emergencies.

NHS Commissioning Board (NHS CB) will fund local CCG's to commission services for their communities and ensure that they do this effectively. Some specialist services will continue to be commissioned by the NHS CB centrally where this is most efficient.

Health trusts will continue to manage hospital care and community and mental health services, with all trusts becoming Foundation Trusts to benefit from greater independence to manage their own services.

Commissioning Support units will deliver transactional services to these emerging organisations such as HR advice, finance, and procurement as well as the provision of IT services.

So what about NHS Property?

As part of the structural changes happening within the NHS, the Department of Health has set up a property company (NHS Property Services Ltd) to provide expert management of a large portion of the NHS estate. The company will own and manage all Primary Care Trust estate that is not being transferred to NHS providers in March 2013. It will also manage surplus Strategic Health Authority (SHA) and the Secretary of State for Health owned 'retained estate'.

Where property is occupied by more than 50% by a Foundation Trust (FT) or NHS Trust, that organisation has had the opportunity to receive that property as a transfer effective 1 April 2013. For sites that have multiple occupiers, the majority occupier is not a FT or NHS Trust or the occupying Trust declined the opportunity of ownership, then the transfer will be to NHS Property Services Ltd.

Staff will follow the properties and TUPE to whatever organisation will own the properties.

The initial aim is to achieve a seamless transfer of the estate and day-to day management of it to the company prior to the abolition of PCTs and SHAs. Over time, the organisation will drive greater efficiency in the management of the estate, with resources freed up to improve properties and invest in other frontline services.

The PCT portfolio accounts for c£6.6 billion, of which c£4.6 billion is freehold. Approximately two thirds of the current estate is expected to transfer to NHS Property Services Ltd. This estate is likely to include:

- Administrative buildings
- Operational community care property
- Operational primary care property, e.g. some GP surgeries
- Surplus property

To date, some 3,000 staff and 3,600 estate, properties and assets have been identified as eligible to transfer to the new company. Most of the estate is operational and has around 10,000 tenants.

The service portfolio is detailed below.

Core Services

Landlord and advisory services that Primary Care Trust estates teams currently provide or manage. These include:

- strategic estates management
- property management advice
- operational delivery of services
- refurbishment and maintenance
- emergency/on-call repairs
- quality assurance
- compliance with statutory regulations (such as fire, asbestos)
- non-urgent breakdowns (electrical, mechanical, building)
- planned preventative maintenance
- health and safety, fire safety and risk assessment (landlord only)
- mechanical and engineering services

Additional Services

These will be offered where they are currently provided or contracted for by Primary Care Trusts, such as:

- cleaning
- catering
- portering
- grounds maintenance
- waste management
- pest control
- security services
- reception staff/centre management (in an integrated building)
- car park management

Services not planned, either in the immediate or longer term

- IM&T
- Telephony
- the employment of Chaplaincy services
- management of transport (such as car leasing and Patient Transport Services)
- office equipment, stationery and furniture

The range of services to be delivered by NHS Property Services Ltd has been agreed by the Department of Health's Transition Executive Forum. It is envisaged that where services are not provided by NHS Property Services Ltd they will be undertaken by Commissioning Support Units or other local providers.

A strategy for unoccupied property will be produced, although some sites have already been declared surplus to operational requirements and will form part of a disposal programme. Leases with current tenants will transfer to NHS Property Services Ltd unchanged.

The emergence of NHS Property Services provides many benefits. There is for example the opportunity to unlock accommodation that may have been previously restricted to the provider organisation that controlled the building. The opportunity for providers to release space coupled with effective marketing and visibility of vacant space will ensure that the asset is well and truly "sweated". Occupancy levels can also be increased by multiple organisations sharing rooms and space and increasing operating hours beyond Mon-Fri 9:00 to 17:00.

The separation of Property management from commissioning ensures that prop-

erty issues are addressed at tender stage rather than as an afterthought. This means that leases and licenses are discussed and agreed before contract start; true property costs are identified and associated with the service that is being provided. These costs will be reduced as building efficiency increases.

Economies of scale can be delivered by the emergence of NHS property Services as a single large organisation. Procurement, standard policies, staff development and career path are just some examples. There is also the opportunity to focus on H&S, quality and sustainability in the built environment. Specialised expertise and experience can be made readily available across the organisation or brought in as required in an affordable manner.

It is important to maintain local knowledge. However; this is to be achieved by maintaining a local arm that mirrors the NCB Local Area Teams. These local teams are supported by Regional Directors reporting to a National Board.

There are of course challenges, how to ensure we harness both private and public sector partnerships to deliver true efficiencies, maximise the use of space, bring all buildings up to excellent condition and deliver exciting new multi-functional buildings.

This will take time. It is anticipated that the transition will take us through to 2015 with transformation following on in the subsequent years

As is apparent there is much to understand, control and change in respect of PCT property. There are a couple of tests that we should always apply to all decisions we make, does it make sense and will the patient benefit? Only time will tell, but for me the simple answer is yes.

The Terrier

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OUTTURN APPROACH – FINANCIAL VIABILITY TESTING OF STRATEGIC DEVELOPMENT SITES

Charles Solomon MRICS

Charles outlines a recent appeal decision where dealing with potential changes in market conditions was dealt with by agreeing an uplift in delivery based on reasonable growth assumptions – an outturn approach.

Charles Solomon has worked for DVS, Valuation Office Agency for over 20 years, and prior to that was a property developer. Until partial retirement in 2012, he was head of the Development Valuation team, concentrating on development viability and urban regeneration. Charles has been on a number of RICS Guidance Notes steering committees. He is currently Chair for the revision of GN Valuation of Affordable Housing Land. He is the trainer for RICS on courses "Valuation of affordable housing land" and "Financial viability in planning". He works closely with policy teams at DCLG and HCA, as well as local planning authorities throughout the UK. Charles is Secretary of South East Branch. charles.e.solomon@voa.gsi.gov.uk

Valuation of development land is a complex process, increasingly because of the cumulative impact of planning policy obligations. These relate to site-specific sustainability and design demands, community infrastructure and services (s106 and CIL), delivery of affordable housing, adoption costs, bonding, etc, and transport policies. The recently released RICS guidance note (GN) 'Financial Viability in Planning' has been welcomed by practitioners as being a timely and well considered authority for best practice in assessing site specific and area wide studies. The GN adopts the same general principles as that of VIP12- valuation of development land, in particular that the site should be assessed based on current market conditions. It recommends that the practitioner should carry out supplementary sensitivity tests to check the robustness of the assessment.

Whilst this approach is appropriate for the typical development with a programme of 5-6 years, it may not take into account likely changes in market conditions over a longer period. Local planning authorities (LPAs) have sought to resolve this by including viability review mechanisms in s106 agreements, and a good example of this is in the recently determined planning appeal at St Edmund's Terrace, Camden.

While review mechanisms are widely used, there are concerns that this may lead to uncertainty, both for the developer and LPA. Uncertainty for the developer may result in funding difficulties, making the development undeliverable.

An alternative approach is to adopt an 'outturn' approach for longer term developments. This recognises that a current day assessment may result in insufficient delivery of planning policy requirements to be acceptable in planning terms, but that the development over a longer period is likely to see changes in market conditions during the overall programme. If these future changes are explicitly assessed, making reasonable assumptions, the development may then be able to include sufficient planning policy requirements to make the scheme acceptable in planning terms.

The lead planning appeal decision for this approach is the appeal on land off Lydney bypass, Lydney, known as Lydney 'B'. The proposed scheme was for a residential development of 750 dwellings and a reserved site for a school on a total site area of 25.55ha.

The approach adopted by the appellant was on a traditional current day basis, and proposed including 13% affordable housing.

The expert witness for Forest of Dean DC was James Feltham (JF) of DVS. He went into some detail to explain that in this type of strategic development site the usual approach was for an 'enabling' developer to acquire the site, obtain overall outline planning consent and provide the general infrastructure, subsequently selling off development site parcels to commercial developers and house builders. The time taken to develop this type of strategic site was likely to be in excess of nine years, and it was also likely that market conditions would vary significantly over that period. Whilst an assessment based on (depressed) current market conditions showed that 20% affordable housing only could be delivered, JF advised that the scheme only needed to see modest increases in sales values during the development period (by 8.12%) and build costs (by 7.5%) to show that 32% affordable housing could be delivered. An increase of sales values by 20% and build costs by 17.8% over the development period would deliver 45% affordable housing. Looked at in this way, JF considered that assessment of affordable housing numbers should either be dealt with by a phase by phase review mechanism, or by settling at a percentage now that reflected reasonable growth assumptions.

This approach was endorsed by the appeal inspector, who stated "*…The effect of omitting forward projections is therefore to exclude entirely any future benefit to the balance sheet of an upturn in the housing market and in receipts ….. Over such a long period it is likely that viability data would change significantly in comparison with the current circumstances…*" The case was called in by the Secretary of State, who stated "*…in the context of the lengthy time span of the proposed development, the downturn represented by the 'credit crunch' can be regarded as temporary and relatively short-term in nature…*" The subsequent decision of the Court of Appeal was that the approach adopted by both the appeal inspector and secretary of State was sound.

As a consequence of these decisions, the appellant and LPA agreed an outturn approach delivering 30% affordable housing, without further review mechanisms which was a considerable increase from the initial proposal of 13%.

The approach adopted by DVS has been recognised as good practice by the RICS and included within the GN. It takes the approach a stage further in stating: "*…It is important to distinguish in cases where projection modelling is used between market value growth and site regenerative growth when preparing appraisals. Larger schemes may be subject to intrinsic/internal value growth as a result of development, achieving a critical mass that may or may not be reflected in the broader market…*"

To summarise, the assessment of development viability of large development sites that will take some years to complete should consider the issue of likely changes in market conditions. This may well result in potential viability of schemes that would not be viable based on current day valuation assumptions. Dealing with the potential changes in market conditions can be dealt with either by way of subsequent review mechanisms or by agreeing an uplift in delivery based on reasonable growth assumptions (outturn approach). Review mechanisms create uncertainty both for the developer and LPA but reflect real changes in market conditions. The outturn approach removes the uncertainty, and offers LPAs an improved level of planning policy requirements. Both choices may result in funding difficulties for the developer, so getting the balance right is crucial. If the outturn approach is adopted, it would be unreasonable to seek additional viability reviews unless there are very specific circumstances justifying this.

In this article we continue to follow the innovative practices of UK Regeneration. Jackie spoke at the Barnsley Conference and a follow up article was featured in the Summer Terrier 2012. Here, "The Method" defines exactly what UKR will do on a site. There is also a brief update on the Nottingham project.

HOUSING REGENERATION – "THE METHOD"

Jackie Sadek

In 2007 Jackie became Head of Regeneration for CB Richard Ellis, leading a number of flagship projects within their newly created Regeneration practice, before leaving to form UK Regeneration at the end of 2010.

Jackie has over 20 years' experience in property development, managing large-scale urban regeneration projects and public-private sector partnerships. She is expert in stakeholder engagement and in forming land ownership partnerships to bring forward difficult sites, including securing funding for local economic benefits arising from the development process..

As Chief Executive of UKR, Jackie is establishing UKR as the true voice for new models of regeneration in the UK. jackie.sadek@ukregeneration.org.uk

"The Method"

UKR has aggregated best practice in leveraging benefits from the property development process and supplies these as standard to our model, not in the s106 or the CIL calculations, nor a cynical PR strategy, but simply as the way that we will undertake our developments in order to effect as much urban regeneration benefit as is possible for the local community.

What follows has been provided with a view to assisting officers in drafting committee reports or proposals for bringing forward sites. It is an attempt to put into a process a number of human factors.

UKR PROJECTS

"The Method" summary

1. Principles and Commitments

UK Regeneration has brought together a unique approach born of decades of collective experience of good and bad practice in urban regeneration projects.

Every UKR development will be based on explicit principles and commitments:

- It will be a commercial activity leading to a viable long term investment.
- The values of public service will be embedded in what we do.
- We will always put people first.
- We will aim for the most desirable outcomes for the long term well being of the local area.

To make those principles and commitments tangible and demonstrable we have set out a "Method" showing clearly how at each phase of devising, implementing and managing a project there will be specific actions and more detailed commitments. Projects will be implemented openly and transparently, and with the minimum of fuss.

The Method will be supported and implemented by a simple standardised suite of legal and policy documents.

2. The phases, stages and commitments

2.1. Phase 1: Selection

- Test credentials of site against UKR Framer.
- Meet with local authority and/or others until all parties are comfortable with the approach.
- Connect local authority officers with peers in other local authorities working with UKR.
- Determine initial "broad brush" development appraisal.

Commitment: UKR will make quick decisions based on simple publicly announced criteria to determine whether to engage with projects. These criteria and the commitments below will be the offer made to local authorities and other local partners.

2.2. Phase 2: Do a deal

- Secure sign off from the banking consortium, in principle, to fund the scheme.
- Work with local authority and/or

others to achieve requisite sign offs to proceed, in principle.

- Fix price for site, fix exact deferred period, fix share of surplus (if applicable). Invoke legal process and sign deals.
- Form appropriate vehicle.
- Draw down funds from the banking consortium, to an agreed schedule.

Commitment: UKR's process will be simple and clear, based on our standard model documents. UKR will offer a fair initial price for the land and a contribution from development surplus where available.

2.3. Phase 3: Link into local regeneration

- Commence public relations (PR) strategy, as guided by the Communication Department of local authority.
- Commence ongoing work with the local authority, the LEP and/or whoever else appropriate to utilise the investment as leverage for the local economy generally.
- Commence leading edge social media strategy.
- Hoard the site, and commence the branding strategy

Commitment: UKR will support local partners in transforming the perception of an area.

2.4. Phase 4: Create a genuinely local quality offer of homes and services

- Assemble professional team, utilising local firms wherever possible.
- Fix the design in broad terms, the quantum of residential and the split of units (flats and houses), and the likely uses of the ancillary space.
- Establish consensus around the architectural treatment.
- Establish strategy for minimising carbon footprint (Code Level 4 minimum in homes, transport strategy offering incentives to minimise the use of the private car).
- Ensure the public realm will be create a liveable place; hard and soft landscaping to be deployed in expert measures. Enduring planting and maintenance strategies to be deployed.
- Agree routes and terms of roads, walkways and cycle ways, to ensure the maximum connectivity utilising "Secured by Design" principles.
- Base choice of local amenities on local data and comparisons with nearby similar locations.
- Agree exact quantum and uses for the amenities that will be complementary to the residential component, e.g. food retail convenience format, under-5 day care facility, cafes, bars, restaurants. In doing so, we will identify what to provide and for whom to make this a desirable place for the particular target market.
- Secure planning permission (including any EIA or other necessary documentation).
- Commence marketing campaign. Open a marketing suite (which will be co-located with the site office).
- Secure acceptance of any roads to be adopted by the local authority (and Highways Agency or other).
- Agree strategy for lighting and signage with the local authority.

Commitment: UKR will create a high quality place to enhance the local area.

2.5. Phase 5: Embed local engagement

- Commence community engagement strategy.
- Commence stakeholder engagement strategy.

Commitment: UKR will work with local residents, businesses and local representatives to ensure that the new development enhances the quality of the local area, meeting real needs.

2.6. Phase 6: Link construction to local economic benefits

- Appoint principal contractor, and agree terms under which sub-contractors may be utilised.
- Put in place prelims on local employment and training into the contracts in the construction phase, utilising CITB best practice.
- Appoint local liaison person to staff site office.
- Open a site office with a single point for application for jobs.
- Commence construction training strategy, starting with CSCS training.
- Establish help line for local residents and publicise widely.
- Commence local supply chain strategy.

Commitment: UKR will ensure that the local people and companies secure maximum benefit from the construction process.

2.7. Phase 7: Attract occupiers

- Commence marketing campaign to attract potential residents.
- Sign Heads of Terms for the uses complementary to the residential component such as convenience stores and restaurants.
- Immediately commence working with those operators on their local recruitment strategy.

Commitment: UKR will ensure that all occupiers will add value to the locality, bringing economic vitality to the area.

2.8. Phase 8: Build it

- Commence build out.

- Establish appropriate community relations programme (e.g. school visits) wherever deemed appropriate by the local authority.

- Complete build out and commence fit out.

- Launch community facilities with an inclusive party.

Commitment: UKR will minimise the impact of the building on existing neighbours and residents while demonstrating its long term commitment to being part of the community.

2.9. Phase 9: Occupy and manage

- Establish sensitive management regime and local "human face" of UKR estates management team.

- Complete fit-out. Commence occupation phase, with full welcome pack/occupiers guide.

- Bed in all residents and tenants, snagging and so forth.

- After agreed period, comply with deferred payment and any surplus to be returned to local authority.

- Deliver high quality continuing management conforming to UKR brand values.

Commitment: UKR will be around for the long term helping to grow the local economy and improve opportunities for all.

Update on Lenton, Nottingham

Since the Barnsley Conference, solid progress has been made at the pilot site in Lenton, in partnership with Nottingham City Council. The land deal nears completion and we embark on an ambitious planning timetable at the beginning of the new year, commencing our community consultation process on 3 January. The site will accommodate of the order of 200+ residential units with up to 3,000 sq m non-residential. We will be on site in the spring and **ACES members will be invited for a site visit during 2013.**

CPO CASE – No 'Well-BEING' FOR BROMLEY BY BOW?

Stan Edwards

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

There was a lesson to be learned from the Wolves case - the courts have been astute to impose a strict construction on statutes expropriating private property. In the light of the failed CPO at Bromley by Bow it is useful to attempt to analyse the sources of errors in preparing recent CPOs.

"Peep at Bromley by Bow
Lost a C P O
Even with planning behind them
Leave them alone, they'll have to atone
For leaving statute and guidelines behind them" Stan Edwards

Introduction

Bromley by Bow (BbB) is an area of London in serious need of regeneration and the Inspector at the BbB CPO Inquiry acknowledged that. The serious lesson for everyone is that no matter how good the scheme or how great the need, unless you can demonstrate that CPO principles have been followed there is a greater likelihood that the CPO will fail and rightly so.

It provides comfort when reading a judgment, or a CPO Inspector's Report where the decision demonstrates that the inspector has scrupulously followed the guidelines - we expect him/her to do so. At the same time it amazes me that, as the lines of argument are so easy to follow for those that know the rules, why those who promote a CPO think that inconvenient components can be glossed over and presumably assume that, with a bit of luck, no-one will notice.

Many of us delivered numerous successful CPOs before and after 2004 without encountering challenge. It is easy to demonstrate that many losses of CPOs have been through extravagant creativity and a somewhat disregard for the rules. Since 2004 we have had Supreme Court decisions (e.g. Wolves) and those of sentient inspectors in the Bromley by Bow and Heron's Quay Inquiries (both in Tower Hamlets) beginning to apply the rules many had forgotten and by which we all attempt to live. Those, and their advisers, who do not seem to follow the rules, only have themselves to blame. These may be the very people who would complain that the rules are unfair, saying perhaps that the rules applied impartially appear to disfavour the perpetrators.

So what happened in BbB that is so much a useful encouragement to those of us who attempt to follow the rules?

Background

The case of Bromley-by–Bow stems from a retail led regeneration project in an area of East London within the designated area of the London Thames Gateway Development Corporation (LTGDC).
It involved the proposed delivery of a two phased retail-led scheme in the London Thames Gateway Development Corporation (Bromley by Bow) (South) Compulsory Purchase Order 2010, using the Corporation's CPO powers. The Order was made on 2 March 2010 with the Inquiry sitting in late July and late September 2010. The purposes of the Order were "to secure the regeneration of the area by bringing land and buildings into effective use, encouraging the development of new commerce, creating an attractive environment and ensuring that housing and social facilities are available to encourage people to live and work in the area by the provision of mixed use development." Both phases had planning permission, the first phase (the Tesco element) had detailed consent and the second was in outline. A misconception is that if a project fulfils planning policy and is an accepted regeneration project, it fulfils the CPO requirements to demonstrate a compelling case in the public interest or that it justifies the use of CPO powers.

The Case

At a Public Local Inquiry, the Inspector considered the issues generated by objectors to the CPO. There seems to be little dispute between all parties that there was a need for regeneration of the area. The prime area of contention was the handling of the scheme delivery and the CPO process.

The only people surprised by the Inspector turning down the CPO were those who had not fully understood the requirements of the CPO process. Two key aspects highlighted by the Inspector:

1.The enabling power and the application of specific guidance

2. The general guidance of ODPM Circular 06/2004

However, the simple application of the guidance of the Circular, particularly Appendix D Para.7, by the acquiring authority and its advisors would have killed these two birds with one stone.

The Power

Since 2004 we have become used to the empowerment of regeneration CPOs to be the Town & Country Planning Act 1990 Sect. 226 (as amended) and as such, we are used to looking at whether the acquiring authority had complied with the terms of the statute in respect of 'think will facilitate' (Section 226 (1) (a)) the development , redevelopment, improvement of the land, as qualified by the social, economic and environmental well-being qualification of Section 226 (1A).

Such was not the case here. Social, economic and environmental well-being as a qualification in terms of empowerment was not required. However the compulsory purchase empowerment under the Local Government Planning and Land Act 1980 (LGPAL Act) Section 142, although very wide, did include its own 'socio/economic well-being' provision – that relating to businesses affected by the CPO and the specific requirement by the acquiring authority to find alternative premises. The usual CPO mitigation principles (noting Shun Fung provisions) were overridden by the statute. The specific requirement of the Act is stated in the Circular that 'so far as practicable, to assist persons or businesses whose property has been acquired, to relocate to land currently owned by the UDC.' The acquiring authority seems also to have overlooked the basic regeneration ethos of its empowering Act to encourage the development of both **existing and new** industry to achieve its regeneration objectives.

Employment objectives

The employment issues were two fold:

1. Assistance to relocate existing businesses

2. The quality and quantity of the jobs that were being lost

1. Assistance to relocate existing businesses

There had been contact by Tesco to negotiate with the nationwide scaffolding services firm the Trad Group and others but as the Inspector noted, there appears to have been little account taken of existing occupiers' relocation at the time the Order was made. The important point to be made here is that it is the Corporation's CPO and not that of Tesco, and the Corporation/advisors, apart from any perceived requirement to expedite the project and compel acquisition, should have ensured CPO compliance. It seems that much was left to be sorted out at or around the Inquiry – a common, but risky strategy. This is not an isolated practice. The Inspector noted that Confirmation of the Order would pose a significant risk to the continuation of Trad's business and the quantity and quality of employment it provides. In addressing the issue of relocation, the Inspector considered that the Corporation's approach had not been consistent with the guideline of Circular 06/2004.

2. The quality and quantity of the jobs that were being lost

In general terms, the Inspector did not consider that the existing jobs in a well established company can be regarded as having the same social and economic values that may result from the proposed development. This is an important statement for many people gloss over the socio/economic implications of **'trade diversion'** and **'job transfer'** in purely retail schemes but how much more is it important here?

The Inspector picked up on this point of great public interest. Admittedly here it was to do with specific requirements of statute but in the realm of many, 'so-called' town centre regeneration CPOs 'new employment' is provided as a major argument for progress. Even without the statutory requirement in BbB it could be argued that the public interest is not being served in town centre, district or local centres where established retail businesses and livelihoods are competed away, delivering social impacts on the community. NPPF is unable to address this in terms of policy because it is pro-competition which for socio/economic reasons is not in the public interest; the cases have to be considered on their merits.

This point is picked up by many consultants delivering retail advice but is, perhaps, ignored by promoting local authorities because it does not align with their corporate agendas.

Delivery

There were numerous points that the Inspector picked-up on. notwithstanding that there was no demonstration that there was a realistic prospect of the Corporation's proposals being delivered within a reasonable time scale, particularly in respect of the second phase. In fact the Inspector stated that "whilst the regeneration of this part of London is an important strategic planning objective, the Corporation did not identify any specific reasons for urgency." What makes it compelling?

Negotiation

The Inspector stated that that there is no reason to doubt that Tesco made a genuine attempt to assemble land by agreement. However, whereas Tesco entered into discussions from 2006/7 and agreed conditional terms, it subsequently withdrew from these. Negotiations were attempted by Tesco again in 2009 which eventually culminated in the Corporation making a CPO on behalf of its partner, Tesco. For one claimant in particular no offer to purchase was made until June 2010 well after the Order was made and only shortly before the Inquiry opened.

The acquiring authority must be careful to ensure that it is not perceived as merely being used as a 'banner CPO' for a developer to deliver private interest at the expense of a compelling case in the public interest – no tails wagging dogs.

However, there seems plenty to alert the Inspector to the fact that the acquiring authority was not using compulsory powers as a last resort and did not accord with the advice of the Circular. This was a scheme to require deep scrutiny.

Human Rights

To quote the Inspector – "My overall assessment is that the factors which weigh against confirmation outweigh the points in favour. The Corporation has not demonstrated that there is a compelling case in the public interest for the Order to be confirmed. In these circumstances it is not necessary for me to comment further on the human rights considerations."

It would appear that in many cases expediency overrides goods practice with disastrous consequences – CPOs are easy and human rights are not an obstacle just as long as you follow the rules on process.

The games people play

In the ideal CPO world, purists speak of all CPO valuations ultimately being resolved by the Upper Chamber (still Lands Tribunal to me) – and so they would if it came to that. In the real world games are played where even a legitimate objection demonstrating that there has not been a compelling case in the public interest is bought-off before it even sees the light of day. Such is the case with retail led town centre CPOs where adherence with planning policy does not mean that the public interest has been heard or protected. There may be a public interest test to satisfy beyond getting a NPPF compliant consent. The statutory objector is the major factor in the decision to trigger a Public Inquiry.

Cynically speaking, most objections are a means of attempting to enhance the total compensation beyond that which would be paid following the CPO compensation rules. However, we all know that if it was the acquiring authority alone, they would be left with the traditional position of demonstrating compliance with the statutory rules of compensation. Where the developer is involved the developer will be willing to sacrifice developer's profit, as seen in the Bromley by Bow case to achieve delivery of the scheme probably factoring in future sales and market share as being more important.

Many cases related to CPO process have really been gamesmanship in terms of the price that will be negotiated. Rather than have the value settled at the Upper Chamber, the parties take a view as to the quality of the CPO process and the degree of success in objecting or challenging a CPO. It is galling for those who pursue 'good practice' that many CPOs 'poor practices' become just a commodity to be negotiated away. There is nothing like a successful objection or challenge (Bromley by Bow and Wolves) to sharpen the approach and content of others undertaking CPOs.

Price brokerage v Value (appraisal)

In the early stages of CPO negotiations is the world of price brokerage as opposed to value (appraisal). In the USA this is more formal where a 'broker price opinion' may be delivered. Within the CPO process there are a number of stages where a price can be brokered: from before the objection is submitted to prior to withdrawing the objection, even up to the steps of an Inquiry. The only objection of any real value is where the claimant is the only one to identify a serious defect in a CPO before it goes public.

There are those that say that the decision in respect of B by B swings the pendulum in favour of the claimant. I would disagree. Each case has to be judged on its merits. A well constructed and presented CPO following the rules should hold no fears for the promoters. It would appear that the objectors and claimants are beginning to learn and apply the rules faster than the promoters.

Tower Hamlets

The point was made in the Tower Hamlets CPO 2009 (same locality) where the Inspector confirmed that Public Law principles apply when a private entity is negotiating on behalf of an Acquiring Authority and that developers that negotiate alongside or on behalf of public bodies are expected to adopt higher standards than in private deals.

CPO 'good practice'

How many times in CPOs is it hammered home:

- POLICY
- PURPOSE
- POWER
- PROCEDURE
- PRACTICE

How many times does it need to be reiterated that if you change the power the parameters change in line with the Statute?

How many times does it need to be reiterated that there has to be a demonstrable compliance with the guidance in the Circular?

How many times do we have to see in the Statement of Reasons the one line statement "There is a compelling case in the public interest"? It leaves us to ask where and how was it assessed and demonstrated? If the Inspector found ways of stating where it was not, so why were these not in the minds of the promoters? At the end of the day the developers and superstores such as Tesco are not to blame; it is the acquiring authority's CPO. Surely someone in the acquiring authority or its advisors are watching over CPO compliance and considering the waste of public resources in respect of a possible challenge.

Again quoting Lord Collins in the Wolves case, attributed to Blackstone, of "a caution to the legislature in exercising its power over private property, is reflected in what has been called **a presumption, in the interpretation of statutes, against an intention to interfere with vested property rights.** As a practical matter it means that, where a statute is capable of more than one construction, **that construction will be chosen which interferes least with private property rights"**. It is comforting that the Courts ultimately reinforce decisions that taking someone's rights is a serious

DATE	EVENT
7 May 2009	The London Borough of Tower Hamlets made The Heron Quays West, Canary Wharf CPO. The Order was made under the Town & Country Planning Act 1990 (as amended)
31 July 2009	Court of Appeal judgment on the Wolverhampton case
27 January 2010	The Inspector recommended that the Heron Quays Order not be confirmed
2/3 February 2010	Supreme Court heard the Wolverhampton Case
2 March 2010	Bromley by Bow (in Tower Hamlets) Order made
2 May 2010	Judgment given by the Supreme Court on the Wolverhampton case
20 July 2010	Bromley by Bow Inquiry starts
30 September 2010	Bromley by Bow Inquiry ends
11 January 2011	Inspector delivers his report on Bromley by Bow CPO

Fig.1 Chronology of CPO events at Tower Hamlets and the Wolverhampton Case

business, with guidelines to be followed for all our protection.

Wolves and Tower Hamlets (inc.BbB) in context

It is sometimes useful to put CPO decisions in context with others and see whether the sequencing and cross impacts could possibly have influence. A chronology is put forward in Figure 1. The following observations can be drawn:

- Tesco partnered Wolverhampton CC in respect of the Wolverhampton case which ultimately failed through non compliance with the T&CPA 1990 (as amended) in respect of Section 226 (1)(a) and 1A regarding 'well-being' connectivity and any cross subsidy not forming part of a comprehensive programme. Found: deficient in following qualification requirements of the empowering statute (T&CPA 1990 –as amended).

- Tower Hamlets LB (Heron Quays CPO). The developer Canary Wharf Group (CWG) partnered the London Borough of Tower Hamlets for a T&CPA 1990 (as amended) CPO. Found: no compelling case in the public interest – no demand demonstrated for office use. Guidance Circular 06/2004 had not been not followed.

- Tesco partnered the LTGDC (in Tower Hamlets) in the Bromley by Bow CPO that would avoid the apparent 'well-being' qualification of the T&CPA 1990 and could demonstrate connectivity in 2 phase scheme and part of a comprehensive remit. Found: deficient in following a 'socio/economic well-being' qualification requirements of a different empowering statute (LGPAL Act 1980) and that guidance in Circular 06/2004 had not been followed.

These decisions send out a clear message. The rules (statute and guidance) are there to be followed-the reader may deduce for him/herself why they are not.

Lessons to be learned

General

Much could be achieved and objections/challenges avoided if there was some simple quality control/good practice checklist to be signed-off during the making of a CPO. However that would upset those who say we have too many rules but even more to those who make a living from conflict.

Bromley by Bow and Wolves

1. Consider in strict terms the empowering Act

2. Make every attempt to comply with the guidance

3. Remember that 'creative expediency' can only lead to problems.

4. The Inspector reads and applies the rules even if the acquiring authority and its advisors apparently do not.

5. An acquiring authority on its way out of existence may feel pressures to undertake a CPO before it was quite ready to do so.

In the BbB CPO, 'well-being' was the unstated victim both in non compliance with statute and not being able to demonstrate a compelling case in the public interest. Whether it be statute or public interest considerations 'well-being' should be at the core of all activities and openly demonstrated.

A verse of promoters who produce failed CPOs

"My adversary's argument
is not alone malevolent
but ignorant to boot.
He hasn't even got the sense
to state his so-called evidence
in terms I can refute." Piet Hein

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INVESTMENT PROPERTY - DO WE HAVE ANY?

Chris Brain and Susan Robinson

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Chris and Susan provide a very useful simple guide as to what should be classed as Investment Property in our balance sheets [Ed – I'm pleased that it accords with what I do!].

With the adoption of International Financial Reporting Standards (IFRS) in April 2010, local government had its first real accounting definition of Investment Property. This gave every authority across the UK the opportunity to take a close look at all of its tenanted property and land banks and make a decision as to whether or not any of these met the new definition. So, one would expect, nearly 3 years later, that each and every authority had correctly classified all such property. But our experience is that this is far from the case.

In this article we are taking the opportunity for a reminder of what an *Investment Property* is, and what it is not. We also set out some important questions to consider when seeking to determine whether your authority truly has any *Investment Property.*

Our starting point has to be the IFRS definition.

International Accounting Standard 17 (IAS 17) and the IFRS-based CIPFA Code of Practice on Local Authority Accounting, defines Investment Property as:

"…property (land or a building or part of a building, or both) that is used solely to earn rentals or for capital appreciation or both…"

The definition provides further clarification that if earning rentals were an outcome of, for example, a regeneration policy, then such property should be accounted for as Property Plant & Equipment (PP&E) and not as *Investment Property*.

The key word in the IFRS definition is "solely". This is a very strict definition indeed and if it is properly applied, our view is that there is likely to be only a relatively small number of UK local authorities that could truly say that they have any *Investment Property*. In practice however there are large numbers of UK local authorities that have *Investment Property* shown on their balance sheet.

One might think this is a fairly straightforward definition and should leave little room for misunderstanding or misinterpretation. However, we at CIPFA delivered some events towards the end of 2012 on property returns which indicated differently. We spoke with quite a few authorities that have adopted the view that any property which they have let out at a market rent equates to an *Investment Property*. And yet the words "market rent" appear nowhere in the definition.

The definition of an *Investment Property* is concerned not with the level of the rent in relation to market rents, but is concerned with the purpose for which the property is held. This suggests to us that there are a significant number of authorities that have miss-classified some of their assets and are thus leaving themselves open to auditor challenge at some point in the future.

For those authorities that upon reading this article are unsure of their classification, here are some questions to ask yourself to help you determine whether or not you do have any *Investment Property* assets.

- Do you know what investment return you get?
- Is investment performance benchmarked?
- Does the return on investment take into account costs of management and bad debts so as to distinguish the respective return between different assets?
- Are bad debts actively and vigorously managed, with interest routinely charged on late payments, so as to improve investment returns?
- Does the tenant selection process specifically target blue chip tenants, thereby reducing investment risk?
- Does the portfolio comprise a deliberate and prescribed mix of different asset types in different markets, so as to spread investment risk?
- Do you buy and sell assets to improve your investment return?
- Do you own any assets outside your authority's boundary?
- Do the assets comprise the 'property' element of a wider investment portfolio managed by the finance team?
- Is there someone within the property team that is accountable for the investment return / capital growth from the assets?
- Is the investment return / capital growth regularly reported internally?

If the answer to any of these questions is "no" then there has to be some doubt as to whether you hold your assets 'solely' for rental return or capital growth and can truly say that you own any *Investment Property.*

Ultimately the decision on the classification of property assets for the balance sheet is the responsibility of the Finance Director, although the most senior property officer can provide some useful advice and guidance. Perhaps however there is some merit in elevating the level of decision-making on the classification of *Investment Property*, to include elected members.

By doing so, there will be a clearer mandate for the future management and direction of the assets enabling the adoption of a more robust performance framework and providing greater freedom and flexibility for the property manager to make day-to-day investment decisions.

"SUSTAINABLE DRAINAGE SYSTEMS – WHAT WILL THE NEW SuDs REGULATIONS MEAN FOR YOU?"

Christine de Ferrars green

Christine de Ferrars Green is a partner in the real estate practice at national law firm, Mills & Reeve LLP. Her work involves a wide range of property matters, specialising in development schemes, both large and small. Her current work includes advising the O&H group of companies on their sustainable urban extension sites at Hampton, Peterborough and Stanway, Colchester, exemplar SUDs Christine. deFerrarsGreen@Mills-Reeve.com

Christine sets out an overview of the current policy on SuDs and the proposed new regulations to take effect following introduction of provisions in the Flood and Water Management Act 2010. These provisions are not yet in force and the commencement dates have not yet been published.

What's a SuD?

Sustainable drainage systems mimic the natural drainage of rainwater from development, through the use of materials and techniques designed to free up capacity in piped drainage and sewers, and so reduce flood risk. They take various forms, for slowing down surface water runoff: from permeable paving or road surfaces and green roofs to green infrastructure, in the form of ditches, swales and ponds.

Existing policy

While government policy encourages all developers to use SuDs, the government estimates that only 40% of new developments and re-developments are drained by SuDs. There are not currently any legally binding obligations on developers to incorporate SuDs in development schemes, although this has been recognised as best practice for many years. Historically, SuDs have been best secured by planning consent conditions or by planning obligations under s106 agreements, and generally under planning policy through local plans and other local planning documents. So, we find the National Planning Policy Framework (NPPF) emphasises the value of SuDs as part of an overall theme of achieving sustainable development through the planning process. It places importance on the sequential, risk-based approach to avoid development in areas at risk of flooding and states that local plans should be supported by a strategic flood risk assessment, to manage flood risk.

Pitt Review

After the devastating floods of the summer of 2007, Sir Michael Pitt conducted an independent review of the cause of flooding and he found that two thirds of the 55,000 properties flooded were affected by surface water runoff which had overloaded traditional (or non-existent) drainage systems. His report recommended action by government specifically to determine which organisation should own and maintain SuDs and that the automatic right to connect surface water runoff and new developments to the sewerage system should be removed.

Flood and Water Management Act 2010

The enactment of the Flood and Water Management Act 2010 in April of that year takes on board those recommendations in the Pitt Review. As part of a more comprehensive approach towards preventing flooding, Schedule 3 of the 2010 Act imposes a requirement for drainage systems to comply with National Standards on SuDs, which will set out how drainage systems are to be designed, constructed and maintained. Schedule 3 will be supported by regulations and orders, and the National Standards will be accompanied by detailed guidelines.

Key provisions

The key provisions in Schedule 3 of the Act are as follows. A SuDs approving body (SAB) is to be created in all unitary or county councils. The SAB will be given power to approve drainage systems for managing rainwater in new developments, before construction starts. The Secretary of State is obliged to publish National Standards for design, construction, operation and maintenance of SuDs and SABs will have to approve drainage systems that they judge to comply with those National Standards. SABs will be required to adopt and

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Photography: Faye Norman

maintain approved SuDs, if they serve more than one property and where the SuDs system functions, as it has been approved at design stage.

The Act also amends the Water Industry Act 1991 to make the right to connect surface run-off to public sewers conditional on the drainage system being approved by the SAB.

Sewage undertakers, environment agency, internal drainage boards, British waterways and highways authorities will all be statutory consultees to the SAB.

Approval process

Schedule 3 of the Act will impose a requirement on developers to obtain approval of a drainage system for any construction work that will, or is likely to, affect the ability of land to absorb rainwater. SABs will have the responsibility to review and approve (or refuse) applications for approval of a drainage system. The SAB for each area will be the unitary authority, or if there is none, the county council for that area. There will be scope for the Secretary of State to appoint a different body as approving body, in any specified area.

The application for approval of a drainage system will be made jointly with a planning application to the local planning authority, or alternatively may be made as a freestanding application direct to the SAB. It is hoped that the joint application route will encourage discussions between the developer, the SAB and the local planning authority in order to facilitate the design of SuDs. In any event, the planning authority will be required to consult with the SAB in deciding the planning application, and inform the SAB of its decision on that application.

Upon granting approval, a SAB will be able to impose conditions relating to the construction of the drainage system and inspection, and require a performance bond. Fees will be charged for applications to approve a drainage system, and these will be provided for in regulations. There will also be powers and procedures for enforcement for breach of compliance with provisions, where construction is commenced without prior approval of a drainage system, where conditions of approval are not followed, or where construction does not conform to the approved proposals. The Act envisages empowering SABs with powers of entry and inspection, power to issue notices and powers to impose financial penalties.

Adoption of SuDs

SABs will be under a duty to adopt a drainage system that is constructed as approved. The SAB may also voluntarily adopt drainage systems. Once adopted, SuDs will be placed on the local authority asset register, so that their locations are known and future development can take account of them.

Other related matters

In closing, it is worth also noting that the Code for Sustainable Homes will be amended to take account of the National Standards for SuDs. As a transitional measure, Defra has advised that the National Standards will take precedence over any conflicting requirements of the Code.

Also, building regulations (schedule 1, Part H) encourage the use of SuDs by providing for a hierarchy of options for the disposal of rainwater, with the preferred option being to drain to an adequate soakaway or other infiltration systems. These will continue to apply within the curtilage of a property. However, it is DEFRA's intention that the National Standards will demonstrate how to apply SuDs outside the scope of existing building regulations, for example beyond the curtilage of a development.

Finally, the 2010 Act makes amendments to the New Roads and Street Works Act 1991, so that roads affected by sustainable drainage systems may be designated as streets with special engineering difficulties. This will ensure that SuDs cannot be interfered with until a plan of works has been agreed between the statutory undertaker and the relevant maintaining authority.

Commencement of the legislation

The relevant provisions of the 2010 Act are not yet in force. DEFRA's current Business Plan commits the government to implementation of all remaining provisions by December 2014. Following consultation in 2012, DEFRA officials are working with stakeholders to address the issues which were raised, taking into account respondents' calls for adequate time to prepare for implementation of the new regime. Previously, implementation was due in October 2012, but the Department's progress report on implementation published in December 2012 indicates that the sustainable drainage provisions will now not be brought into force until sometime during 2014.

MESSAGE TO RIO – EMULATING THE BEST OF THE LONDON OLYMPIC PARK DEVELOPMENT

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The 2012 Olympic and Paralympic Games in London might perhaps best be remembered by a world-wide audience for the emergence of new sporting superstars, for the excellent performances of the home nation in coming third in both the Olympic and Paralympic medal tables, with Team GB winning 29 gold medals.

Tickets allocation and security management fiascos aside, the organisation of the Games could well be remembered by visitors for the energy, enthusiasm and friendliness of thousands of volunteers, Danny Boyle's breathtaking Isles of Wonder opening ceremony, and Lord Coe's determination to see the Games inspire a new generation to take up sport.

Organisers of the 31st Olympiad in Rio de Janeiro in 2016, conscious no doubt of the opportunity to showcase the country's construction and engineering prowess on a world stage, could usefully look to identify some of the best aspects of the Olympic Park to help deliver an environmentally sustainable development to a high standard, on time and within cost, in 2016.

In this respect, there are arguably 4 stand-out features of the 2012 Games development programme which were of particular merit and well worth Brazil looking to emulate in 2016:

1) The appointment of an experienced Delivery Partner by the Olympics Delivery Authority

In 2006, the ODA procured a delivery partner to work closely with it to meet the delivery deadlines of the 2012 Games, with the partner being required to ensure that all design, construction, testing and commissioning activity required to deliver the facilities was carried out in accordance with the ODA's time, quality and budgetary objectives. The procurement was made using competitive dialogue, with the contract being awarded to CLM, a consortium made up of CH2M Hill International consultants and construction companies Laing O'Rourke and Mace.

As with the London Games, the 2016 Games will also require high quality project management of major investment in transport and energy infrastructure and the construction and refurbishment of Rio sports venues, if the project is to be completed and delivered on time, to the right specifications and within budget, although Rio's building programme differs from London in several ways which could benefit the 2016 building programme.

Construction of the Olympic and Paralympic Village development commenced in 2010, with the contractor and developer Carvalho Hosken also being the landowner of the 75 hectares site, thereby avoiding any need to factor site assembly timescales into the project's critical path.

The 82,000 seater Estadio do Maracana national football stadium, in the northern Maracana neighbourhood of Rio, is being refurbished at a reported cost of £377 million for the 2014 World Cup, but will also host the 2016 opening and closing ceremonies and the football competitions. The Joao Havelange multi-use stadium, in the northern neighbourhood of Engenho de Dentro, will host the track and field events and is being expanded in capacity from 45,000 seats to 60,000 seats for the Games.

The north western neighbourhood of Deodoro will accommodate an 'X Park' for 20 of the events including BMX and Mountain bike cycling, modern pentathlon, equestrian, fencing, shooting, and canoeing/kayaking (slalom) in 2016.

The Olympic Park itself will be in the Barra da Tijuca south western neighbourhood of Rio, and will contain the Olympic Arena, both an aquatic centre and a velodrome on a Nelson Piquet Racetrack, a tennis centre, and an international broadcasting centre.

The southern neighbourhood of Copacabana, famous for its beach, will host beach volleyball, canoeing, kayaking, rowing, and sailing.

It seems that critics of the 2016 building programme are already circling though, it being reported that no works have commenced on the Nelson Piquet Racetrack with the authorities embroiled in evictions of local people living in favela hillside communities nearby.

Delivery of the London 2012 venues on time, to the right quality and within budget could perhaps be attributed, in no small part, to the ODA's appointment of an experienced delivery partner, with some £333 million of the budget being returned to the Olympic Executive for transforming the Olympic Park after the 2012 Games. Doubtless the Autoridade Publica Olimpica, Brazil's equivalent of the ODA, has taken note of the benefits likely to accrue from engaging experienced delivery partners for 2016.

2) The sustainability credentials of the Olympic Park

At the time London was selected by the International Olympics Committee in July 2005 to host the 2012 Games, the area of East London identified for an Olympic Park was in part a wasteland with chemical storage, soap and perfume, and leather works factories contaminating the soil with a toxic cocktail of hydro carbons, arsenic, cyanide, oils and heavy metals.

Some 98% of material from demolition work was re-used, recycled or recovered. The bridges in the Olympic Park are made of gabions, recycled materials and rubble. All the soil was washed on site using 5 soil washing machines, and the contaminants removed so that around 95% of the soil could be re-used. Works also included a watercourse in the Park which has lowered flood risks to around 4,000 people living in West Ham and Canning Town nearby.

Biomass boilers on site contributed towards around 11% of power being generated from renewable energy, which although less than a stated 20% target, appears fairly impressive nonetheless as the original projections included wind energy generation.

More than 300,000 wetland plants and ten football fields' worth of flowers have been planted in the Park.

The contrast between wastelands in east London and the spectacular physical setting of Rio is a vivid one, but the principles of promoting an environmentally friendly Games featuring minimal waste, ecological and environmental sustainability, and generation of the maximum energy possible from renewable energy sources during and after the Games, should still hold true in 2016.

3) the Aquatics Centre

Zaha Hadid's stunning mantra-ray design of the Aquatics Centre is generally considered to be the most visually striking venue in London's Olympic Park. If Rio aspires to have a truly memorable venue in 2016, then the organisers might be hard-pressed to emulate the building's curvaceous eye-catching design.

The Centre was completed in July 2011 and built at a cost of around £269 million, with complex engineering being involved in its construction, which included both the lifting of the 160 m wave-like roof into place, and building in the capability to move the floor of the main 50 m competition pool to reduce its depth as well as move booms to allow its size to be changed. The competition pool, 50 m warm up pool, and 25 m diving pool hold around 10 million litres (2.6 million gallons) of water between them.

The Centre has a 3,500 seating capacity, although two temporary wings during the 2012 Games enabled this capacity to be increased to 17,500 seats.

4) the Velodrome

It could be quite difficult to find fault on either cost or sustainability grounds with the velodrome, venue for a relentless medals charge by Team GB cyclists powering their way to multiple gold medals.

The venue has been described by Sir Chris Hoy as the most spectacular velodrome he has seen. Designed by Hopkins Architects and commended for the elegance and simplicity of its saddle-shape appearance, the 6,000 seat velodrome was shortlisted for the 2011 Stirling Prize, Britain's most coveted architecture award. Taking just under 2 years to build, the £105 million building was the first sports venue to be completed at the Olympic Park in February 2011.

A notable visual feature is the extensive use of wood for both the external cladding and the cycle track, all of which was sustainably sourced and certified by the Forest Stewardship Council. Around 5,000 sq m of western red cedar wood was used for the external cladding, and Siberian Pine used for the cycle track, where the geometry was designed to encourage record-breaking cycling performances.

Other construction features are a lightweight supporting structure to minimise embedded carbon, including a steel cable net roof design which reduced materials required in the roof structure and realised savings in the construction timescale, rainwater collection from the roof which reduces mains water usage by over 70 per cent, natural ventilation, high levels of insulation, and a perimeter glass wall between the lower and upper tiers of seating providing good natural light into the Velodrome as well as giving spectators a 360 degree external view of the surrounding Olympic Park.

There is much to be done for the 2016 Games to be delivered on time, and with London 2012 having thrown down the gauntlet, for Brazil to match or surpass the 2012 experience.

GETTING THE BALANCE RIGHT

Is following the London 2012 model the best way to approach public sector projects

Daniel Webb BSc (Hons) MRICS MAPM

Daniel Webb is the lead director of Watts' London-based Project Consultancy Group, which includes the firm's project management and public sector teams. He is also a member of Watts' UK management team.

As a specialist in project management and integrated project coordination, Daniel has extensive experience in refurbishment and redevelopment projects for investor and occupier clients in the local authority, health-care, education, higher education, office, retail, residential and industrial sectors. He also has a particular experience in complex projects executed in live often safety-critical environments. daniel.webb@watts.co.uk

A 13-point plan has been prepared to promote value for money in public sector construction projects, drawing on the successes of procurement for the Olympics. The recommendations come with a warning - one size will not necessarily fit all.

In his Autumn Statement, Chancellor George Osborne made it clear that 'Austerity Britain' is here to stay – at least for the next 5 years. The announcement of further cuts to public sector spending were not entirely unexpected but are bad news for local government estates managers, who will undoubtedly be asked to look again at where savings can be made. In the current rigorous fiscal climate there is little room for manoeuvre and, where funding is available for public sector projects, the procurement process will be subject to careful scrutiny to see where efficiencies can be applied.

It is against this background that the All-Parliamentary Group for Excellence in the Built Environment has set out a 13-point plan to promote value for money in public sector construction projects. The report, A better deal for public building, demonstrates some excellent joined-up thinking but, as always, success will be founded in the method of implementation not just on the concept.

The group's recommendations are based around the London 2012 procurement protocols used by the Olympic Delivery Authority (ODA) to bring the London Olympics in on time and under budget. The proposals also support the government's stated aim of delivering a 20% reduction in the cost of public development projects and the use of Building Information Modelling (BIM) on public projects.

Key recommendations of the report include:

- The government should set up a Best Practice Procurement Advisory Group to help inexperienced public sector bodies through the procurement process in order to adopt appropriate arrangements for the size and type of project.
- More time and resource given to developing the project brief, with client's asking why, what and how the project should be built. Sufficient resource to be allocated to project management to reduce risk and create a successful outcome.
- Public bodies to follow the new British Standard BS8534 – Construction Procurement Policies, Strategies and Procedures.
- Team selection to be made not on the basis of lowest price but on the basis of a balanced scorecard (i.e. marking the bid against specified criteria, of which sustainability should be one).

- Projects to be procured on the basis of integrated teams with the ability of teams to work together as one of the selection criteria within a balanced scorecard.

- Better dialogue between clients and design team to ensure designs are fit for purpose.

- Large-scale public projects (more than £100m in value) to have mandatory construction commitments, based on the London 2012 construction commitments, on which they would be required to report over the duration of the project. Government should also encourage the adoption of these commitments across a wide range of public and private projects.

- Better guidance for public sector clients to prevent them from over-interpreting EU procurement rules which create barriers to entry. Disproportionate demands such as unlimited liability clauses should be eradicated.

- Buildings and infrastructure should be procured on the basis of both capital and operating costs.

- Post-occupancy evaluation should be mandatory on all public projects above a minimum value of, say, £5m with a focus on assessing performance against design expectations to help inform future decision making.

- Better dialogue between clients and design team to be established to ensure designs are fit for purpose.

- BIM should be regarded as best practice and made mandatory from 2016 across all public sector projects.

- The government's chief construction adviser to prepare an annual report on the performance of public sector clients (including government departments, agencies, non-departmental public bodies and local authorities) to highlight positive achievements in successful projects as well as failure to deliver value.

By drawing heavily on many of the "highly successful" procurement practices from London 2012 in its 13-point plan, the All-Party Group hopes to promote a lasting and sustainable improvement in the way in which public sector projects are procured and developed. But is following the Olympic model really the way forward?

No one in the industry would argue with the concept of taking a collaborative approach to construction projects. Integrated teams are central to the group's recommendations and no one can deny that they can be pivotal to greater efficiency – and lower costs – and there are clearly some insightful recommendations here. As a project manager, I regularly spend time seeking to clarify the client's brief and trying to ensure that the project remains at concept design stage until the client's objectives are clarified and fully understood. Procuring on a balanced score card, assessing cost and quality is also welcome. There is nothing more frustrating from a consultant's perspective than losing a commission on fee levels, when the competition is offering an inferior service - which from the client's viewpoint, is completely counter-productive.

These things said, slavish adoption of the London 2012 model by developing procurement procedures that insist on composite design and supply chains for all projects could turn out to be counter-productive. These parameters would effectively serve to rule SME providers out as, by definition, such firms are unlikely to carry full composite services. Not all public projects are high value and in my opinion, taking a blanket approach would be a mistake. Also, as noted in my last Terrier article, a key challenge for BIM is increased exposure on smaller projects, where the barriers to change are perhaps greater. The same principle applies to these recommendations.

As indicated earlier in this article, a key requirement for success is to "adopt appropriate arrangements for the size and type of project". In my view, there is a delicate balancing act here between pushing hard to create greater efficiency and finding ways to engage with, and promote, the contribution to construction projects that should be made by the wider economy, including SMEs and particularly those operating at local and regional level. So while endorsing the principles behind the group's recommendations, I do so while sounding a note of caution - one size will not necessarily fit all.

ANDY ALGAR, LONDON BRANCH

The branch met twice since the last round up. The penultimate branch meeting of the year took place in early October, at Southwark's offices on the south bank and attended by the year's best turnout of 30. We were delighted to host ACES' President Heather McManus who spoke on the value of ACES as a communications network and the benefits of becoming involved more at the national level.

We also received presentations on Local Futures and integrated asset management by John Fisher and, of special interest to many colleagues, a talk by Graham Muirhead of Bexley LBC on localism and the practical implications of the Community Right to Bid regulations. Other updates included the Health and Safety legal implications relating to the tenanted estate and pressure on school places in many boroughs due to the disparity between earlier estimates of demand and greater numbers borne out by the latest census results.

The December meeting took us to the City of London's Guildhall for our Annual and Ordinary General meetings. At the AGM the outgoing Chair, Andy Algar reflected on the unprecedented level of change in recent years and how the long term future would be very much shaped by the economy. In this climate, ACES members could play a key role in supporting our authorities but this was challenging with budget cuts hitting staffing numbers across the board.

Andrew Wild was elected as Chair, with Jeremy Pilgrim as vice-Chair, Marcus Perry as Treasurer and Chris Rhodes as Honorary Secretary. The remainder of the Executive is Neil Webster, Malcolm Dawes, Abdul Qureshi and Andy Algar.

The Chair paid particular thanks to Chris Rhodes as Secretary and to Jane Pocknell, who has recently retired from LB Bromley and has served the branch for many years, most recently as Treasurer.

The main business for the OGM was a long discussion about the Code of Recommended Practice for Local Authorities on Data Transparency and also the "ACES – the future" paper.

The traditional branch Christmas dinner followed at the Guildhall Marketing Suite. As always the food and company was excellent and a fitting way to close the ACES calendar.

London Branch looks forward to supporting the work of colleagues once again in 2013.

BOB PERRY, SOUTH WEST BRANCH SECRETARY

The Branch's autumn meeting was held, in accordance with recent custom, at Oake Manor Golf Club just outside Taunton on 23 November What was most definitely not in accordance with any recent custom was the very poor weather which greeted us all as we woke up on that Friday morning. The south west of England had experienced heavy rainfall, to such an extent that the main railway line was impassable at Exeter and many of us had to change our travel plans at the last minute. However, ACES members are made of strong stuff, and of course as experienced surveyors we are all used to reading Ordnance Survey maps, so I am pleased to be able to report that only one member who had said that he was coming failed to make it, and he was balanced by another member whose arrival had not been anticipated but was nonetheless most welcome. In all, 14 of us were present – more than at our summer meeting, but still a little disappointing. During our meeting we did discuss what we could do to persuade colleagues who are not members of the Association what it has to offer them and why they should join us.

Despite (or perhaps because of) the weather we were not distracted by our surroundings but applied ourselves to a full agenda. The officers' reports included James Stubbs' valedictory address after 2 years as Chairman. He reviewed his time in office, which he characterised as having been dominated by staff reorganisations in so many authorities represented around the table, changes in members' roles and budget pressures. In other words, change is a constant presence among us, and we all have to adapt to it.

We considered the scoping/options paper prepared by "the 3 wise men" on the arrangements for future conferences, the current roles of the Secretary, Treasurer and Publications Officer and succession planning in the Association. We concluded that we felt that if one could be found, a permanent Conference Coordinator was a better solution than the use of officers who like the 2 Vice-Presidents and the Immediate Past President are transitory in their post. We also felt that it was a pity that the remit of the group had not included the number of conferences, as the Branch continues to feel that that 2 national conferences each year are now one too many, given the constraints which so many members are now feeling in the training budgets available to pay for their attendance at these events.

Following the elections our Chairman is now Tim Mander from Sedgemoor DC. Donna Best from East Devon D C is our new Vice-Chairman. Taking a lead from the national organisation we now have a Junior Vice Chairman, in the person of Peter Scarlett from Dorset CC. The other officers remain in post, and James has not retired entirely to the back benches as he, along with Sam Partridge and Adrian Priest, joins the officers on the Branch Committee.

Our spring meeting will be held on 8 March and will be hosted by Stroud DC in the far north of our region. On 14 June we shall meet at Totnes for our summer meeting, which will be combined with a training event where we shall consider in detail the Localism Act, the Community Right to Bid and Community Asset Transfer. These are all hot topics in the public sector, and we hope that this event, at which we hope to have expert guidance from a speaker to be supplied by Communities and Local Government, will be useful to practitioners from across the public sector.

Our "matters of professional interest" slot attracted the usual mixed bag of issues of current concern to our members. These ranged from the application – or otherwise- of the Crichel Down Rules to determination of land ownership, void rate liability, academy conversions and sinking funds and other such matters.

After lunch we received a presentation from Joseph Cooper of Ad Hoc Property Management. He illustrated his company's approach to the protection of vacant property and gave us food for thought.

Afternoon tea followed and members then dispersed. The rain by then was much less heavy and we all had a much less eventful journey home than we had endured earlier in the day.

RICHARD ALLEN, HEART OF ENGLAND BRANCH SECRETARY

14 members attended the Branch AGM and ordinary meeting held at the County Hall, Worcester on 1 November 2012.

David Willets, Sandwell MBC took over from Steve Meynell as Vice Chair. Peter Burt, Central Bedfordshire continues as Chair, the post being a 2 year term of office.

At the ACES Council meeting in Lancaster it was agreed to look quickly at the possibility of holding a one day conference in Birmingham in the spring of 2013. After a lengthy discussion, the Branch meeting unanimously resolved that under the current austerity in the public sector, ACES should suspend holding a Spring Conference and concentrate on holding one high profile and quality conference per year which represents an opportunity to bring all its members and the private sector together.

The dates and hosts for Branch meetings were arranged for 2013 as follows:-

7 March – Wolverhampton City Council
4th July – Hinckley and Bosworth District Council
31st October – Central Bedfordshire Council

The Secretary/Treasurer reported that financial loss of £185.98 on the year and it was agreed to leave the branch subscription at £30.

Following the AGM Charles Solomon, Valuation Office Agency, gave a presentation on the introduction of Community Infrastructure Levy and implications for s106 obligations, key messages of the recently issued National Planning Policy Framework, the RICS Financial Viability in Planning Guidance Note August 2012 and guidance recently issued by the Local Housing Delivery Group on Viability Testing for Local Plans. He gave some examples of recent financial viability assessments in which he had been involved, which prompted a lively discussion on the approach adopted and issues it raises [Ed – featured in this Terrier].

After lunch Peter Parkes, Head of Property Services, Worcestershire County Council gave a presentation on the 'Rationalisation of the Public Sector Estate in Worcestershire' as part of a targeted programme of work to identify savings from surplus buildings and to help protect front line service delivery. He explained how Worcestershire CC has formed a strong property partnership to help identify opportunities to share buildings and transform how services can be delivered through innovative practices. The vision is to transform how buildings are used and occupied by working closely with public sector partners, local businesses and the community and voluntary sectors. The presentation outlined how the vision is being delivered; the benefits arising from closer inter authority/agency working, and potential risks that may disrupt successful delivery. The presentation prompted a number of questions around lessons learnt, share of the gains achieved and property agreements for the joint use of assets [Ed – featured in this Terrier].

As requested by ACES Council at the main meeting 'The way forward' report was discussed. It was agreed that of the 3 options being considered to support future conferences the creation of a new ACES Conference Co-coordinator post was favoured.

Peter Burt and David Willets reported on the President's conference in Lancaster where the theme had been 'Collaborative Asset Management'. They said it had been an interactive working conference which had included a number of facilitated working sessions. This prompted a discussion on why some authorities are still not progressing strategic asset management when doing nothing is not an option. But examples of good practice were shared, including moving a library into a church.

Richard Allen reported on the topics covered at the ACES/CLG Working Party meeting he had attended on 16th October 2012 [Ed – featured in this Terrier].

David Willets talked on the recently produced Sandwell MBC economic development prospectus. It focuses on the provision of more employment land, introduction of a property search facility, and the development of enterprise through the LEPs, use of ERDF and other grants. During a discussion it was mentioned that where authorities had outsourced maintenance to major framework contractors, there were now serious problems with late payment to small sub contractors. The ongoing issue of moving on tenants from managed workspace was also discussed and whether this type of accommodation and the provision of accommodation to SME's should still be part of an authority's core business.

There was a request for examples of where the blue light services are sharing accommodation. Examples given were Project Endeavour in Leicestershire and the Police/Fire sharing in Kettering.

There was a discussion on how authorities are dealing with applications to establish free schools.

The location of the 'Right to Bid' list in authorities was again raised (third meeting in a row!). Kettering and Central Bedfordshire are locating the 'Right to Bid' list in their Community teams. One authority is considering the bids at their member/officer Asset Management Board.

Finally, it was noted that the 2015 Rating revaluation has been deferred. This was considered to be good news particularly for ACES members who, due to cut backs in resources to support budget savings, are already struggling to meet their current workload.

JOHN READ, NORTH EAST BRANCH PRESS OFFICER

2012 has been a bitter sweet year for the branch with the highlight being the successful, 'Higher, Faster, Stronger' themed spring conference hosted by Barnsley Metropolitan Borough Council and organised by many of the branch executive members. Unfortunately, we have also had some low points with the sad losses of Tony Ives, David Earnshaw and very recently David Roxburgh, all of whom had played an active role in the running of the branch over the years.

The Branch held its last meeting in Durham, hosted by the County Council in the historic Town Hall a Grade II listed building located in the Market Place in the heart of the city. Daniella Barrow welcomed 20 members and 2 speakers to the branch meeting which was followed by our Annual General Meeting. The meeting followed our usual CPD theme with Peter Coe, Development Manager, Durham County Council giving a presentation and comprehensive review of all the major regeneration sites within the city, be they in the ownership of the council, the university or the private sector.

We were also pleased to welcome John Longden, a chartered surveyor with Gerald Eve and also the Chief Executive of 'Pub is the Hub'. The meeting room was very appropriate for his presentation and although all the taps were switched off, John looked very comfortable standing behind the bar whilst delivering his presentation. He outlined how 'Pub is the Hub' provided voluntary advice and guidance to owners and licensees to help them develop and deliver community services for the benefit of local communities whilst improving the viability of their businesses [Ed - see article in this Terrier].

Daniella Barrow led a workshop on the DCLG Consultation on Improving Local Transparency which focussed on Annex B – Local Authority Land and Property Data. Daniella gave a short summary of the consultation and asked delegate groups to comment on the 21 key attributes listed in the consultation document. Following the group discussions, the comments were fed back and written comments handed in so that Daniella could circulate the collective views to branch members. These comments and views were also forwarded to ACES nationally, to assist in formulating the response of the Association.

Brian Ablett of Leeds City Council gave a presentation on 'Future Cities' a government initiative and competition inviting cities to compete for £24m to demonstrate how they could integrate transport, communications and other city infrastructure to improve the local economy, increase quality of life and reduce impact on the environment. Brian outlined how Leeds and Bradford had submitted a joint bid and had been selected as one of the 30 successful bidders awarded £50,000 to complete their feasibility study. Brian showed a video of the 2 council chief executives outlining how the councils were working together on a range of strategic initiatives in line with the competition criteria.

This was followed by a workshop session examining how the branch and its members could assist RICS qualified staff in meeting the new CPD requirements, which comes into force in 2013 [Ed - see article in this Terrier]. Amongst other things, branch members were encouraged to put pen to paper and write an article for The Terrier as technical authorship qualified for formal CPD.

In the any other business section of the meeting, David Roxburgh gave an update on schools rating, the Business Rates Retention Scheme and government proposals to delay the 2012 Revaluation.

The branch meeting was followed by the AGM at which the Chair and Press Officer were unexpectedly asked to report on the activities of the previous year and David Roxburgh reported the healthy state of branch funds. The issue of branch meeting fees was discussed and a provisional programme of meetings for 2013 was also tabled and it was agreed that these would include a full CPD day hosted by a legal practice.

Other Interest Areas

50 NOT OUT

William Marshall FRICS

The Town Clerk's office of Sheffield Council wrote to me, in a letter dated 31 December 1962, to say that my application for an appointment through the Ministry of Labour Professional and Executive Register had been received and could I contact Mr F D Entwisle FRICS, the Building Surveyor, to arrange an interview.

It must have been during the first 2 weeks of January 1963 that my interview took place during which Mr Frank D Entwisle FRICS, the Building Surveyor, leant across the table during my interview and said, "Have you ever considered becoming a Chartered Surveyor?" My letter of appointment is dated 16 January 1963.

On 21 January 1963 I began my employment in local government as a Supernumerary Junior in the Building Surveyor's Office of the Sheffield City Engineer's Department. 50 years ago.

Since then, apart from working on the railway for just over 6 years, I have worked in local government mainly as a salaried employee but more recently as a mere consultant.

On 18 May 1970, having left the railway I started work as a Valuer at East Suffolk County Council, County Hall, Ipswich. Actually I had failed to get the advertised vacancy at interview on 2 April 1970. However Michael Lusby Taylor, the County Land Agent and Valuer (hereinafter referred to as CLAV), and his deputy John Atkinson (JA) liked my "cocky nonchalance" and Landlord and Tenant experience and were able provisionally to offer me an appointment, subject to member approval to increasing the office establishment, which was all done in a matter of days.

On 1 April 1974 I was re-designated an Area Valuer on PO2 having worked closely with the CLAV on "Reorganisation" matters meanwhile, which so far as this county was concerned was the merger of the 2 then separate counties of East Suffolk and West Suffolk. The first thing I discovered was that the West Suffolk land terrier had mysteriously "disappeared" and it was down to me to determine how to replace the information it had contained. (NB the terrier was discovered many years later stuffed down behind one of the radiators in one of the ground floor office rooms at the back of the Manor House). The whole experience made me "Terrier Sensitive" as I will explain later.

On 27 February 1978, after the departure of Michael Lusby Taylor, a new CLAV started, Hamish, who interviewed for a new deputy, after the departure of JA, on 7 September 1978 and I was appointed Deputy CLAV on the following day at 75% CLAV salary.

The interviews were conducted in the Chief Executive's office which comprised a large room with a smaller annexe containing a large table for Management Team meetings. The annexe was obviously an afterthought for although it was as long as the main office, most of the dividing wall still remained in position. The interviewing panel of Hamish, the Chief Executive and members sat along one side of the MT table in the annexe. I sat in a carefully positioned chair away from the table in the main office. The member who asked the most questions was at the far end of the table and completely out of my line of sight. Who he was remains a mystery and I can only assume that he was either a supergrass or in the SAS.

On 1 March 1985 Hamish left and the Chief Executive, Clifford Smith, made me an offer I couldn't refuse. He said:

"You can have Hamish's job at a slightly reduced salary and no Deputy; otherwise we advertise and test the market. Do you want it, yes or no?"

"How long have I got to consider it?"
"One minute."
"OK; yes."

I was appointed CLAV on April Fool's Day 1985. During my time as CLAV John Gummer started another reorganisation scare off and I was pestered for a long time by a rather pushy young lady from Bury St Edmunds [Ed – I wonder who that could be?] who wanted to come and look through Suffolk's land terrier in order to assess what goodies might come their way if the reorganisation went ahead. I said absolutely not and eventually I had to tell her to bugger off and eventually the whole Gummer initiative was cancelled.

Towards the end of my time as CLAV the then Chief Executive, Peter Bye, stopped me as I was leaving his office after some discussion or other and said:

"I've been thinking for some time about combining your service and the architects into one of these new-fangled technical services directorates, what do you think about that?" I gave an off the cuff and quite impassioned response arguing strongly against such a move. "Mmm," he said, "that's what I think." Then he let me walk to the door and open it before coming up with his punch-line. "Still," he said: "you'll be pleased to know that had we gone ahead with a new directorate, you would have been the new Director." In the circumstances I felt it was too late to revise my opinion.

My work at SCC ceased on 31 December 2000 having been reorganised out. In an attempt to demonstrate the arrogance (or was it incompetence) of the new management, I was short listed for the Director's job but didn't get it and then not short-listed for the Assistant Director (Property) job, ie my job, when it came up a few weeks later. It was then many weeks before the new Director called me into his office to tell me I had no job. Or rather he spent about 10 minutes going round the houses, visibly shaking throughout, before I felt I had to put him out of his misery by saying: "Mike, are you trying to tell me I'm redundant?" "Yes," he stammered, looking like a drowning man who had just been thrown a lifebelt. "Can you tell me when?" "Well, we thought, 24 December." "Absolutely not," I said: "that will spoil my Christmas; make it the 31." And so it was agreed.

However were it not for all that then I would not have had the great pleasure of working with St Edmundsbury Borough Council, on and off, for the past 12 years or so; the happiest time of my life.

ACES and CPD

John Read

ACES Members will be aware that the RICS introduced new rules for Continuing Professional Development (CPD), in January 2013 which requires its members to undertake a minimum of 20 hours CPD each year, of which at least 10 hours must be formal CPD. In addition all RICS members must record their CPD activity using the 'RICS CPD Management System' which is available globally to all members using the RICS web site. Full information on the distinction between formal and informal CPD is available on the RICS web site.

The association can help its members in meeting their CPD requirements in a number of ways and in addition to national conferences, many of our branches already provide cost effective and relevant training at branch meetings.

New CPD requirements for members from 1 January 2013

1.	All RICS members undertake a minimum of 20 hours CPD per annum.
2.	Of the 20 hours at least 10 hours must comprise Formal CPD. The remainder can comprise Informal CPD.
3.	All RICS members must maintain a relevant and current understanding of RICS professional and ethical standards during a rolling 3 year period. Any learning undertaken in order to meet this requirement may count towards Formal CPD.
4.	All RICS members must record their CPD activity using the RICS CPD Management System (available to all members globally from the RICS website).

The North East Branch held a short workshop at its last meeting which considered the new RICS requirements and explored options which could help contribute towards the training and development of staff. Some of the ideas suggested were:

- Attendance at ACES conferences and branch meetings

- Sharing formal CPD learning with colleagues at team briefings
- Asking APC candidates to deliver presentations to teams as part of their learning
- On line and web based training packages
- Team away days with formal, structured and relevant training
- Presentations delivered by colleagues in other relevant disciplines
- Technical Authorship - writing an article for The Terrier

The association is well placed to assist its members in meeting their CPD requirements and details of the various branches can be found on the ACES web site.

CPD FOR PUBLIC SECTOR PROPERTY PROFESSIONALS

RICS the mark of property professionalism worldwide

About Web Classes

At RICS we are always very keen to hear from our members who are working in the public sector and over the years there has been one subject that comes up time and again - the desire for affordable training and CPD aimed at our members working in local authority asset management.

As a result of this, and following the launch of the 2nd edition of the RICS Public Sector Asset Management Guidelines, RICS has produced a series of innovative online courses for property professionals working for the public sector as part of a new affordable CPD scheme. They will start at the end of February 2013.

The Web Classes, based on the RICS Guidelines and aimed specifically at those working in local authorities, are live on-line learning courses where all the participants and the trainer connect at the same time. Each session costs just £35.00 and lasts 90 minutes but a course can have multiple sessions. The course for the public sector is made of 4 sessions so anyone attending the whole series will gain 6 hours of CPD.

The creation of the Web training came from members' feedback saying how difficult it is for them to find time and budget to travel and attend training and CPD sessions. It is equally difficult for leading experts to travel around the country. After looking at various options, using online tools seems the best possible option. It allows professionals interested in a topic to take part and share their experience wherever they are based in the country. Web Classes can be attended from the office or from home.

Online courses are open to both members and non-members

Technology

To attend the Web Classes the participants need first and foremost a computer connected to the internet. Listening to the Web Class can be done in 2 different ways:

- First if your computer has a sound output you can listen with a headset.
- Secondly, if there is no sound output on your machine or if the sound is not of good quality, you can use a phone. The call will be charged at the standard rate.

It is highly recommended that attendees do the online test at least a week prior to the session and check that they can access Webex. All sessions will be recorded for attendees to review until the end of the series. Slides will be made available.

Topic

Paul Bagust, Associate Director of Valuation and Commercial Property at RICS developed the Web Classes with senior RICS Members. The series will look at the implementation of processes to manage built assets efficiently. From the review process to data management and business cases, the classes are based on practical examples, allowing attendees to replicate best practice in their own environment.

There are another 50 existing courses on various property and construction topics scheduled and more are added every month.

Presenter and format

The session will be presented by leading public sector property professional Tony Comer who instituted a successful campaign for measurement and improvements in comparative public sector construction costs leading to the founding of construction buying frameworks across local government. Tony has designed 4 interactive sessions involving the participants in the decision process. At the end of each session, there will be

20 minutes of questions and answers where the participants are encouraged to share the current cases they are working on.

Registration

Each Web Class has a page where details about the session can be found:

Developing a corporate property strategy serving the corporate vision
26-Feb-13 from 9 - 10:30am
https://training.rics.org/course/view.php?id=55&page=27

Aligning services and corporate property plans to optimise the benefits
12-Mar-13 from 9 - 10:30am
https://training.rics.org/course/view.php?id=55&page=32

Using data to improve asset planning
19-Mar-13 from 9 - 10:30am
https://training.rics.org/course/view.php?id=55&page=34

Delivering Property strategy, getting feedback and revising results
26-Mar-13 from 9 - 10:30am
https://training.rics.org/course/view.php?id=55&page=37

Series page https://training.rics.org/course/view.php?id=55&page=3

This new and still experimental approach to CPD is becoming quite popular. Initially, attendees first tried it because it was really affordable (£35.00 per 90 minutes session with a discount available for multiple purchases - the set costs £112.00+VAT, a saving of £28.00). They realised the value of the sessions with presenters engaging with the participants and sharing real life experience.

Enquiry:
Gaelle Watson
www.rics.org/webclass gwatson@rics.org
020 7695 1747

http://www.rics.org/uk/training-events/e-learning/delivering-public-sector-strategic-asset-management-in-england-and-wales/web-class/

THE SUFFOLK SCRIBBLER

Funeral in Berlin

The answer to the question in the last edition is as follows. ***I had one knocked over once the Colonel said and roared with laughter*** appears in Len Deighton's third novel, Secret File Number 3, Funeral in Berlin. As yet the "hero" of the 3 volumes is unnamed and the Colonel is Colonel Stok of Red Army Security who goes on to appear in later novels, as does the unnamed hero.

Tax

After 10 years of self-assessment I now realise I have been doing it all wrong. The usual routine is that after the end of the financial year I give my accountant full details of all my income and expenditures from which he calculates my liability to tax and agrees his calculation with HMRC.

I now realise that I should stop the process when my accountant assesses liability at which point I let HMRC know that I might be prepared to offer something and can we negotiate? I could offer to buy the Tax Inspector a cup of coffee and a bacon roll at the Burger Van on Bury market to sweeten the pill. Alternatively I could say that I have no liability to tax as my IT equipment is funded by a loan from my daughter in the Cayman Islands at such an horrific rate of interest that it has wiped out my profits for the past 10 years.

This approach works for the £ multimillion liability of the global businesses so it ought to work for my 2 pennuth; shouldn't it?

Quotes

I was reading a column in the Telegraph the other day by Michael Deacon; not his usual Parliamentary Sketch column but a sort of a review of the newly published ***Dictionary of Humorous Political Quotations***, Editor Fred Metcalf, publishers Biteback. He made the point that although England's finest political wit was without question Sir Winston Churchill: ***An appeaser is one who feeds a crocodile hoping it will eat him last***, what really caught his eye first were his own quotes, 15 of them to be precise. He only quoted one of his own, a heartless and unjust slur about ***Gordon Brown looking like a bad-tempered wardrobe in a suit.***

Other quoted quotes include Clement Freud calling Mrs Thatcher ***Attila the Hen*** and one from Mrs Thatcher herself: The problem with socialism is that

eventually you run out of other people's money.

He doesn't mention President Ronald Reagan, who had a never ending supply of cracking one-liners delivered with real professional panache, as one would expect from an old trouper, but the best quote in the piece is from an unlikely source, Malcolm Rifkind: ***You realise you're no longer in government when you get in the back of your car and it doesn't go anywhere.***

Le Tour

Presumably "everything" now being said about Lance Armstrong is true, or at least remembering the outpourings that followed the downfall of Robert Maxwell, "most things," but 2 thoughts occur to me. Firstly as a winner of 7 Tours, or whatever it was, and innumerable stages, he must have been one of the most drug tested competitors in the world. Why was nothing ever discovered? And secondly, bearing in mind he seems to have been shopped by most of his "friends" or former teammates, it illustrates the old maxim of treating contacts reasonably on the way up or inevitably they will get their own back on your way down.

But now we have, at last, an English winner, Bradley Wiggins, plus his Olympic successes; and someone who looks to be a far more down to earth character than most other competitors in any sport. Let's hope it is the start of a new era for this event.

Redundancy Payments

Chelsea Football Club has fired about 9 Managers in recent years at a total cost of something like £100 m apparently. So it's hard to feel too sorry for the somewhat shabby treatment meted out to Roberto as it looks like he will pick up a substantial pay-off. As my football insider Kev comments: ***by 2025 we'll all be no more than 20 yards from an ex Chelsea Football Manager.***

Chelsea has almost inexhaustible funds to spend as it likes, and why not? It seems to be as profligate as the BBC, which, on the other hand, does it with our money. I do not want to satirise the organisation's latest incompetencies, it's like shooting fish in a barrel, but apart from doubling up on legal obligation payments, apparently the BBC tradition is that when someone is leaving, the event is usually marked with an expensive gift and often a good dinner somewhere for the leaver and his close colleagues. And it is not usual to fund these matters by way of a whip-round amongst those involved but the practice is to use BBC departmental funds, i.e. our money.

Football Notes

<u>An Evening in Warsaw</u>

On Tuesday 16th October I turned on ITV just before 8pm, the advertised kick off time for the international Poland v England.

The team of Adrian Chiles and 3 "experts" did not look happy. In fact they looked like rabbits caught in headlights. It soon transpired that there was little chance of the game being played. It had been raining very heavily and the pitch was already waterlogged. The venue was the new state of the art National Stadium. There was a sliding roof but this remained open throughout. Apparently the ref had ventured out about 30 minutes ago and gone through the motions of dropping the ball onto the pitch in order to demonstrate its unplayability. Since then no groundsmen had appeared, the roof remained open and the team had clearly run out of things to say. The ref appeared again at kick off time and went through the same pantomime. He let it be known that he would make a further inspection in 30 minutes time and unless the situation improved the game would not take place. As the rain continued to fall in biblical proportions and no one was doing anything at all, in effect the match was already postponed.

When this was communicated to the crowd there was no reaction which immediately suggested that the postponement was acceptable to Poland as it would mean that their star player's ban would expire and he could play after all.

This all brought back memories of the 1974 World Cup qualifier with Poland where a defeat cost England its World Cup place. I remember the match well. Brian Clough, as the commentary team's expert, pronounced the Polish goalie to be a boxer in football boots. Of course he then had a phenomenal game and kept a clean sheet. The final irony came late in the game when Poland brought the ball down their left wing in a surprise and swift counter attack. Our goal was protected by the presence of Sir Norman Hunter who surprised us all by not only missing the ball but the player too. Poland scored; England lost.

Racism

Recently John Terry was belatedly found guilty of racism by the FA. The video shows an exchange of views during a match, a fairly short outburst from JT and a much longer response by his interlocutor. The FA judgement gave no details; but it would help us all if it did. For example what word or words did JT use that were so unacceptable? And could we have a note of the many, many words used in response that were deemed to be "acceptable"?