

# ACES TERRIER

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

VOLUME 26 ISSUE 3 AUTUMN 2021



# ACES

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# ACES TERRIER

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

## EDITORIAL

**Betty Albon**

Welcome to the 2021 Autumn Terrier.

Now that the longer dark nights are upon us, I'm pleased to present a bumper issue. This is partly because it contains a write up of the very successful 2021 Online Conference, but also because so many professionals have come forward with material – so thank you.

With the UN Climate Change Conference just around the corner, the theme of sustainability and how to achieve net zero carbon features strongly in the themes of housing, the future of town centres, travel alternatives, and improving energy use. There are also three views of the recently published Bacon Review and how the UK needs to diversify housing away from the profit-motivated model and stranglehold of the major housebuilders.

There's a mix of strategic, practical and cerebral articles, covering just some of the broad spectrum of activities that we find ourselves dealing with in the public sector. Please spread all this valuable information far and wide in whatever ways you can – and there's certainly a lot of opportunities now to do that in hard copy and online [www.aces.org.uk/library/](http://www.aces.org.uk/library/). Remember to tell ACES' Secretary, Trevor Bishop, if you would like to change your delivery address to reflect changing work patterns – we're here to please!

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# NATIONAL COUNCIL

## Notes of ACES Council Meeting on 16 July 2021 (virtual)

Trevor Bishop, ACES Secretary [secretary@aces.org.uk](mailto:secretary@aces.org.uk)

Detailed reports on the majority of these topics are published on the ACES' website [www.aces.org.uk](http://www.aces.org.uk)

### President's report

The President, Simon Hughes, reported on his activities since the last meeting. These included significant progress being made by Derek Rowell on iHOPE and RACES, announcements on the 2021 conference, engagement with RICS, recruitment of the new sponsorship officer, the 2021 AGM, and 2022 Conference and new membership interest!

The President expressed his disappointment of missing face to face branch meetings but hoped that these would resume soon.

### Secretary's report

The Secretary, Trevor Bishop, reported on matters arising during the period from the last Council meeting and provided the latest statistics on membership and highlighted an improved number of new members compared to resignations. Reference was made to the resignation of past president, Heather McManus, and members wished her well for the future.

It was noted that a number of members had still not paid their subscriptions, more than 6 months on, resulting in an income shortfall of around £3,000. The Secretary advised that he would shortly be sending out final notices, which was supported by Council. Branch secretaries present undertook to assist with chasing arrears and give their members one last chance.

The Secretary addressed a new

membership classification proposal. This referred to the creation of a class of retired ACES members who had not previously been ACES members. It was noted, in the light of the impetus now taking place with the RACES initiative and a recognition that public sector surveyors with long experience at a senior level, have, upon retirement, much to offer others [Ed – see conference write up, 'Future of the profession' where this point is made by other property bodies]. The approval of membership would be subject to a number of qualifying criteria and initially on a provisional basis, subject to formal approval of the proposal at AGM. Council agreed to take this forward and at a membership fee equivalent to existing retired members and with an initial joining fee of £40.

### Financial matters

The Treasurer, Willie Martin, presented a report on the financial position of the Association. It was noted that the projected figure for the very significant return from the Diploma course was based on best estimates and latest information from current and future cohorts. Conference financial projections are always difficult, so the Treasurer has suggested a surplus of £4,000, more as a "holding" figure.

For the AGM, the Treasurer had assumed an actual meeting (a later decision confirmed a virtual meeting with a changed financial consequence).

The Treasurer commented on the cost of ACES' Terrier not being covered by advertising revenue but noted that if this was the case, the cost of production was

something that ACES should bear, assisted by advertising income.

It was also noted that the appointment of a Sponsorship Officer could increase expenditure by up to £5,000.

### ACES' website

The secretary reported verbally on the ACES website. In general the site was now stable and operating efficiently. There were some difficulties expressed by members in logging in, but these seem to be resolved quickly. The delay in notifications of forum posts has again been raised with the website maintenance team. Also, the lack of forum posts and responses was noted.

The secretary also took this opportunity to update members on the continuing use of technology to run the business in the current environment and that a decision had been made to acquire a full package of the Zoom product to cover meetings and webinars (notably the 2021 Conference) for a 12-month period. This would also be available to branches if required.

### Consultations

The Senior Vice President, Chris Rhodes, reported that there had only been one consultation since the last meeting, on permitted development rights for mobile phone masts, which was brought to the attention of members.

### ACES' Terrier

The Editor, Betty Albon, reported verbally on hectic deadline work for her to produce the Summer Terrier. This was largely due

to some contributors wishing to delay their articles until the Autumn edition. Some Summer authors were consequently allowed to exceed the word limit. The Editor also noted that there were no articles from ACES members in this issue. It was acknowledged that many were under pressure at work, but branches undertook to encourage members to contribute. Due praise was given again to the Editor for the excellent edition that had gone out electronically and that would be sent out in hard copy shortly to those that had requested it.

## Business Plan

The Head of Engagement, Neil Webster, reported on matters since the last Council meeting. It was noted that the programme of webinar events had gone well, most free for members, with further events planned on valuation and health estates. Engagement with other bodies had been progressed recently, notably with MHCLG, NHS and RICS, as well as private sector partners.

Future activity will include promotion of further webinar events, development of the FACES initiative, and building relationships with new private sector partners.

The Secretary turned to the issue of approval of the appointment of the Sponsorship Officer. At this point, Jeremy Pilgrim "left the room". The Secretary ran through the application from Jeremy and members debated the role and duties of the post and the need for measured results over a period of time. An online poll was taken and a majority of members present were in favour of the appointment.

## Annual Conference 2021

The President reported on progress with arrangements for the 2021 Conference and considered that a virtual conference was a good decision in the continuing environment. The dates of the Conference had been finalised and the event comprised of 6 one-hour webinars [Ed – see conference write up in this issue of ACES' Terrier]. With the assistance of the Eastern Branch, the President was hoping to make a small profit on the event.

## Annual Conference 2022

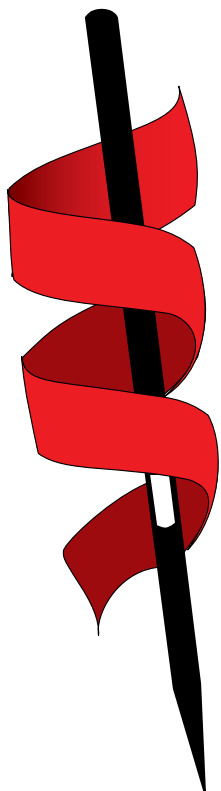
The Senior Vice President reported on the latest proposals that he had developed for the 2022 Conference. A strong team from the London Branch was supporting the

SVP and a review of venues had concluded the Holiday Inn in Sutton to be the best option in terms of facilities, accessibility, and cost. Provisional dates were set at 15-16 September. The SVP also confirmed that a social programme was being worked up alongside the main conference. There was support from members to the proposals and the recommendations set out by the SVP in his report were approved.

## AGM 2021 and 2022

The Secretary reported on the recent survey of members regarding the 2021 AGM, looking at options and recommendations. It was noted that Cardiff City Council had been very accommodating with regard to the return of the deposit and removal of any penalties, should ACES decide not to proceed for C-19 reasons. In the light of the responses in the member survey and continuing concern over C-19, the recommendation to hold a virtual AGM in 2021 was approved.

With regard to the 2022 AGM, the Secretary reported that Cardiff City Council had provisionally reserved the venue in 2022. Discussion took place on the traditional cycle of the AGM location



# 'Why not use the ACES website for free\* advertising of your job vacancies?

The ACES website Job Vacancies page (open to all) caters for member and non-member organisations advertising for public sector property posts.

The page gives a summary of the available post with the details of location, salary and closing date and provides a link to the organisation's own website for further details and application form etc.

The Job Vacancies page is currently available to ACES member organisations to advertise opportunities **at no cost.**

You gain direct access to likely candidates already working in the public sector property arena with the expertise and experience that you are looking for.

The new and improved ACES website enables advertisers to enter their vacancy details direct online and include their logo, website links and required details (subject to approval by ACES Secretary).

\*The cost per advert for non-members is currently £100.00 for a maximum of 4 weeks' exposure on the ACES website; this is still excellent value!!

**Contact the ACES Secretary, Trevor Bishop MRICS, at [secretary@aces.org.uk](mailto:secretary@aces.org.uk) for further information.**

but that this was historic as opposed to constitutional. Comment was made that other locations which might be more accessible should be considered. It was agreed that the Secretary should advise Cardiff Council that the 2022 location was being considered further and that the Secretary should consult members on the preferred location for 2022.

With regard to the agenda for the 2021 AGM, Betty Albon made a proposal for an ACES Fellowship to be conferred at the AGM. This was unanimously approved by Council and the Secretary was requested to formally present this proposal to the 2021 AGM for approval.

## ACES Award for Excellence 2021/President's Award

The Senior Vice President reported on the recent launch of the Award for Excellence and reminded members of the closing date of 27 August. Branches were asked to encourage their branch members to make submissions and the Secretary will remind all members of the award.

## RICS

Daniella Barrow referred to a very recent meeting with Paul Bagust but noted that communications were limited. It was felt that ACES needed to keep pushing to progress meetings and perhaps a review was required to make them more relevant and productive. Daniella referred to the Public Sector Asset Management Guidance and noted that comments by ACES need to be included.

General feedback from the RICS following the recent national publicity now seemed to be more about engagement with members rather than the global agenda. Branches also reported more engagement with regional RICS representatives, and that communication was improving.

## Asset management in the public sector

Malcolm Williams updated members on the ACES/CIPFA SAM Diploma course. A very useful meeting had been held with CIPFA in June and proposals for improvements were discussed and agreed. It was noted that the course was ready to extend to an international audience following a number of enquiries. A third iteration of the course was due in November. Malcolm thanked all the ACES

presenters for all their good work and who had agreed to continue with the course.

## RACES/Homes for Older People

Derek Rowell provided an update on progress with these two initiatives. The RACES initiative was progressing well, with a number of meetings taking place. A draft skills list is in preparation and more consultation of members will take place in order to determine requirements. The draft newsletter had been produced by ACES' publisher, Marcus Macaulay, and a copy is available on the website [Ed – and reproduced in this issue of ACES' Terrier]. It was noted that Branch Champions were still being sought for the Heart of England and Scottish Branches. Derek offered to speak to any members that were interested in the initiative.

Similarly, good progress was being made with the iHOPE initiative and a good working relationship developed with ADASS (adult social services). Working with the Core Management Team, a draft Terms of Reference had been produced, together with a Priority Action Programme, and Council approved these and for the CMT to continue to support development of the initiative. There was comment about the adverse publicity around local authority property investments and it was considered that investment in worthy causes such as homes for older people should deflect any criticism. Neil Webster also confirmed that MHCLG was very supportive of what ACES was doing in this regard.

## FACES

Neil Webster provided an update on proposals which were designed to assist new entrants to the profession. A review of the proposal had taken place and rather than undergo major organisational change, it was felt more appropriate to move the initiative forward organically and run alongside RACES. Neil advised that RICS Matrix had endorsed the approach and his report set out a number of steps now proposed. It was noted that the initiative would rely on support from branches and accepted that branches may need to adapt their support, depending on the make up and resources available. Council confirmed its support for the proposed approach.

## Coordinators, branches and external working groups

A number of Liaison Officer and Branch reports were received, although less than the usual number of contributions, and these have been published on the ACES website for the information of all members. Once again, thanks went to the Liaison Officers for their efforts in producing detailed and topical reports which were appreciated by members, and to the Branches for submitting reports on their activities in these relatively quiet times.

## Future meetings

Annual Meeting 12 November 2021  
Virtual Meeting

ACES Council January 2022 TBA

Because of the volatility of the meetings, please keep an eye on the website for information.

## Other matters

Rachel Kneale referred to a recent matter of concern involving Freedom of Information requests for commercial property information. Following a First-tier Tribunal decision on a successful appeal against a refusal of a FoI request for information on LA commercial property investment, the TaxPayers' Alliance had now requested previous refusals to be reviewed.

However, it was considered that authorities can still refuse to disclose commercial information and should do so in particularly sensitive situations. It was noted that authorities do not, in any event, need to disclose data that is not usually calculated or recorded and that the time taken to collate information has a bearing on the decision to disclose if it is disproportionate.

As there was general consensus of Council that carefully managed property investment is a valuable tool for authorities, then a forum post should be started, advising of ACES' supportive position on refusals and generate awareness amongst members. Furthermore, it was considered that the recent case was somewhat unusual and needs to be fully understood by FoI officers when a follow up request for information was received.

# ACES MEMBERSHIP

Trevor Bishop MRICS, ACES Secretary [secretary@aces.org.uk](mailto:secretary@aces.org.uk)

I list below the changes in membership between 1 July 2021 and 30 September 2021

## New members approved

There were 10 new applications approved during the period:

| First Name | Surname    | Organisation                    | Branch Ref |
|------------|------------|---------------------------------|------------|
| Richard    | Gammie     | Crawley Borough Council         | SE         |
| Wendy      | Gillie     | East Lothian Council            | S          |
| Carys      | Williams   | Gwynedd County Council          | W          |
| Louise     | Benn       | London Borough of Ealing        | L          |
| Jessica    | Tamayao    | London Borough of Ealing        | L          |
| David      | Rice-Oxley | London Borough of Hackney       | L          |
| Jacquie    | Denton     | London Borough of Merton        | L          |
| Norrie     | Curtis     | Scottish Borders Council        | S          |
| Steven     | Newman     | Southend-on-Sea Borough Council | E          |
| Guy        | Harbord    | Wilks, Head & Eve               | SE         |

## Members transferred during the period.

One member transferred during the period.

| First Name | Surname    | Branch Ref |
|------------|------------|------------|
| Tim        | Broadhurst | W          |

## Resignations

The following 14 members resigned during the period:

| First Name | Surname    | Organisation                         | Branch Ref |
|------------|------------|--------------------------------------|------------|
| Heather    | McManus    | ACES Associate Member                | NW         |
| Margaret   | Birtles    | Bedford Borough Council              | HoE        |
| Eirian     | Jones      | Cardiff Council                      | W          |
| Sue        | Bader      | Crawley Borough Council              | SE         |
| Alastair   | Johnson    | Dumfries & Galloway Council          | S          |
| Janet      | Placido    | East Lothian Council                 | S          |
| Dafydd     | Gibbard    | Gwynedd County Council               | W          |
| Belinda    | Prichard   | London Borough of Harrow             | L          |
| Howard     | Joy        | London Borough of Merton             | L          |
| Jim        | Goulden    | NHS Property Services Ltd            | NW         |
| Steve      | McLeod     | Reigate & Banstead Borough Council   | SE         |
| Nick       | Corrigan   | South Wales Fire & Rescue Service    | W          |
| Nick       | Ethelstone | The Coal Authority                   | HoE        |
| Edward     | MacFarlane | Buckinghamshire Healthcare NHS Trust | HoE        |

Secretary's note: The above list includes members who had not paid their membership subscription by 30 September 2021 and their membership has thereby been terminated.

## Membership

Summary of current membership at 30 September 2021:

| Total Membership |            |
|------------------|------------|
| Status           | Number     |
| Full             | 222        |
| Additional       | 65         |
| Honorary         | 33         |
| Associate        | 26         |
| Retired          | 44         |
| <b>Total</b>     | <b>390</b> |





# RACES Initiative - And They're Off!

The Grand National may have had Bob Champion, but in ACES we have 7 Champions who have agreed to get the RACES Initiative off to a flying start!

Designed to maximise the potential of retired members and to help Future ACES members (FACES) to get over the hurdles in their careers, the RACES Initiative is now officially launched and is ready to make a difference in the odds of property professionals making it to the top of their game.

## We are the Champions!

Here are the designated Champions who have stepped forward to support their Branch



**Charles Coats**  
Rural Practice Branch  
[coats@highnambband.co.uk](mailto:coats@highnambband.co.uk)



**Lee Dawson**  
London Branch  
[Lee.Dawson@jldpc.co.uk](mailto:Lee.Dawson@jldpc.co.uk)



**Gerry Devine**  
Welsh Branch  
[mgerrydevine@outlook.com](mailto:mgerrydevine@outlook.com)



**Jim Ross**  
Eastern Branch  
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**John Loxley**  
South East Branch  
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**Bernard White**  
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**Richard Wynne**  
North West Branch  
[richard.wynne56@gmail.com](mailto:richard.wynne56@gmail.com)



Over the next month our Champions will be assessing the resources available and needed to develop members' careers. This will tap into the skills and knowledge of RACES members and will help to create a programme of activities and support the identified needs of FACES members.

## Root and Branch Understanding

We want to root out the specialist skill development opportunities that each Branch believes would help to make a difference. This might include:-

- **Soft Skills** e.g. empathy and listening skills, consensus building, adding value to relationships, building alliances, political awareness internally and with members, engaging with others positively.
- **Communication** e.g. delivering memorable presentations, report writing and building stories, Neuro-linguistic programming, negotiation techniques for property and beyond, public participation techniques, working with members (tours, summits and quizzes), dealing with press and publicity.
- **Leadership Development** e.g. leadership v management, leadership style evaluation and awareness, creating and taking leadership opportunities. Transitioning into consultancy.

It might involve something completely different so give us your ideas via your Branch RACES Champion or directly by emailing [RACESinitiative@aces.org.uk](mailto:RACESinitiative@aces.org.uk)



## Mind the Gap!

The job of RACES Champions will be to recommend a programme of activities, some delivered in Branch or pooled with others to provide additional content at meetings and for selected individuals that will make a difference and go beyond traditional CPD learning. Where there are gaps in our combined knowledge, we will look to get guest speakers from our partner organisations so that members' skills get the development boost to forge members into future leaders.

## Why RACES Matters



**Simon Hughes**

"RACES offer's a fantastic opportunity to tap into the wealth of experience and learning of our retired Members. Now more than ever, the role of a property professional in the public sector requires a set of skills that go beyond technical and professional competence. Soft skills and the ability to

convert often complex information to a non-technical audience are more important. An independent mentor who can help guide you in terms of your career, advise on your development areas, and sometimes just to talk through issues with is essential – although in busy organisations can be hard to come by. Looking back over my career, there have been a few people who have really helped me and acted as a mentor – such as former ACES president Jim Ross. I do often (twelve years on) hear his advice on dealing with a wide variety of issues.



**Daniella Barrow**

I was a Graduate surveyor at Barnsley MBC Council, and my boss Peter, who was a member of ACES said he had a colleague in ACES that chaired APC assessments. Phone calls were made and I was introduced to Bernard White the Chief Estates Officer at Harrogate Borough Council and a member of the

North East Branch of ACES. He mentored me in interview skills and what to expect in the APC interview and I passed. Bernard has since over the years run APC sessions for ACES members and albeit retired is still very active within the ACES fraternity.

This experience opened the door to the ACES network for me and as I moved through job roles at Barnsley MBC I would read Peter's Terrier journal and I was aware that there was a group of professional people that were working on similar schemes and issues to us.

I think ACES gives us the opportunity to acknowledge that you may not have all the answers to a challenge but you quite possibly know of someone who can help!

A good few years later I found myself representing Barnsley Council as an ACES member and formally joining the ACES network. Attending branch meetings, I learnt something new at every branch meeting.

The ACES membership is a group of property people who all share the same challenges and issues and for me the benefit of ACES is to access support, information and experience from others to deliver those challenges and make for the better delivery of public sector property.

Sharing knowledge and experience outside of your own organisation is, I have found, important to developing as a professional and bringing that group knowledge and experience to your own organisation. The network of associates that ACES brings you into contact with cannot be underestimated and it is great to find people who have a passion for public sector property in your professional circle, and more importantly, who can support and bring out the best in you.



**Charles Coats**

ACES Rural is now predominantly populated by small teams managing rural estates due to successive budget cuts. That can be a lonely insecure business where the availability of a critical friend to share issues with could be invaluable.

I'm shortly off to a council who has recently recruited a new surveyor to manage their farms estate. He readily admits this will be a daunting experience and doesn't really know where to start. I've offered to spend a day with him meandering around the estate on a "walk and talk" basis

Councils can always buy in professional expertise if they want, but developing strategic awareness, knowing how to address difficult issues, prioritising competing challenges, building personal confidence in addressing councillors etc. only comes over time and with experience. If RACES members, in our various ways, can provide a helping hand that is where I am convinced we will add greatest value.

## Runners and Riders?

Getting ACES members to be front runners in their organisation is a formal aspiration of the Association. It is a strongly held belief of the RACES members that they can help others to enjoy success in their careers by providing personal support that will make a difference. This altruistic concern is often held because at some time in the past they have had similar support and friendship within the Association which has made a difference to them and so in reality its about giving something back.

So if you would like to take part, just get in touch with your Champion and tell us what you think will help you have the ride of your life.

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## NATIONAL CONFERENCE REPORT

Peter Gregory, Immediate Past President and Betty Albon, ACES' Editor

This report is a summary of the presentations made at ACES On-line Conference 2021. The conference consisted of 6 sessions held between 13-23 September, which each recorded between 200 and 400 virtual delegates – a fantastic conference result.

The conference was opened by ACES' Secretary, Trevor Bishop, who welcomed all ACES members and visitors to the 2021 conference. Trevor pointed out that there was no fire drill planned for the session, so if you heard an alarm, choose your designated escape route!

### Session 1: Excellence in the East



### A showcase of projects in the eastern region from ACES Eastern Branch members

Brian Prettyman, Senior Manager Corporate Property at Suffolk County Council and long-standing Chair of Eastern Branch said it was a proud moment for him to introduce the first session of the 2021 conference, which highlights some of the excellent work being done in the region. Members of this branch – and ACES as an Association – show great professionalism and are able, through their projects and the regular meetings, offer peer advice and

mutual support. Communication is one of ACES' great strengths.

[The Better Queensway Project, Southend on Sea - Alan Richards, Interim Executive Director Growth & Housing, Southend on Sea Borough Council and Graham Kaunders, Project Director, Swan Housing Association](#)

Alan and Graham outlined the Better Queensway Project, which will be delivered by Porters Place Southend on Sea LLP, a joint venture between the council and Swan Housing Association. Now a decade in progress, this inner-city regeneration aims to integrate live, work and play, to transform a central area of the town into new areas of high-density housing all with their own private spaces – a lesson from Covid – public parks, squares and plazas. Sustainability is high on the agenda.

A hybrid planning application received approval in March 2021. The first major intervention will be to replace the oppressive 1960s dual carriageway which cuts Southend in two, both physically and socially, with a 'friendly' 4-lane boulevard with new crossings all at grade, new footways and cycleways.

Blue light centre and Smarter Working - Kevin Kendall, Assistant Director Corporate Property, Lincolnshire County Council

Kevin outlined two projects. The Blue light centre in Lincoln is the UK's first tri-service station with a custody suite, housing police, fire and ambulance services under one roof. The facility cost £21.5m, partly funded by the Home Office, and has enabled 450 front line staff to co-locate. It was opened by Princess Margaret earlier this year.

The Smarter Working initiative was already under way pre-Covid, whose vision is "Work is about what you do, not where you do it". The principles of improved work-life balance and sustainability translated into an office accommodation strategy aimed at creating a flexible 'managed workspace' model to improve choice for staff, reduce office space, provide an affordable office estate and creatively use surplus buildings. The first of 3 repurposed key buildings was opened in August 2021 and the second opens the end of September. There is no 'ownership' of desks throughout the offices: a variety of spaces, including desks, collaborative areas and boardrooms are bookable on a cloud system and there are 'drop in' facilities. Staff are being helped through the cultural transition with a 'Welcome back' pack.

Greening Suffolk: Electric vehicles and property helping to deliver carbon zero - Peter Frost, Environment Strategy Officer, Suffolk County Council

Peter observed that everything is now geared towards the environment – business, legislation, vehicle and energy options, consumers and councils, all of which in Suffolk have declared a climate emergency. One initiative is Solar Together Suffolk (group buying for solar panels and battery storage).

Electric vehicles will impact faster than anticipated. They are quicker, quieter, a smoother ride, cleaner and overall cheaper to run, and are already outselling new diesel and petrol vehicles. While the county council is proactive in creating open access public charging infrastructure through its 'Plug in Suffolk' campaign, targeting rural locations, 85% of charging points are privately owned (homes and workplaces). From April 2022, the government will be particularly concentrating on grant aiding multiple occupancy buildings.

Peter anticipates an escalation of changes as autonomous cars and car sharing clubs develop [Ed – see Peter's full article in this issue of ACES' Terrier].

Broxbourne: The new Hollywood - Kevin Clark, Head of Property Services, Broxbourne Borough Council

Kevin outlined the pipeline developments:

- A new 92 acre film studio at an improved Junction 25 of the M25 (the A10) with an investment of £700m and creating up to 4,500 jobs
- A Mega Data centre of 65,000 sq m and adjoining Business Centre with 34,600 sq m of office and business space on an adjacent site
- Brookfield Riverside - a new leisure and retail town centre of 40,000 sq m, a new civic hub, with an associated Garden Village extension of 330 acres, 1,250 homes and primary school. This is a JV between the borough council and Herts CC [Ed – see 2020 Winter Terrier for full article]
- A new footpath and cycle route along the whole length of the New River as it passes through the Borough [informed that it's not a river and not new (opened 1613), to bring fresh water from Herts to London] but to be extended
- Residential and commercial developments to provide 7,700 new homes and 10,000 new jobs by 2033.

21st century telecoms in Norfolk: Cracking the Code - Michael Snaith, Regional Network Solutions

Michael is a consultant from Regional Network Solutions who is engaged by Norfolk County Council on digital related issues and opportunities. A key issue for the residents of Norfolk is mobile coverage in a largely rural county, which can be a major barrier for communities and businesses and has been highlighted and heightened by Covid. The council is dealing with this challenge by embracing the new Code powers and is proactive in dealing with mobile operators.

The first step was to undertake audits in 2018 and 2020 of coverage to identify and map 'not spots'; then to stimulate investment by identifying council assets and infrastructure which could be offered

to operators. Planning workshops have been held and planning guidance across Norfolk is being developed; standard lease terms have been adopted (first rural county to develop these) and shared with district and parish councils; Norfolk is in the first phase of the government initiative Shared Rural Network; rural small cell pilots are set up. While significant coverage improvements have been made, accelerated investment is planned for site upgrades, improved engagement with operators and communities, 4G upgrades and 5G investment.

ACES President, Simon Hughes

Simon closed the session by thanking all speakers from the Eastern Branch, and all sponsors – Avison Young, Carter Jonas, Norse Group, and Lambert Smith Hampton – for their support, to enable this conference to be held. He echoed Brian Prettyman's remarks about the value of ACES as a professional organisation whose strength was mutual support and communication.



Steve is the National Head of Planning, Development & Regeneration at LSH and has over 29 years' experience as a commercial planning, development and regeneration consultant advising local planning authorities, regeneration bodies, developers, operators, investors and landowners on all aspects of town centre, retail, leisure and economic development and regeneration throughout the UK.



Neil is Director – Planning, Development & Regeneration. With over 30 years of experience, he provides advice and strategic leadership on a variety of development projects, to landowners, regeneration agencies and local authorities operating across the UK. He also leads on some of the largest and most complex public private partnerships schemes including advice to HCA, Network Rail and to more than 50 local authorities.

activities, particularly the rise of online shopping, which was at 36% in November 2020. Although the proportion has fallen back to 26%, it is anticipated that it will represent 50% of all retail sales by 2030. Major store failures have particularly hit shopping centres (1,600 stores were lost in 2020 alone); other impacts have been takeaway deliveries, home cinema experience and on-line conferences! The outcome is that Britain's towns and high streets are over-shopped. Additionally, major cities particularly have taken the brunt of the fall in visits to traditional offices (25% below C-19 levels), whereas smaller centres may well face pressures of new hybrid hub and spoke office strategies. Unless new uses are considered, regeneration schemes might face bigger viability issues and funding gaps. Although it is too early to predict, the planning reforms of changes to the Use Classes Order and permitted development rights could have significant impacts on the future appearance and uses of our high streets. This might be muted where councils implement Article 4 Directions. However, the biggest issue is climate change and a zero-carbon future.

Potentially there are opportunities to make this one of the most creative periods for our high streets. Currently town centre regeneration projects over the next 3-5 years can take advantage of significant government funding through the Future High Street and the Town Deal Funds, but what happens when the funds run dry, or for those areas which haven't secured grants? Major opportunities towards this town centre renaissance include building on the concept of the 5/15-minute "walkable neighbourhood"; supporting independent retailers and food/drink outlets; encouraging new flexible and exciting commercial uses and workspaces, health and cultural activities: "make them exciting and entertaining, liveable and lovable, green and safe – the beating heart of our communities."

Before handing over to Neil and Mark, Steve gave case studies of Corby and Tilbury, both of whom have benefitted from the £3.6bn Town Deal Fund, a capital fund focused on urban regeneration, skills and enterprise infrastructure and transport connectivity. Both regeneration projects have improved public transport and diversity of town centre uses, such as Corby's state of the art 6th form centre and Tilbury's integrated medical centre.



Mark is Director – Planning, Development & Regeneration responsible for leading the Development Consultancy team based in London. He has over 20 years' experience as a development consultant, land agent and valuer. Most of his work has involved urban regeneration, mixed-use and residential development, advising on redevelopment potential, viability, exit strategies, and transaction structures to many local authorities, government departments, the MOD, NHS, and various quasi-public sector bodies.

## Session 2: Delivering regeneration



### Leading recovery through our high streets and public assets, Dr Steve Norris, Neil Parlett and Mark Wilkinson, Lambert Smith Hampton

Alan Richards, Southend on Sea Borough Council, introduced the session.

Steve introduced the session, setting the scene with issues and challenges, and opportunities, followed by a 'double act' of Neil and Mark outlining forms of intervention, centred around illustrative case studies. There was so much valuable information and this summary will not do the session justice.

Some of the issues and challenges have been exacerbated and accelerated by the impact of the pandemic. Obvious ones include the growth of internet-based



For local authorities, key areas of intervention are:

- “Right sizing” of public assets – rationalisation and redevelopment of council assets, typically administrative offices, to free space for additional uses, eg Percival House, Ealing to create market and affordable housing
- Unlocking multiple opportunities – high value land can be released to facilitate wider regeneration, eg Grays town hall site
- Direct intervention – when in 2018 the developer pulled out of Meridian Water, Enfield council took on direct involvement of the 180-acre site, including resolving a significant funding gap. All tenures of housing are proposed, including 4,000 affordable units, employment, and a new train link to Stratford
- Delivering social value – the combined project of Richmond and Wandsworth councils at Twickenham Riverside does not seek to maximise density, but develop a sense of place, with green spaces and a night-time economy
- Creating memorable places & experiences – while Kings Cross regeneration has an important social element, the private developer still had profit as a priority motive; Aylesbury regeneration includes the new Waterside Theatre and associated open space
- Reinvention - re-imagining spaces, eg The Forum Complex, Groningen, Holland which includes a library, museum and exhibition space; nearer to home, the repurposed Oxford prison into the luxury Malmaison Hotel
- New partnership models – affecting change through imaginative partnerships. Ealing Council with GLA has created 530 houses, with 85% affordable, using Passivhaus techniques
- Temporary modular housing. Questions exist about economic viability and durability, but a key subject for debate
- Meanwhile uses - eg community gardens at Lavender Place, Reading, drive-in cinemas and film studios by Enfield LBC and Troubadour Theatres

- Initiatives for income generation – eg Canopy Market, Kings Cross; using containers: Boxpark at Shoreditch, Croydon, Wembley and Bristol
- Financial solutions – the public sector can call on various funding partners, such as Homes England. It can also partner with major players in the market, such as Aviva, M&G, Legal & General and Cheyne Capital, taking advantage of the valuable councils’ covenant. Other new players are boutique private sector financiers such as Patron, BMO and Civitas.

Key takeaways:

- Public sector can adjust quickly and innovate
- Councils need to lead on social value
- Public sector needs to be resilient – struggling with gap between funding demands and resources
- Innovative financial resources needed
- There is plenty of scope for effective partnerships
- Risks need to be understood
- “every crisis presents new opportunities.”

#### Questions

Creation of greenspaces in town centres – how do we produce a business case to transfer land at nominal value? It is difficult to value green spaces, but social value should be recognised. Local authorities need to take a view of regeneration beyond the simply economic. They need to take a view of the importance of such green spaces to drive other outcomes.

What visual changes will we see over the next 5/10 years? Some thoughts:

- Beautification/greening – places becoming more attractive
- Rationalisation of shopping centres
- Consolidation of retail cores – use of upper floors, less retail more residential, especially assisted living
- Emergence of more leisure – food and drink.

Changing market dynamics and the opportunities for our places, Nicola Rigby, Jonathan Lowe and Rebecca Halbert, Avison Young



Nicola leads the AY Regeneration offer across the North West. With over 17 years of regeneration advisory, she provides strategic planning and delivery advice and market analysis to underpin a range of projects on behalf of public and private sector clients. She has expertise in urban change, often taking a leadership role within multi-disciplinary teams.



Rebecca has experience in planning, executing and evaluating marketing and communication campaigns – large events, digital and media – across the charity sector, retail and property. She is currently leading the strategic marketing programme for a local authority’s flagship investment site and delivering integrated communications campaigns to support with C-19 recovery for an East Midlands town.

- The recovery peak is sustained, balanced and rapid. It is not driven by London, but by the regions – Liverpool and Edinburgh are leading the way. Of note, industrial and residential sectors did not need to recover
- Industrial - resilient but facing pressures unrelated to Covid, eg Brexit
- Hotel and leisure – only affected by seasonal impact
- Retail – peaked during the summer – positive response following lockdown easing
- Offices – return is steady, but trending upwards, helped by the return to school.

Housing Market activity, key trends and diversification: there is a new minister for housing, but the crisis has not changed: there needs to be stability in political leadership. 350,000 new homes are needed each year, but current delivery is less than 250,000. It is difficult to move on the more nuanced demands of low carbon, affordable homes, brownfield sites etc when the basics are not being delivered. There is a dichotomy in the market - homes are needed in the cities but volume housebuilders do not want to build on complex urban sites. So how do we create more movement in the market?

There is a lot of investor interest in older person living, but planning authorities seem reluctant to engage and embrace. There are also tenure challenges. Additionally, community infrastructure eg schools, affordable housing, are needed to support housing market growth, with associated viability issues on brownfield sites.

The urban industrial market has great potential for diversification. 2020 and 2021 have been boom years for out of centre and logistics big boxes, but the uses of low density/low value industrial properties in the urban centres need to be intensified. Driven by demand, there is a need to ensure that businesses have access to markets, that there is investment in cleaner industrial activities, and there is a need for LPAs to protect employment land – much has been lost to housing.

Jonathan spoke about the commercial landscape: “will going to work ever be the same again?” While Covid has just accelerated pre-existing trends, the office workplace has now changed forever. Workers like an improved work/life balance, flexibility, time saved on

### Changing market dynamics and the opportunities for our places, Nicola Rigby, Jonathan Lowe and Rebecca Halbert, Avison Young



Simon Cartmell, Corporate Land Manager at Suffolk County Council introduced the session.

Nicola introduced this presentation which focuses on town and city centres. AY has devised a Recovery Index to measure where the UK economy is now. It was launched in the lockdown and collects data across industries and locations to monitor and model market activity; it can assess the speed of the current recovery using commercial activity, hotel and leisure usage, mobility (journeys by all means) residential market, retail footfall and consumer confidence, and data on returning to the office.

As of 12 September 2021 the model identified a new recovery peak, with the following trends:



Jonathan is a Director within the National Offices team, with experience specialising in commercial public sector and emerging markets. He is principally involved with the provision of strategic development and acquisition advice across the public and private sector throughout the UK.

commutes, but have missed colleagues; home has distractions and is a poor learning environment, with a lack of creative energies stimulated by personal contact.

Employees now want the best of both worlds – few want to work remotely 100% of the time, and want the ability to visit the office 2-3 days a week. Offices will now need to be of high quality – an engaging environment with a variety of activity spaces, eg break out team areas, in order to attract people into the workplace.

Many organisations have yet to return to the office, so accommodation strategies are not yet fully formed. Plans differ between organisations and many employers are finding this transition difficult. This has an impact on tenure – long lease agreements are less favourable, with organisations wanting greater flexibility, simplicity and co-working opportunities. A ‘managed solution’ gives opportunities, with combined payments for rent, rates and services; ‘flexible’ must incorporate social needs and interaction.

Predictions:

- Offices will remain but will improve in quality
- Greater emphasis on health and wellbeing strategies
- Transformational real estate strategies
- Environmental sustainability essential
- Flexibility

Rebecca took on the subject of place branding: “Branding is what people say about you when you’re not in the room” (Jeff Bezos). It is critical to the recovery of places. Market towns are recovering faster, and is related to independent retail and civic pride. Branding provides a strong identity for competitive advantage. It is not just about a logo, but about unique values and characteristics and peoples’ feelings about somewhere, which attracts investment, civic pride, and tourism.

Over the last 10 years, the private sector has embraced the need for a place brand for urban centres, but the public sector has been slow to follow due to lack of resources. Covid has provided an opportunity as funds have been made available through the European Regional Development Fund “Reopening high streets safely” and “Welcome back fund”. In the last 18 months there has been a huge increase in communications to encourage visits. Local

authorities need to develop marketing communications plans to create lasting benefits of increased footfall.

Case examples:

- Northampton – a masterplan formed the basis of a campaign on the theme of “rediscovery”, which encouraged activity and events in key areas of the town
- Walsall – focus on events and local delivery: short, sharp snappy events to get people re-engaged in the town centre.

## Big property cases of the last year (and a bit on Covid regulations), Antony Phillips, Fieldfisher

Antony provided delegates with an update on major property cases which are relevant to local authority property managers. Antony has kindly agreed to write a full article of these cases for a future issue of ACES’ Terrier. They covered:

Jones and another v MoD - Noise nuisance. Key takeaway: the context of the area – the use/nature/characteristic of the locality provide the context as to whether the noise represents a nuisance.

Faiz and others v Burnley Borough Council – Forfeiture – waiver. Key takeaway: Landlords need to be very careful not to take action that might trigger a waiver.

Keshwala and another v Bhalsod and another - Forfeiture and relief from forfeiture. Key takeaway: a time period to apply for relief is not defined in legislation.

Capitol Park Leeds Ltd v Global Radio Services Ltd - Lease break option. Key takeaway: Tenants need to take great care when operating break options.

Sara and Hossein Asset Holdings Ltd v Blacks Outdoor Retail Ltd – Service charge. Key takeaway: service charges are often contentious, so take great care when drafting leases and challenging service charges.

Covid regulations – Antony also updated delegates on recent changes to government regulations concerning C-19 and these are included in a separate note in this issue of ACES’ Terrier.

## Housing delivery – challenge and reward, Melvyn Stone and Richard Gawthorpe, Norse Consulting



Chris Hewitt, Property Services Manager at Norfolk County Council introduced the session.

*The summary here is very brief, as the authors have kindly written a full article in this issue of ACES’ Terrier. Notes below cover the areas not covered in the full article.*

Melvyn and Richard presented this seminar as a ‘conversational discussion’. They considered capacity; demand and the concept of the 15-minute neighbourhood, the issue of LPAs to adapt policies to new trends, particularly associated with urban regeneration schemes, building tenure blind for flexibility, and health and wellbeing becoming more important because of the shift towards home-based lifestyles. Consumers are demanding a different product, eg energy efficiency; and climate.

A straw poll taken during this presentation showed that 75% of local authorities participating had declared climate emergencies, but 73% of the participants were not building new houses to net zero carbon standards. So why is the public sector not building carbon neutral homes? Research on energy efficient homes evidences 30% less voids, 30% less arrears, and 35% less administration costs.

### Questions

Is there any evidence that rental values increase, to help match the additional capital costs? Evidence is beginning to suggest a 8-10% increase in rents in the private rental sector. Tenants can pay more on rent if running costs are lower. Also, tenants stay longer – investing in the long-term ideal and decisions based on personal values. Government should consider whether social rents can be reflective of the product.

To keep this stock available for rent and affordable rents, local authorities have to use mechanisms, models and vehicles to avoid exposure to right to buy. Housing development companies are being formed,

with more development procurement options as the driver. However, Norse has found that the demand for right to buy has reduced, especially with new stock; shared equity/First Homes models are available to help people to invest, to access the market, in preference to RTB.

What role can Modern Methods of Construction (MMC) play in addressing zero carbon and capacity issues? While it is easier to achieve net carbon using MMC, it is not the universal answer: the design programme is extended; there is less waste; it is easier to plan when components will be delivered; it is difficult and costly to make changes, so the initial modelling needs to be correct. Economies of scale are important, and some sites may not be suitable, eg distance from factories reduces viability, limitations on traffic movements and access to tight sites by prefab units hinder or prohibit MMC (could add 5-6% on cost). Norse has been using MMC over the past years, and now uses a mix of MMC and traditional build.

**Shopping for health – Joining up the public sector, Richard Waterson, William Dunne, Chris Thornton, Hannah Brewster, led by Carter Jonas**

## Carter Jonas

The session was introduced by Jacqueline Clark, Property Manager at Ipserv, provider of property services for Ipswich Borough Council.

*The summary here is very brief, as the authors have kindly written a full article in this issue of ACES' Terrier. Notes below cover the areas not covered in the full article.*

Richard outlined the thesis - aiming to present opportunities by linking demand and supply to bring health into the town centre environment at scale, delivering on a national basis.

Since 1948, the NHS has seen a number of significant inputs, eg 1962 Hospital Plan, 2015 Carter Review, 2017 Naylor Report. Current initiatives include Integrated Care Services (ICS, 2019) and the new hospitals programme (NHP, 2020). The Carter and Naylor reports considered the condition of the estate (ageing - 18% pre1948;

backlog maintenance - £1.6bn; diverse ownerships – only 1,500 of 7,600 primary care premises owned by the NHS; not functionally suitable – 12%), and picked up opportunities for action, eg disposals for housing development - £6bn potential. Of course, value is not evenly distributed throughout England.

Justifications for moving the health services to the high street, to deliver ICS include opportunities for integration; reducing deprivation and inequalities; improving access to care; enabling partnerships between health and its communities.

The CJ study (July 2021) looks at supply and demand factors across shopping centres in England.

### Case Studies:

Runcorn Shopping Centre – funded by the Healthy New Towns Programme, providing a small clinic (500 sq m); outpatient services moved from an acute site. There is 600 sq m of third party complementary space, eg CAB, hospice

The Mall, Luton – the hospital site was congested, built up over years in an ad hoc manner. Pressure to expand emergency care could not be accommodated on the site. 1,500 sq m of softer outpatient services moved to the first floor (former M&S store) to free up space

Debenhams, Gloucester – in partnership with the university of Gloucester. Expansion and remodelling of city centre campus integrated valued services related to health training and education.

### Questions

Is planning policy supportive or a hindrance? Not every project will be suitable: it depends on location and facility. There is lots of support in local authorities and the healthcare sector – joined up thinking on this. One Public Estate is facilitating collaboration. Organisations have been given the agility to move quickly – as clearly seen during the pandemic.

The proposals have been positively received from both a landlord and tenant perspective. GP leases are one hurdle to be overcome, as are the rating issues with the District Valuer. GP practices can be loath to give up freeholds and lose the benefits of on-location pharmacies, which need to rearrange legislated licences. Additionally, the complexity of lease lengths and capital

investment requirements (Green Book) can make refurbishment more problematic than new build projects. But for landlords, the security of, say, a 25-year lease can help investment values, but might hinder major centre refurbishments during this longer time frame. Similarly, service charges could be a blocker.

There is no universal approach across the country, but national guidance would help to steer a consistent approach. There are a lot of local initiatives as well as an appetite for a national strategy.





Jonathan is Director of Professional Policy at the RICS and a Non-Executive Director of Social Work England. Previously, Jonathan worked in a variety of policy and strategy roles, across several professional and regulatory bodies. In 2015, as Head of Regulatory Affairs at the Press Recognition Panel, he developed the regulatory framework for recognising press self-regulators following the Leveson Inquiry.



Ros is a Principal and Regional Managing Director at AY, responsible for the management of the London office of 600+ people, and to promote the business in the national and international real estate communities. Ros has spent 35 years at AY, bringing her energy and innovative spirit to everything she touches. Ros leads the Emerging Leaders programme in the UK, inspiring and supporting AY's next generation talent.

the impacts of climate change are likely to transform our way of life – up to 140 million people globally could have to leave their homes to escape the impacts.

Buildings are the third biggest source of greenhouse gas here in the UK – we need to ensure the buildings we are constructing now are resilient for the future and efficient in the present. We will also need to retrofit the 28 million buildings that will still be with us in 2050 but currently do not meet future required standards. Carbon outputs must be measured accurately – a carbon lifecycle costs report will be published in November 2021. Technology innovation is becoming mainstream, giving better urban planning tools; IT and drone usage is giving more accurate information; more efficient building materials are being developed, eg recycling of concrete.

There are changing demands on the built environment, eg the proper equipping of homes and offices for hybrid working; more visible health and safety measures in public spaces, and the growing importance of social value. The RICS is looking at buildings' operation standards and performance indicators (consultation due in October 2021).

The strength of the RICS is the quality of its members. There is a need to promote equality and diversity - a strategy is being devised. One innovation is to invite younger members of the profession to submit a 1,500-word essay on how to improve the environment. What is clear is that the future of the profession will look very different from the one recognised by the first members of the institution.

"We're transforming the public estate building skills, driving value, and creating prosperity: it's more than bricks and mortar". These were the opening words of Janet's presentation, from the Government Property Function (GPF), Cabinet Office. This is of vital importance when seen in the context of the UK public sector estate, which is currently valued in the Whole of Government Accounts at £515bn and more than 300,000 assets. Almost half of this value (£244bn) is owned by local authorities; the 2 largest central government owners are DHSC and MOD (£44bn and £34bn respectively). Surprisingly, £72bn is classed as assets under construction, which is a huge amount of input into the economy, and brings home how important it is for local government to impact on net zero and sustainability [Ed – see article on MMC in this issue of ACES' Terrier].



Janet is Interim Director General, Government Property and Chief Government Property Officer at the Government Property Profession, the community of property professionals across government. She provides professional leadership across a diverse range of government departments and arms-length bodies which deliver the government's property ambitions. She is responsible for the Government Estate Strategy and the Government Property Functional Standard.

**Future of the profession - What government, RICS and the private sector think, Jonathan Gorvin, Janet Young, Ros Goode, led by Avison Young**

**AVISON  
YOUNG**

Sara Cameron, Corporate Manager, Strategic Property, at Babergh & Mid Suffolk District Councils, and Secretary of Eastern Branch, introduced this last session.

Jonathan began with a wish to "get rid of the elephant in the room" and invited delegates to read the Levitt Review. Governing Council has accepted all 18 recommendations in full and welcomes the input of ACES to the forthcoming independent review of purpose, governance and strategy.

The big issue is climate change. In 2020, the world was hit by a record 50 separate billion-dollar weather disasters. By 2050,

Emerging ideas from GPF to better manage assets are:

- Smaller – dispose of surplus high whole life cost property; focus on collaboration
- Better – improve quality of buildings and services
- Greener – net zero by 2050, new build and retrofit
- Locational strategy – eg civil servants relocated to regions.

#### Government School of Property

A recent innovation, it is designed to support professional development, share best practice through networking across departments, and encourage accreditation at all levels. Its products are to be shared across the public sector and include core training skills (foundations of property, sustainability and maintenance); leadership development programmes, in association with the Henley Business School; external accreditation; and learning and development.

The GPF has key challenges, many of which are common to local authorities. 63% of the profession are aged over 50 and only 40% are female – which is a higher proportion than in the industry as a whole. While these cohorts indicate property expertise, a pipeline of early talent needs to be encouraged, for instance through an apprentice scheme. Personal development is uncommon and there is a high staff turnover rate, with many professionals moving on to private sector jobs. GPF must meet this capacity challenge with a compelling offer that will retain staff. In response, tools are being developed to support and develop staff: “we must know what’s coming down the track” and develop appropriate skills (eg ‘proptech’ and AI). ACES can help ‘lead the charge’.

Ros believes the profession is at a pivotal point. She corroborates Janet’s views, that a career pathway is essential to retain talent. AY’s approach has been to design a ‘Talent Journey’, and the company is now recognised as a ‘preferred employer’. Staff are supported in obtaining qualifications through the traditional graduate way, but also developed as next generation leaders, through the soft skills of business acumen, collaboration, and shadow board experience. The company’s culture is of prime importance in this ‘war for talent’.

such that in 2019 a commitment to build an inclusive and diverse organisation focussing on ESG (environmental, social and governance) was added as a sixth pillar to AY’s global strategy.

There are now established alternative routes into real estate at AY, in an attempt to ‘shift the dial’, where emphasis is in linking into schools. There is a pressing need to broaden the next generation entering a career in the built environment. There’s a role for central and local government; for RICS the opportunity is there, post the Levitt Review, to take a new direction and become more outward facing, but it will take collaboration of all sectors to tap into broader societal cohorts and public understanding, to show that a career in property does not just mean estate agency.

Another challenge is the need to broaden skills, particularly into data and sustainability. The power of data is extraordinary, and the profession will not be able to operate effectively without learning essential analytical skills. Also, the MBA qualification offers other options.

#### Discussion

How can the property profession capitalise on the current high profile it has for sustainability, and for galvanising resources to provide emergency buildings for hospitals, testing and vaccination centres, to make it central to people and school children, and so attract new talent into the profession? The industry needs to broaden its thinking, and work collaboratively, to create routes for a diverse population. After all, surveying began with articles, not degrees, so apprenticeships, etc should be core to strengthening the future of the profession. There are opportunities to use the Apprenticeship Levy in this route.

There are barriers to overcome, such as the ‘middle class’ nature of the public services, but at GPF, when Level 6 apprenticeships were offered, they were inundated with applicants from a diverse range of backgrounds. Follow-on opportunities must be in place, to develop leadership skills, etc. ACES too is looking to support its membership through its RACES and FACES initiatives (retired mentors regionally based and future skills development, together with its ACES/CIPFA Strategic Asset Management Diploma, delivered in a flexible modular format [Ed – see Council Meeting notes in this issue of ACES’Terrier].

Another important area is hanging onto experienced staff, who may be thinking of leaving the profession. Flexible work packages, in both hours worked, and hybrid working, can assist to retain staff, and benefits employers and employees.

### **Closing remarks, Simon Hughes, President of ACES**

The final words went to Simon, who on behalf of ACES and the Eastern Branch thanked all speakers, colleagues and delegates for attending the Online Conference 2021. He also thanked once more the 4 conference sponsors – Avison Young, The Norse Group, Carter Jonas and Lambert Smith Hampton, for their welcome and sustained support to ACES and for making this conference happen. He also thanked ACES Secretary, Trevor Webb and Simon Rogers of Norfolk County Council for their behind the scenes competence in making sure the technology performed seamlessly; Neil Webster and Betty Albon for promoting the conference, and Willie Martin for ACES’ financial support.

Finally, Simon hoped to see everyone at next year’s conference - [ACES 2022 Conference](#), to be held at Sutton, London on 15-16 September 2022 as a live event, which will be in the hands of Chris Rhodes, the incoming President. Meanwhile, please get involved with ACES, to benefit from all the support and networking offered at branch and national level.



Duncan is Head of Marketing & Communications at NaCSBA.

# RICHARD BACON REVIEW

Duncan Hayes [media@nacsba.org.uk](mailto:media@nacsba.org.uk)

Duncan discusses the Bacon Review of Custom and Self Build, published in August 2021, and the crucial role that land has in securing substantive change. This sector has the potential to deliver thousands of homes a year; crucial are putting customers first, not housebuilders' shareholders, and boosting the involvement of small local builders. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1013928/Bacon\\_Review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1013928/Bacon_Review.pdf)

## Outline

On 9 April 2021 The Prime Minister commissioned Richard Bacon MP to undertake The Independent Review to develop a plan for a major scaling up of the self commissioned homes – across all tenures – to boost capacity and overall housing supply.

On 21 August the Bacon Report ('House - How putting customers first can change everything') was published. As requested by the prime minister, the review sets out a number of specific and implementable recommendations to government (see box).

The review is a key part of the government's Custom and Self Build Action Plan, along with the Help to Build scheme (launching this autumn) and the review of the Right to Build legislation. It was warmly welcomed by the government, which "matches our ambitions for the custom and self-build sector," which, if the recommendations are followed, has the potential to deliver 30-40,000 new custom and self build homes per year.

The author was a natural choice, as Richard Bacon, MP for South Norfolk, is a stalwart supporter of the sector and whose Private Members Bill ultimately led to the Right to Build legislation. For his review, he conducted a series of interviews with stakeholders at every level, from government to consumers. And his

conclusions are clear: England is "in danger of becoming two nations – one nation in which a whole generation struggles to find somewhere to live at all, while the other adds to its buy-to-let-portfolio." (p17)

To solve the problem, the report calls for "muscular state action", including in the form of a Custom & Self-Build Delivery Unit within Homes England, to get to the bottom of one of the most serious barriers to growth – the supply of land.

And Bacon pulls no punches, saying: "In no other time in our history would housing be thought of as pollution. Our country has a growing population, an aging housing stock and a younger generation who have been priced out of home ownership – and for whom even renting a home costs far too high a proportion of their income. We need to build more new homes."

Beyond the recommendations, the solution he proposes is to put the customer at the heart of the process, by giving more people more choice in the types of homes they live in. This translates to growing custom, self-build and community-led homes to supplement – not replace – existing development activity. This would help build the additional homes that will support government in its ambition to deliver 300,000 homes annually.

"We must create the conditions in which customers are treated as if they matter the most, rather than – for the most part

– scarcely mattering at all. And this is what happens when people themselves commission the houses they would like to see” says Bacon.

To achieve this Bacon states that we need serviced plots of land available everywhere, at scale. He goes on to explain that the 2 most significant risks for anyone wishing to build a house are the significant infrastructure risk – that is the roads, water and other services - and the planning risk. This, he explains, “is unendurable for many, particularly for smaller builders and individuals”.

Logically then, to promote activity we, nationally, need to remove the risk associated with the installation of infrastructure, by making it a public function, while creating certainty through the planning system so it reduces risk. The reforms put forward by the Housing White Paper, now on hold while Gove reviews his new departmental responsibilities, would have provided some of this certainty for custom and self build.

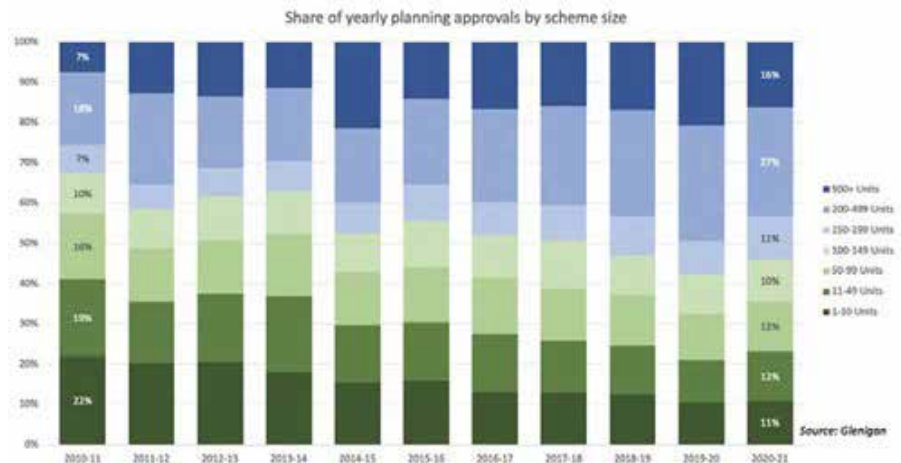
## Robust data

Not only are Bacon’s arguments persuasive, but they are compelling as well, thanks to the new economic analysis conducted by Chamberlain Walker Economics <https://cweconomics.co.uk/>, a specialist consultancy with expertise in housing, infrastructure and local growth.

Its conclusion was that there is a missing market for self-commissioned homes in the UK, compared with other developed economies in which the self-commissioning of homes is much more common. Equally, it surmised that currently the large UK housebuilders chiefly compete not in the market for new homes but in the market for land. Therefore, addressing land supply is the key that will help deliver more and better homes.

The data highlighted the decline of smaller sites for housing over the last 10 years, meaning less Small and Medium Enterprises (SME) year-on-year. This is important as these businesses contribute significantly to local economies in that they build in their local market, as opposed to concentrating nationally on the more profitable south. SMEs also have a proven track record for the training and retention of staff, creating wider opportunities.

Bacon points out that the Housing White Paper Fixing our Broken Housing Market (2017) set out an agenda for



Share of planning permissions on large sites, 2010/11-2019/20, England  
Data: (Bacon Review/Glenigan)

boosting activity for SME housebuilders by diversifying the housing market, a sector that has been decimated over the last 40 years. In 1988, SME house builders built two thirds of our homes, and now only deliver barely 12% of new housing stock, as reported by the Federation of Master Builders.

Therefore, making serviced and permissioned plots easily available and putting customers at the centre of the process will increase the amount of owner-commissioned homes, which in turn provides a route to work for SMEs that then buoys local economies.

## The question of land

Chapter 4 of the 114-page review is titled ‘Using land the public already owns’. In

it, Bacon refers to the land and buildings already in public ownership, valued at £443bn, that could offer a route to land – the single most limiting factor to growth.

Bacon asks: “Should the government use the fact that it already owns public land – as a steward on behalf of citizens and taxpayers – as a tool to achieve broader goals of public policy, where it can be shown that the achievement of those goals would be materially assisted by its holding on to public land over a long period?” (p45).

Government regularly disposes of some of these assets, but all too often these go to the highest bidders, while the system ensures that only large parcels are moved on to large operators, as this is the easiest route to disposal.







Aspects of Graven Hill



Images of Graven Hill courtesy of Jim Tanfield at Inscope Imaging



AC Architects' dormer self build  
Credit: [www.acarchitects.biz](http://www.acarchitects.biz)

“But as Lord Richard Best told this Review, ‘we have handed over control of the land to people who do not have the public interest in mind!’ Even worse, not only is this land disposed of to these volume housebuilders, but, because they compete in a market for land, often what is happening is that it is used to bolster land banks to ensure a ready supply for these builders.

This is where Homes England could have a huge impact, should Bacon’s recommendation for a dedicated Custom and Self-Build Housing Delivery Unit be adopted, as currently such land disposals are not typically available for small builders. Homes England already has a remit to ‘make markets’, and this should be joined up to the need for smaller sites (also in the National Planning Policy Framework) in connection to the provision of serviced and permissioned plots of land.

These could come forward both on small sites and as elements on larger sites to create new routes to land for owner commissioned homes. But to do this, Homes England needs a mandate from government, which NaCSBA hopes the Bacon Review will help secure.

### Next steps

While NaCSBA welcomes the opportunity the review represents for promoting change, it was welcomed by many other industry bodies, including the RTPI, RIBA, CPRE, FMB and more – all of whom recognise that putting people and placemaking at the centre of the process can only be a positive impetus for any change [Ed – see also following article of RICS’ proposals].

The review stresses the fact that, as well as having higher design and build quality and being more welcomed by smaller communities, custom and self build homes tend to be greener, with lower running costs than most market housing. In the current crisis around gas supply and with zero carbon targets on the horizon, surely the inclusion of housing better suited to meet these challenges as part of our housing mix should be considered by every council in the UK?

What’s more, owner commissioned homes are statistically far more likely to embrace Modern Methods of Construction, which the government is also keen to encourage. There can be flexibility of construction models too. for example,

Webbs Meadow has permission for 13 serviced plots with oak frame homes by Oakwrights  
Photograph kindly provided by Oakwrights



at Webbs Meadow, the houses currently under construction are a mixture of self builds, full turnkey builds from Oakwrights direct to the clients to their chosen spec, and another where the developer will provide the dryshell package only for the client to then fit out themselves.

The economic evidence in the report identified a 'missing market' of self-commissioned homes in the UK. The ambitions set out by the recommendations are achievable, but require the right levers and new approaches to deliver it. With this, the recommendations have the capacity positively to transform our country's relationship with the new homes market.

For planning insight around custom and self build, check out the Right to Build Task Force's free guidance.  
[www.righttobuild.org.uk](http://www.righttobuild.org.uk)

## Bacon Review Recommendations

### Recommendation 1: Greater role for Homes England

The Government should create a new Custom and Self-Build Housing Delivery Unit within Homes England to enable the creation of serviced building plots on small and large sites and support the delivery of custom and self-build housing at scale across the country.

### Recommendation 2: Raise Awareness of the Right to Build

The Government, working through Homes England in partnership with the custom and self-build industry, should create a custom and self-build housing Show Park and should strengthen existing legislation to mandate the wider publicity of Self-build and Custom Housebuilding Registers and the sharing of key data between willing landowners and people on registers.

### Recommendation 3: Support Community-Led Housing, Diversity of Supply and Levelling Up

The Government should reignite the successful Community Housing Fund; create accessible opportunities for communities to help themselves by introducing a Self-Help Housing Programme; and introduce a Plot to Rent Scheme.

### Recommendation 4: Promote Greener homes and more use of advanced manufacturing

The Government should recognise and support the pathfinding role of the custom and self-build housing sector in advanced manufacturing and in greener homes to accelerate the delivery of its wider Modern Methods of Construction and Net Zero Housing ambitions.

### Recommendation 5: Support Custom and Self-build housebuilding through the Planning Reforms

The Government should ensure that the planning reforms in its White Paper 'Planning for the future' maximise the opportunities for access to permissioned land for CSB across all tenures, including making focussed changes to the Right to Build legislation to ensure that it achieves its objectives.

### Recommendation 6: Iron out any tax creases

The Government should investigate the perceived disadvantages in the tax system between the CSB delivery model and other forms of housing, identifying specific actions where necessary to neutralise them.





# BACON REVIEW

## Self and custom build homes - Know the risks

Tony Mulhall [tmulhall@RICS.org](mailto:tmulhall@RICS.org)

In this second article about the Bacon Review, Tony considers the difficulties England faces in scaling up the sector to make a significant contribution to housing supply. RICS offers up practical suggestions for facilitating this important alternative to mainstream housing.

Tony is an Associate Director, Professional Groups and Forums, and Senior Specialist, Land, at the RICS. He has worked in a wide range of areas of planning and property in both the public and private sectors. He is actively involved in promoting an understanding of development economics within the planning system and has given evidence to the UK House of Commons Select Committee on Town Centre Planning Policy. He represents RICS in a number of bodies, including the International Federation for Housing and Planning. He has presented at UN/World Bank Conferences and gives occasional lectures at several universities.

### Self build potential in the UK

The UK has a much lower rate of self build housing than other European countries. In 2017 it was estimated to be between 7% and 10% of completions, whereas in some European countries it exceeds 60% of total annual housebuilding. So there is an expectation that, properly supported, the self build sector could contribute significantly to resolving the housing shortage in England. There is also an option for custom building homes.

To encourage both forms, the Self build and Custom Housebuilding Act 2015 was promoted by MP Richard Bacon, and requires local planning authorities in England to maintain registers of self builders and custom builders who wish to acquire suitable land on which to build

their own homes. Local authorities have 3 years from the date people register in which to respond. The 2015 Act also requires local authorities to have regard to the demand on these registers when exercising planning and other relevant functions.

By 2020, around 50,000 people had signed up to such registers across England. The government launched a Help to Build scheme promising more than £150m of equity loan funding in April 2021.

In 2018, Sir Oliver Letwin published a review of the rate at which projects on permitted sites were actually being built, identifying a need for more varied dwellings, tenure types and scales of housebuilder. In light of this, prime minister Boris Johnson commissioned a further review from Bacon himself. This



Webbs Meadow has permission for 13 serviced plots with oak frame homes by Oakwrights  
Photograph kindly provided by Oakwrights

is intended to assess the opportunities and barriers to growth for the sector, and support a scaling-up of self commissioned homes. This review has been taking place alongside significant reforms to the planning system envisaged as part of a new Planning Bill due in the autumn.

## De-risking self build

The Bacon Review has been looking at the additional risks associated with self build. Following a meeting with the MP and his team, RICS sent a supplementary written submission about issues that need dealing with to enable more people to build their own home.

The idea of someone finding their idyllic plot in the English countryside is likely to be exceptional, and unlike some other countries, there is not much scope for a large-scale contribution to housebuilding. Land ownership patterns in England mean plots are not readily available, and the desire to maintain a natural landscape means that permission to develop is not easy to obtain either. Notwithstanding this, there is still a lack of clear information on demand for self building and custom build. What percentage of people want to live apart from others, for instance? What proportion could be satisfied with serviced sites? Of the latter, what percentage could pursue – and are committed to pursuing – a custom build option?

We need better information on self builders. What is their motivation? How do we distinguish between those who respond in market surveys that they would like to self build and those who would be capable of seeing a self build project through to completion? The custom contractor builds in accordance with planning permission, building codes and other regulation, and hands over a finished product that complies with these. In contrast with the individual self builder, such a contractor provides assurance on standards compliance.

It seems that custom build offers better prospects for scaling up. This prompts the following questions.

- How can you satisfy people's desire to build their own distinctive houses, but with more limited options than if they were building on a separate site in the countryside?
- How can you help people fulfil their desire to build their own homes, at

the same time reducing the inevitable uncertainty and risk?

- How can you satisfy demand for a reasonable choice of alternatives in a realistic timeframe?

Even the most enthusiastic self builder will end up housing themselves in some other way if there are no local, affordable sites within a reasonable time frame.

## De-risking for self builders

Location, choice and time frames for occupation are uncertain enough when buying an existing or new-build house, and these risks increase significantly for custom building. If prospective self builders cannot find a site in a reasonable period, they can either buy an existing house and remodel it, or a new build. This may explain why people are dropping off the local authority registers.

Although the 3-year timescale for local authorities to respond to people on the register acknowledges the lack of resources in councils, it is considerably longer than most people consider practical. Councils therefore run the risk of losing people who might be capable of self building. At a point where couples begin having children, their priorities may change and it might be more difficult for them to contemplate building their own home.

Prospective self builders may also expect that the process is cheaper than buying a new property from a housebuilder. That needs clarifying as each project is different. Once they realise that mortgage finance may be less easily available, more complex and more expensive than for buying a new property, they may simply turn back to the main housing market.

During the course of this process, custom builders may also find they are being shepherded towards more conventional choices in layout and design. These may reflect the possibility of reselling into the general market in the future, rather than their unique preferences.

RICS suggests the following improvements to the system:

- reduce the time frame in the formal local authority model
- increase provision in the private sector as part of the permitted housing mix through planning permission on large sites
- dwelling typologies should offer

options not available in the mass housing market, but not so unique as to limit future resale or be incompatible with neighbouring dwellings

- make mortgage finance available that does not place the self builder at a disadvantage relative to the rest of the housing market.

The sector should also provide impartial consumer guidance explaining the challenges that consumers may face if they choose a non-traditional method of purchasing a home. This should outline:

- available options, distinguishing between custom build and self build, as well as covering methods of construction, such as off-the-shelf kit houses, to more bespoke options
- how to work with professionals such as developers, architects, surveyors and contractors
- planning and building control
- how to access finance.

## Dealing with challenges for developers

In RICS placemaking and value research, a number of large master planned sites were found to have self build options, that is, serviced sites. The master developer saw these as time-consuming and not adding much in overall schemes of perhaps 2,000 dwellings.

RICS suggests that policy makers make the following improvements to encourage developers to support self and custom builders:

- set up a clear process for completion once the contract for the site sale is signed
- balance the level of participation required from self builders with the need to progress the build when setting expectations/deadlines for completion
- provide dedicated support for group custom build where a number of people come together on a joint project, to ensure all participants are taking decisions at the same pace
- offer a range of options within broader typologies
- offer a compatible range of design and layout options within the design code



in accordance with the masterplan; this will begin to apply more rigorously under the new planning system

- make available a certain proportion of serviced sites
- limit the timeframe in which self or custom builders can take up sites before land is returned for general housing purposes on a phased basis; for instance, after a certain time, 50% of a site reverts to normal housing provision, and so on, with such plots perhaps being specified for SME builders.

## Supporting communities

Most settled small communities seem to find the idea of new housing in their area unappealing, despite the need to accommodate their own natural growth. Yet such communities probably have the capacity to absorb small numbers of serviced sites incrementally without stretching engineering services or the community infrastructure, and may also provide some intergenerational vitality.

In our response to the Bacon Review, RICS suggested that policy makers make the following improvements to increase the acceptability of projects to settled communities:

- investigate the scope of small settlements to accommodate a few self build sites
- try some pilot projects
- set up small clusters of sites that will suit self builders' aspirations.

## Mitigating risks for lenders

Another party needing assurance about self build projects will be the lender. A self build home is a construction project, and all construction projects come at a greater risk than house buying: this is why even construction loans for professional developers are made at higher interest rates than those for completed properties.

Moreover, self builders are usually inexperienced at handling a construction budget, which often exceeds £100,000, and at ensuring the project is completed within the agreed budget and deadline. Costs increase where there are changes in specification, particularly during the course of construction; these are more likely where the self builder has no previous experience. Agonising decisions must be

made during the construction project, with cost consequences for any delay.

So lenders are more inclined to offer finance, RICS suggests that policy makers instigate the following improvements:

- establish fixed-price contracts between the self builder and the developer/contractor with critical completion dates
- build houses to designs with broad appeal.

## Understanding the market

Prospective self or custom builders need to distinguish between data that helps them understand the reality of the market, and data or information used for marketing.

Generating useful information requires reliable and meaningful data correctly interpreted. Extrapolating from international figures without understanding the underlying socio-economic, landownership patterns, market and cultural conditions will lead to false conclusions. Wider landownership patterns and more permissive development policies in rural areas are usual in countries where there are high percentages of self build housing.

Better information on the self builder is required:

- what is their motivation?
- how do we distinguish between those who respond in market surveys that they would like to self build and those who would be capable of seeing a self build project to completion?

Many people who would answer positively that they would like to buy their own house from a housebuilder would not have the capability to do so. Expressing a desire to do a self build house is not a sufficiently reliable indicator of an ability to fund and complete a self build project. More searching questions are required in market surveys. Better proxies are needed for the volume of the self build and custom build market and how it subdivides.

## In conclusion

Some of the suggestions above may not be mutually compatible if implemented fully, but they prompt questions that may help us understand the obstacles and how to help more people build their own houses.

As ever, compromise is needed to achieve the best results for all participants.

At a time of extreme housing shortage, it is telling that in England, legislation is still required to enable self and custom buildings. Many of the countries whose self build statistics are being looked at enviously may in fact need legislation to prevent some of it going on in the wrong places.

Ed - This article first appeared in the RICS Land Journal, July 2021. Thanks to the RICS for allowing me to publish it.



Dave is the Property Networks Manager, CIPFA Property. Dave manages CIPFA's Housing Advisory Network, Highways Asset Management Planning, Strategic Assets and Property Training Networks and advises on asset management, partnering and wider property issues throughout the UK.

CIPFA Property: [www.cipfa.org/services/property](http://www.cipfa.org/services/property)



# BACON REVIEW - CIPFA

## Is the Bacon Review the answer to the housing crisis or are councils the missing link?

Dave Ayre [david.ayre@cipfa.org](mailto:david.ayre@cipfa.org)

Dave here considers the housing crisis and asks if the root cause of our housing crisis is the lack of competition and innovation, or are there more fundamental political and economic causes? What does the evidence tell us? And are the Bacon Review recommendations the answer?

The Bacon Review of custom and self-build housing is enthusiastic about the prospects and potential of this sector of the market. While it has a contribution to make to improve the quality of new housing, does it really have a major role to play in solving our housing crisis? Overplaying the contribution of self-build may in part be as a result of the wording of the commissioning letter by the Prime Minister which states: "The way in which our housebuilding market operates constrains the supply of new homes because there is not enough competition and innovation."

Is the root cause of our housing crisis the lack of competition and innovation, or are there more fundamental political and economic causes? What does the evidence tell us?

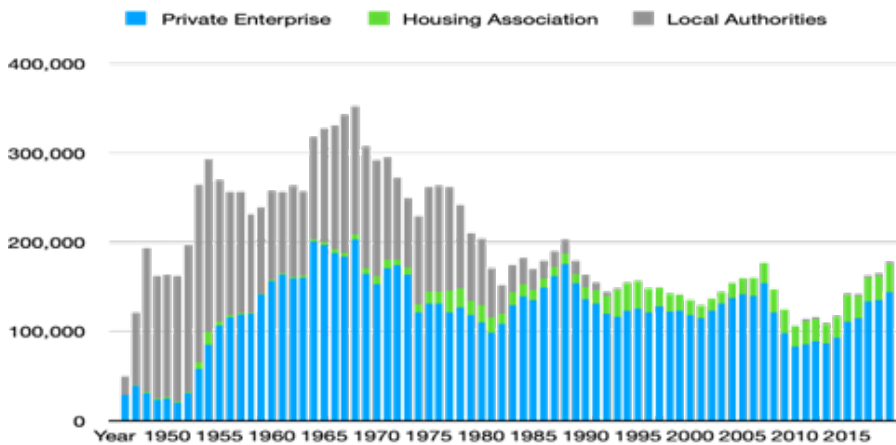
### The roots of the crisis

The housing crisis has been growing over the last 40 years and arguably before that, with cuts in housing expenditure in the aftermath of the 1967 sterling crisis. Analysis of housing completions since the Second World War show that the government's target of 300,000 homes built p.a. cannot be achieved unless councils are given the freedoms and funding to build social homes for rent at scale.

The statistics tell the story of the devastating impact of market cycles on new-build housing delivery. They show the heroic contribution made by local authorities to overall house building in the post war decades, and the stark impact of cuts to funding for council house building which started following the 1967 sterling crisis.

Completions continued to fall throughout the early 1970s, as rising inflation and interest rates put pressure on government spending on housing. The Labour Government increased housing expenditure in the early years of its term, both to boost construction, but also because high interest rates were driving up the cost of mortgage tax relief. However, following the 1976 crisis and agreements with the International Monetary Fund to cut public spending, capital spending on housing took a large cut. The number of completions continued to fall over the rest of the decade.

In 1979 the balance of delivery of 209,460 homes was 57% private enterprise and 35% local authority, with 8% by housing associations. By 1989 we relied on the private sector for 86% of the 179,360 homes that marked peak output pre-1990 recession. By 2007, local authorities were delivering just 0.0014% of new homes, while housing associations' share grew to 12% of completions. The fragility of this



Housing Completions 1945 – 2019 – Source MHCLG Table 244

arrangement was highlighted by the ‘Great Recession’ of 2008/2009, which swept away a third of SME house builders. With further consolidation since, just 10 house builders were responsible for 47% of new homes built in the country in 2019. Meanwhile, housing associations maintained slow, if steady, growth in share throughout the 40-year period, delivering 18% of homes completed in 2019.

The demise of council house building and the reduction in social housing grant by more than 50%, as part of the austerity response to the post 2007-08 global banking crisis, has forced a greater reliance on the housing market for all forms of affordable housing. Funding from s106 Agreements, Community Infrastructure Levy and the increasing use of cross-subsidy from the sale of market homes by housing associations are all subject to the boom and bust cycle of the housing market.

The longstanding belief by successive governments from 1979 in the power of the market to address housing need began to soften in 2017, when the then Prime Minister Theresa May wrote in the foreword to the Housing White Paper that: “Our broken housing market is one of the greatest barriers to progress in Britain today. Whether buying or renting, the fact is that housing is increasingly unaffordable—particularly for ordinary working class people who are struggling to get by.”

This tentative recognition of the reality facing many people, that the market could not make housing available to those who could not afford it, led to the introduction of the Help to Buy scheme and funding for councils through the Homeless Reduction Act 2017. May’s government also recognised the role of councils by lifting the borrowing cap on Housing Revenue Accounts, signaling the need for councils

to start building homes for social rent once again. These changes stemmed some of the worst increases in rough sleeping and homelessness.

More recently the 2021 Spring Budget extended the stamp duty holiday and introduced a mortgage guarantee scheme. Chancellor Sunak’s only other housing reference being to the support provided to house buyers. There was no reference to social housing but there are still small signs of movement. The government has agreed to increase the time limit on local authorities’ use of right to buy receipts from 3 to 5 years before transferring them, plus interest, back to the Treasury for re-allocation to Homes England. This is in recognition that during the period of higher income from right to buy receipts between 2013-2016, 75% of the income generated was returned to the Treasury, making it difficult to invest in new stock.

## Structure of the housing economy

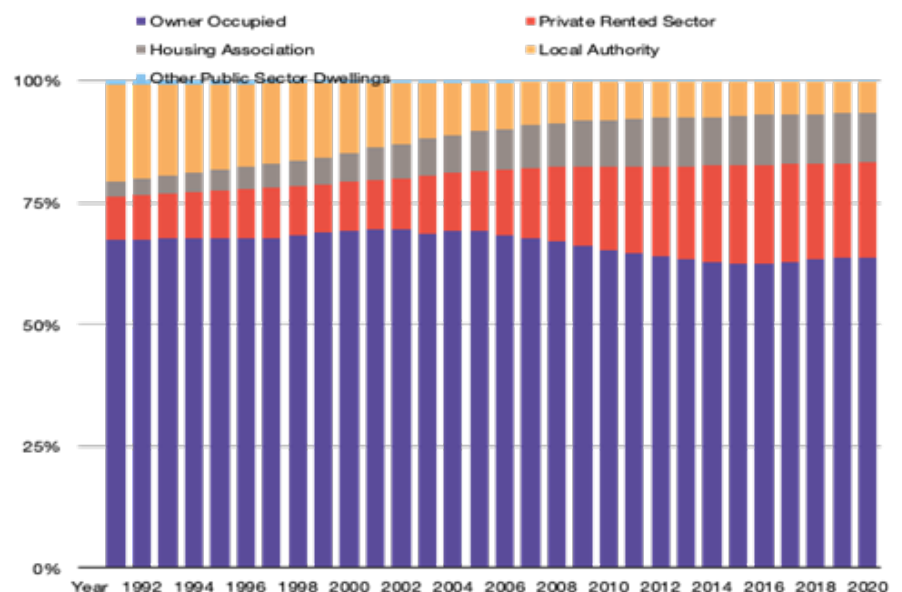
So, what has been the cumulative impact of these political and economic trends on the structure of the housing economy? The number of council homes peaked at 6.5m by 1980, when 31% of all housing stock was social rented. By 2013/14 this had reduced to 17% when the decline started to slow, reaching 16.6% by 2020. The private rented sector was stable throughout the 1980s and 1990s at around 9% of all stock, only to more than double, peaking at 20.4% in 2016. It is currently slightly less, at 19.5% of stock. The right to buy council homes was introduced by the Conservative Government in 1980 to increase home ownership; owner occupation initially increased, peaking at 71% by 2003. It has since declined to 63% in 2013/14, and stabilised.

The second graph clearly illustrates the rapid decline of council homes, and although housing association stock has grown, it has not kept pace with the rate of sales under the right to buy. Of the 4m homes for social rent today, only some 1.6m remain in council ownership.

## Law of unintended consequences

The graph also highlights one of the fundamental unintended consequences of housing policy. Instead of increasing home ownership, we have seen it decrease, with the private rented sector being the

Changes to the Structure of the Housing Economy - Source MHCLG Table 109



beneficiary. Why is this so? If this were to be a deliberate policy, it would win few votes at the ballot box. In the late 1990s rent controls were removed, assured short tenancies became standard, and lenders introduced the buy-to-let mortgage. But the politicians of the day were unlikely to have predicted that the policy of right to buy would be a major driver of the growth in the private rented sector. Over 40% of homes bought under right to buy are now in the private rented sector and on current trends, this will rise to over 50% by 2025. Some communities, such as Milton Keynes, have over 70% of former council homes held in the private rented sector.

### Is the Bacon Review the solution?

What does the Bacon Review have to say about the structural imbalance in the housing economy? It focusses mainly on the growth of the volume housebuilders and the lack of choice for people wishing to buy their own homes. It refers to the growth of self and custom build in other countries and makes recommendations to promote and encourage its growth in the UK. Doubtless, those that can afford to buy would benefit from greater choice and the opportunity to commission their own home, designed to meet their needs and aspirations. Bacon is critical of the councillor who did not think that custom and self-build would meet the needs of

his community and suggested that he should speak to those in housing need. Ask any desperate family on the council house register or in bed and breakfast accommodation, or their council housing officer struggling to find solutions, what is required to meet their needs. I suspect the offer of a self-build plot will be low on their list of priorities. They would no doubt tell us what the evidence is clearly showing - that the housing economy is suffering from a major shortage in social homes for rent. Bacon is without doubt a strong advocate of self and custom build and many of his recommendations have merit, but on its own, it is far from the silver bullet to the housing crisis that the review implies.

The modest policy concessions made since the 2017 Housing White Paper are a reluctant acknowledgement that councils are part of the solution. There are signs that councils are responding to these tentative signals. But to meet house building targets, there needs to be a greater recognition of the structural imbalance in housing provision that is the legacy of housing and welfare policies over the last 40 years. There needs to be a step change in council house building, supported and encouraged by the government. This will be needed more than ever if a possible C-19-induced recession dramatically reduces the supply of homes through the market, with the consequential reduction in affordable homes. What will be needed is a counter-cyclical approach. A counter-cyclical investment in zero-carbon

council housing will give the economy the green-growth injection it needs to bounce back post-C-19. The success of the 'Everyone In' initiative shows what councils can do to respond to a crisis. However, to step up to the wider structural housing problem, the current trickle of housing authorities deciding to re-establish their Housing Revenue Accounts needs to become a flood.

This article is a follow up on a CIPFA webinar on this subject. CIPFA's Housing Advisory Network holds regular webinars on zero carbon homes, housing finance and setting up Housing Revenue Accounts and 30-year business plan development. For more information go to <https://www.cipfa.org/services/property/housing-advisory-network>

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# FIRST HOMES SCHEME

Rachel Kneale BSc Hons, MRICS and Jonathan Mitchell

Rachel first presented a detailed outline of the First Homes scheme to a meeting of ACES Council and she and Jonathan agreed to write an article for ACES' Terrier. It is an innovative government policy aimed to help a range of people requiring affordable housing and one adopted by West Lancs BC.

## New government initiative

The government brought out in 2021 a new scheme to boost home ownership among key workers and veterans.

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:

- a. must be discounted by a minimum of 30% against the market value
- b. are sold to a person or persons meeting the First Homes eligibility criteria
- c. on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and
- d. after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

First Homes are the government's preferred discounted market tenure and should provide the discount in perpetuity to initial and subsequent purchasers.

First Homes should account for at least 25% of all affordable housing units delivered by developers through planning obligations. This is not in addition to the usual requirement but rather forms part of it.

Guidance states that the First Homes policy requirement does not apply in relation to:

- Sites with full or outline planning permissions already in place or determined (or where a right to appeal

against non-determination has arisen) before 28 December 2021

- Applications for full or outline planning permission where there has been significant pre-application engagement which are determined before 28 March 2022. For the purposes of the First Homes policy, significant pre-application engagement means any substantive discussions between the local planning authority and the applicant relating to the proposed quantity or tenure mix of the affordable housing contribution associated with that application.

Notwithstanding the comments above, guidance suggests that if an applicant wishes to amend a planning application, which has already been submitted and is likely to be granted before 28 March 2022, to include First Homes, the local planning authority should be flexible in accepting First Homes as an alternative type of tenure.

A First Homes exception site is an exception site (that is, a housing development that comes forward outside of local or neighbourhood plan allocations to deliver affordable housing) that primarily delivers First Homes, as set out in the First Homes Written Ministerial Statement.

First Homes exception sites can come forward on unallocated land outside of a development plan. They cannot come forward in areas designated as Green Belt, or designated rural areas as defined in Annex 2 of the National Planning Policy Framework. In these areas, rural exception sites are the sole permissible type of exception site.

Where local evidence suggests that a significant local need exists for one or more other forms of affordable housing



Rachel is Estates and Valuation Manager on behalf of West Lancashire Borough Council Housing Coordinator and member of ACES Council.



Jonathan is the Housing Strategy & Development Programme Manager for West Lancs BC

on a proposed First Homes exception site, applicants may alter the proportions of affordable housing to include small quantities of other affordable housing products. Applicants will be expected to provide evidence of this need in the form of a Local Housing Needs Assessment, local authority Housing Register, or other sufficiently rigorous local evidence.

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) make provisions for charging authorities to give relief or grant exemptions from the levy. These regulations allow developers of First Homes to obtain an exemption from the requirement to pay CIL.

Mandatory social housing relief can apply in respect of dwellings where the first and subsequent sales are for no more than 70% of their market value. To be eligible, a planning obligation must be entered into prior to the first sale of the dwelling, designed to ensure that any subsequent sale of the dwelling is for no more than 70% of its market value. This relief will therefore be available for First Homes. Regulations 49-54 of the Community Infrastructure Levy Regulations (as amended) define where

social housing relief applies.

Where a site will be delivering First Homes, a s106 agreement will be required to secure the necessary restrictions on the use and sale of the property, and a legal restriction on the title of the property to ensure that these restrictions are applied to the property at each future sale. The intention is to protect the property as a First Home and ensure that the discount is passed on to all future eligible purchasers. This restriction should ensure that the title cannot be transferred to another owner unless the relevant local authority certifies to HM Land Registry that the First Homes criteria and eligibility criteria have been met, including the discounted sale price.

Government guidance sets out who is eligible for a First Home: <https://www.gov.uk/guidance/first-homes#first-homes-eligibility-criteria>, but a local authority can set its own requirements for:

- Income thresholds
- Keyworkers
- Local Connection
- Discount level above 30%

Any local eligibility criteria will apply for a maximum of 3 months from when a home is first marketed. If a suitable buyer has not reserved a home after 3 months, the eligibility criteria (including income caps) will revert to the national criteria set out above, to widen the consumer base.

Further information/guidance is available from: <https://www.gov.uk/guidance/first-homes>

## Comments on the scheme

Local authority valuers may find that their workload increases as a result of this initiative as subsequent sales of discounted properties will need to be validated, as meeting the criteria of the scheme. While many will already be involved in this work through calculating the rents for affordable units, a capital clause will now be required.

Surging property prices mean that in areas where property values are high, developers may build small flats to meet the quota and the price cap, which would exclude larger families from the scheme.



Jackie is former Policy Advisor to Government and now Chief Operating Officer of UKR. She is co-author of "Broken Homes", with Peter Bill, about the housing crisis.

# HOUSING STEWARDSHIP

## Sometimes you just need to go on a journey

Jackie Sadek [jackie.sadek@ukregeneration.org.uk](mailto:jackie.sadek@ukregeneration.org.uk)

In her inimitable style, Jackie continues to take us on her journey from urban regeneration practitioner to major 'rural' housebuilder with meaningful differences. Key to the success of UKR in recently achieving outline planning permission for the first phase is to engage your community: "UKR is in for the long term, we want to be part of our community; unlike most in the 'strat land' game, we are not in the business of getting a planning consent and then flipping the site to the highest bidder."

Sometimes you just need to go on a journey. With the benefit of hindsight - ever an exact science of course - UK Regeneration

(UKR) bought well when we acquired our site in Biggleswade, Central Bedfordshire. But believe me, it was not always as

obvious as it now looks. Far from it. The site had been on the open market for 16 months when it was introduced to us by an exasperated but proactive local authority officer, keen to get something going, casting around for ideas.

We saw at once it was a great opportunity. But it sure was a radical departure for UKR. Hitherto, me and my team (all ex public servants of one sort or another, and all urban regeneration nutjobs) had been trying to bring forward sites of 5 or 6 acres in poor forlorn parts of provincial inner cities (ACES members always a great support). That was what we knew. That was our comfort zone. But we were now being presented with nearly 1,000 acres on the edge of a rural market town in leafy middle England.

Still, in for a penny, in for a pound. Or, as my lawyer muttered darkly at the time "you may as well be hung for a sheep as a lamb" (he also called me "a lunatic" during that same first meeting, but I forgave him; anyway, he soon changed his tune). So we took a deep breath, and embarked on our new venture. To say that we were a bit unsure of ourselves would be something of an understatement. After all, as I say, we are all urban regeneration practitioners; UKR having come out of the old - and sadly long defunct - British Urban Regeneration Association, which I know that certain ACES Members of - ahem - a certain age, will remember fondly.....

So did we have transferable skills? Could we do rural as well as urban? Well the short answer, it transpires, is yes. We struggled a bit with terminology at first. We started fashioning ourselves as "rural regeneration practitioners" and morphed the original plan for an "urban extension" to our historic market town, into a "rural extension". When this didn't sit right, we faffed around with a "new rural settlement" and then finally into "four new rural settlements" (otherwise known as "villages", call me old fashioned) to be separate from, but firmly in the family of, Biggleswade.

And then, as if to the manor born, we set about master planning this large scale site to deliver these 4 villages, nestling in a country park. We realised that some of the site being in the flood plain could be turned to distinct advantage when opening up tracts of the countryside for local residents. We city types suddenly got a passion for biodiversity, landscape architecture and planning, green and blue infrastructure. And planting! Woodlands. Allotments.

Football pitches. Play areas. We discovered that coordinating the professional team of master planners, architects, planning, transport consultants et al wasn't too different in the country from what we were used to in town. Above all - praise be! - we were able to work in new partnerships. We were thrilled. We were like the lad allowed back in the orchard.

We worked in partnership with Central Bedfordshire Council, our planning authority, on its strategic growth objectives, sitting in "home team" during the recent Examination in Public, proudly helping land the Local Plan. We work in partnership with Biggleswade Town Council on a range of initiatives, through "Biggleswade First", our commitment to the regeneration of Biggleswade town centre (bringing the great Bill Grimsey into town to assist) and in full support of their emerging Neighbourhood Plan. We used all of our networks to deliver strategic outcomes with statutory government agencies, particularly Homes England, Highways England, the Environment Agency, East-West Rail and Network Rail, as well as with local utilities companies. We proffered our vast experience of bidding for government funds to good effect, notable here was the positive support from Homes England, who awarded us £69.6m Housing Infrastructure Fund, mostly to be invested in power supply (we had no juice!), but also for education and transport improvements. And we were delighted to secure Garden Community status. Our mission is thoroughly to integrate the new build with the existing medieval settlement of Biggleswade.

It may have been a bit of a culture shock at first, but we soon acclimatised. The greatest tension of all was our profound struggle to understand our host community's relationship with their cars (the term "wedded" would be an understatement). Given our own backgrounds, we were somewhat, shall we say, er... well, anti-car. Most of the UKR team are Londoners; we get around everywhere on an Oyster Card; some of us can't even drive. It was a bit of a shock to discover how reliant the Biggleswade residents are on their automobiles, just to go about their daily lives. It was a bit of a shock to find 3 or 4 SUVs in every drive and spilling out onto the roads. We were actually laughed at, quite openly, during an early meeting with Biggleswade Town Council, when we suggested that cycling

was a good idea. But we've had to suck it up. Slowly but surely we learnt. There is no uber - the only taxis are those that have been pre-booked (and are mainly used to take the special needs kids to school) and the buses are lamentable. Slowly but surely we came to understand that cycling on country lanes is downright dangerous. And since we believe that the experts in any place are the people who live there, we just had to listen.

BUT we still have the problem of climate change. And a disconnect in our planning authority, which has a target of zero carbon by 2030, but is still asking for 3 car parking spaces for every home built. So, again working in partnership, and trying to take everyone with us, we have embarked on an initiative for an ambitious Sustainable Travel Corridor, underpinning our master plan. This is a designated track for walking, cycling and hopper buses, to start with, possibly shared autonomous vehicles later. I hate the term "future proofing", but you get the gist. We have tried to hard-wire modal shift into our master plan, well before talking to any housebuilders about delivering the homes. And this has become the flagship project for our Garden Community programme, sustainably connecting our new villages with our fine market town, the station, and the retail and business parks - and ultimately to the East West Rail station which will be situated a couple of miles to the north of our site. We will be looking for support from the Department for Transport in delivering this Sustainable Travel Corridor, as you might expect. But we are confident. The partnership we have forged on the ground provides a valuable platform of willing support, something which should never be underestimated.

As a result of all this work, building a coalition of support, and knitting together a vast array of national and local stakeholders, the first village (1,500 homes together with a mix of community uses) achieved an outline planning consent within 3 years of us acquiring the site. Which just goes to show: we may be in for the long term but that doesn't mean we're slow. We are still chuntering through the s106 Agreement, but all is going well. And there is now the potential to deliver (at least) another 5,000 homes and associated uses in 3 further villages on the remainder of the site, which is still unallocated for development. A story for another day [and one the Editor has noted.....].

So altogether, Biggleswade has been a fascinating learning curve for the UKR team. But the most stark lesson was our increasing realisation that almost all the other players in what's known as the "strat land" market (I get a bit queasy when the property industry conflates two words to create a new term) did not share our methodology. At all. Not in the remotest. We couldn't be more different. For starters, UKR bought the site outright; the usual approach is to take an option, but we wanted to shoulder the risk. UKR told the community (and we meant it) that they are the experts in their place, and we've listened carefully to their concerns, during months and years of ongoing consultation; the usual approach is to engage only when necessary and then to trot out the standard (and largely meaningless) "Statement of Community Involvement" for planning purposes. UKR has aligned our master plan, wherever possible, to meet both council and government social policy objectives; the usual approach is to "see what you can get away with". UKR is in for the long term, we want to be part of our community; unlike most in the strat land game, we are not in the business of getting a planning consent and then flipping the site to the highest bidder. But the greatest difference of all, is that UKR wants to be a partner, not just an applicant.


And I am glad we are different. It has been a positive journey. And I am thrilled to report that a Development Management team has now been appointed to oversee the build-out of the first village in Biggleswade, while my own team turns its attention to looking for further projects.

So I appeal to any of you who have potential sites (no matter how difficult) and who are looking for more than mere housing numbers. Basically, as with the "worked example" of Biggleswade, we have developed a model which combines a "master developer" play, with a long-term partnership approach to regenerating the adjacent town. We will work with local communities and local authorities to deliver local plan allocation and effective planning permissions. Alongside our own investment (UKR is now being offered serious finance from investors prioritising their ESG) we bring a wealth of expertise in regeneration: underpinning everything that we do, finding opportunities for further inward investment and town centre renewal, with our commitment to genuine stakeholder engagement. We will build and

maintain strong relationships with host local planning authorities as well as local town or parish councils. We will employ the best consultant teams to deliver the planning and commercial objectives. And we will build modal shift into our master plan, designing schemes that offer alternative ways of getting around, discouraging the use of the private car, and helping to deliver local authorities' zero carbon commitments. Above all, we will deploy a long-term stewardship model: we envisage at least a 25-year relationship in any locality. In short: we could not be any further from the flipping-land-brigade if we tried.

Regeneration has always been about relentless optimism, working with what's on the ground, bottom-up, being opportunist when it comes to government funding, and being super rigorous about proper process and due diligence. The UKR business objective is to promote clean, green, inclusive economic growth, meeting the housing crisis head on, building new mixed communities in harmony with the existing residents. We take an entirely localist approach.

If that matches the aspiration of your own local authority, and you have a site in view (in whoever's ownership), then we would very much like to hear from you. We could go on a whole new journey together.



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# MODERN METHODS OF CONSTRUCTION Nearing the tipping point....

Richard O'Neil [richard.oneil@hlmarchitects.com](mailto:richard.oneil@hlmarchitects.com)

The future is digital. Richard builds a compelling case for the adoption of MME in public sector building projects, illustrating what can be achieved through two new builds. "Setting and delivering on Net Zero Carbon (in build and operation) targets for public sector projects is very achievable using DfMA as the default."

Richard is Director and Chair, HLM Architects. He enjoys being an architect. Working with both public and private sector organisations spanning multiple sector typologies, he provides strategic design advice to optimise property and asset performance. Richard has a particular interest in creating sustainable and innovative design solutions that contribute to the wider built environment, place making and social value agendas.

A 'digital first' approach and embedding Design for Manufacture and Assembly (DfMA) principles within early stages of building and infrastructure projects is gaining momentum. The creation of a 'digital thread' through concept design to manufacture, assembly and construction, then beyond into post occupancy operations is beginning to thrive. BUT we are still to reach the all-important tipping point - to reach that seminal moment in the construction industry in which DfMA and Modern Methods of Construction (MMC) become business as usual.

## Definitions

DfMA and MMC are terms for which various definitions have been used, but the recently updated DfMA overlay to the RIBA Plan of work (<https://www.architecture.com/-/media/GatherContent/Business-Benchmarking/Additional-Documents/Design-for-Manufacture-and-Assembly-Overlay-to-the-RIBA-Plan-of-Work-2020-2nd-editionpdf.pdf>) seeks to provide clarity in nomenclature across sectors and disciplines:

DfMA is a formal design approach that focuses on designing for ease and efficiency of manufacture and assembly. It is a prerequisite for considering MMC, especially offsite solutions. MMC are building methods designed to improve productivity and safety or reduce the need for labour, or both. They have the specific objective of improving efficiency, compared to business-as-usual techniques. Whereas the term is most commonly associated with volumetric, or modular,

offsite construction, it actually includes many other outputs, including on-site process innovations.

The most widely used MMC definition framework ([http://www.cast-consultancy.com/wp-content/uploads/2019/03/MMC-I-Pad-base\\_GOVUK-FINAL\\_SECURE.pdf](http://www.cast-consultancy.com/wp-content/uploads/2019/03/MMC-I-Pad-base_GOVUK-FINAL_SECURE.pdf)) emerged from the MHCLG Joint Industry Working Group, but is applicable outside the housing sector. While useful, this omits the concept of platforms, which are a suite of quality-assured, interoperable engineered components (products or sub-assemblies), governed by a rulebook specific to that system, that can be designed to integrate in predefined ways to create functional buildings for specific purposes.

## Why is the tipping point so crucial?

Dated design and construction techniques will not adequately respond to expanding challenges of climate change, labour shortages, quality demands and safety records. Access to advanced manufacturing, knowledge and digital technologies means that finally, the construction industry can evolve and optimise the benefits of the digital first approach. Reaching this tipping point is critically important.

Going beyond the tipping point means that DfMA will be established as the default approach. It will mean that 'digital first' is part of the design philosophy, ensuring that systems and processes that underpin DfMA are better understood by clients. Beyond the tipping point will

mean that the philosophy becomes second nature to everyone engaged with the design process, manufacture, assembly, and operation of buildings.

## Drivers for change

The pressures and challenges facing the entirety of the public sector include common threads relating to the climate emergency, increased demand for services with fewer resources, and the provision of the right type of housing at the right price in the right place. DfMA and MMC can be used to help meet these pressures and challenges and ultimately support the delivery of a new suite of corporate objectives.

The benefits of DfMA and MMC are well documented and evidenced. There are significant building quality, performance and efficiency benefits. Factory manufacturing and on-site assembly support efforts to address safety of buildings in construction and use. Long-standing inadequacies in construction can be overcome such as labour shortages, productivity, operational performance, and ineffective futureproofing. The public sector and industry must prepare credible climate emergency response plans. DfMA and MMC techniques applied as 'second nature' to the building and infrastructure projects process are essential if these plans and objectives are to be delivered. Environmental sustainability benefits include producing less waste, lower transportation costs, better air quality, less on-site energy and water use, less material, better energy performance in use and support for the circular economy. Setting and delivering on Net Zero Carbon (in build and operation) targets for public sector projects is very achievable using DfMA as the default.

## Driving the change

Transformational change is being driven by both the public sector and through industry action. The public sector is the UK's largest client and so government has demonstrated clear intent on guiding policy and action. The government's 'Construction Sector Deal' of 2018, accepted recommendations from specific focused reviews such as the Farmer Review 'Modernise or Die' (2016), and was introduced with commitments to improve long-term value for publicly funded capital

projects and to meet the challenges facing society. The deal presented aspirational targets such as 50% reduction in CO2 emissions, 33% reduction in whole life expenditure, increased productivity, and faster procurement and delivery.

Government has invested public funds to incentivise DfMA and MMC take up, research and innovation. This was delivered as part of the Transforming Construction Challenge investment strategy. Part of this investment established the Construction Innovation Hub (CIH) which is thriving and presenting research and evidence to influence statutory policy. An important CIH output is the 'Value Toolkit' which aids public sector clients to assess value and promotes the early deployment of DfMA principles and digital technologies in design. Defined by the CIH <https://constructioninnovationhub.org.uk/value-toolkit> - the value toolkit is "driving better social, environmental and economic outcomes through value-based decision making".

Furthermore, in December 2020, the government launched the 'Construction Playbook' – emerging from extensive collaboration across the public and private sectors to introduce far reaching transformation within the construction industry. Government leadership is crucial, and the Playbook is mandatory for central government, with wider public sector organisations on a 'comply or explain' basis. The 'Construction Playbook' (<https://www.gov.uk/government/publications/the-construction-playbook>) identifies 14 key policies. Embedding the DfMA philosophy and adopting MMC techniques are influential to the majority of these policies and necessary outcomes.

These various toolkits, knowledge resources and guidance developed by central government are accessible by the public sector.

But the drive for change isn't coming just from government and the public sector. Private investment and advancement in technological businesses that are focusing on the built environment industry are becoming more prevalent. Private investment toward innovation, research, advanced technologies, training and knowledge has expanded.

The private and public sectors are united- there is deep acknowledgement of the challenges ahead and that transformational change can come through DfMA and MMC procurement.

This is further supported in the recently published 'Vision for the future of the built environment' prepared by leaders in the UK construction industry.

## MMC isn't boring - The role of the public sector in reaching the tipping point

There are exceptional examples in which local government and public sector organisations have delivered buildings and infrastructure through DfMA and MMC while meeting corporate and strategic objectives. DfMA and MMC solutions can work hand-in-hand with exceptional design. Experience of post-war prefab buildings has left deep subconscious prejudices that need to be eradicated. Technology has moved on; the MMC global market is fast moving and is achieving great things.

Working with Wokingham Borough Council and partners, HLM Architects has designed and delivered a number of projects using a digital first approach and embedding DfMA and MMC techniques early in the process.

## Public sector case studies

### Dinton Activity Centre

Dinton Activity Centre is Wokingham Borough Council's first Net Zero Carbon operational building. It was built to replace the existing ageing building on the site. The building has many roles, acting as an activity centre, water sports centre and a teaching and meeting space.

As the borough's first Net Zero Carbon operational building, it showcases how councils can provide real leadership on the climate emergency, as well as how embracing digital technologies, the DfMA philosophy and MMC, can create a better development process from design to construction and performance in operation.

Highlights include:

- Delivered 50% faster compared to traditional construction
- Minimised disruption to Dinton Pastures Park with reduced time on site
- 50% reduction in overall energy demand
- Sustainable features including windcatchers, photovoltaic panels

Dinton Activity Centre



on the roof and air source heat pumps

- 85% completed in the factory; 16 modular frames built offsite
- 60% less construction vehicle movement compared to traditional
- Use of recycled materials in manufacturing
- Enhance U-Values and airtightness to assist with achieving Net Zero Carbon
- Digitalised design.

#### Addington Special Educational Needs School

Continuing HLM Architect's work with Wokingham Borough Council, Addington SEN School provides a standalone, 50-place sixth form building for local young people aged 16-18 with complex special educational needs and disabilities to be educated closer to their home and gain skills that will give them the best start in their adult lives.

Addington School design embraces the digital first approach, promotes the virtues of the DfMA philosophy, and adopts MMC techniques through specialists Reds10. This approach has enabled the council not only to deliver on corporate educational objectives, but also meet commitments to reduce waste, reduce CO2 emissions, improve quality and safety while promoting the Net Zero Carbon agenda.

The school has recently been awarded 'Education project of the Year 2021' at the Industry Off-Site awards, recognised as a project that is driving change.

Both examples demonstrate that DfMA and MMC techniques produce good quality architecture, spaces and places that inspire communities.

Wokingham Borough Council is leading a march toward reaching the tipping point. The industry needs public and private sector clients to embrace digital technology and trends, look to the future, and support transformational change. To achieve this, clients and their advisors need to engage earlier with the digital first approach and DfMA. Embed these principles early in the design process so that they become pervasive through the life of the project and into post-occupancy operations. Measure and optimise the benefits. Evidence these benefits. This will show that DfMA and MMC outcomes drive more value, improve





Addington SEN School



viability, and focus on the long-term commercial, social and environmental benefits – specifically assisting public sector clients meet their objectives.

As Architects, HLM is beyond the tipping point. Digital First, DfMA and MMC are core practice strategic objectives and pervasive in the design philosophy. We have a dedicated DfMA and MMC team, with Dan Brown as Head of MMC Delivery ([dan.brown@hlmararchitects.com](mailto:dan.brown@hlmararchitects.com)) providing specific Architectural MMC Consultancy from RIBA Stage 0, through the life of the project and into post-occupancy operations.

### Reach for the tipping point and reap the benefits

What's in it for you? There are multiple dividends based on expanding industry evidence. Engage early with DfMA and digital design to offer versatile MMC solutions to reap the benefits:

- DfMA and MMC can assist you in meeting corporate and strategic objectives
- Offer earlier price certainty – by embedding DfMA and MMC from the start of a project, contractors and manufacturers can participate in the design and produce definitive costings (materials shortages excepted) much earlier in the process. Where standardised 'platform' approaches are agreed across multiple projects, the price certainty is enhanced from one project to the next, while maintaining a degree of individuality to each site
- Enhance quality standards – management, control and auditing are streamlined offsite where a controlled environment and 'hold-points' can be built-in. It is feasible to incorporate 'real-time' feedback that is accessible to clients to facilitate remote quality assurance
- Net Zero Carbon and the wider sustainability agenda – less waste and better quality, along with digital analysis early in a project, results in huge opportunities for improving the net zero in build and operation prospects, as well as wider sustainable credentials of a project





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- Deliverability and programme efficiencies – design freeze is required earlier in the programme to facilitate successful DfMA integration, and because offsite manufacture in controlled environments results in shorter and more predictable build-times, the overall programme and deliverability is improved. Utilising a digital twin approach enables a building or infrastructure project to exist virtually well ahead of any construction material being ordered, let alone used, so that design, manufacture and assembly sequencing can be iteratively tested, to arrive quickly at an optimised position, from which known quantities of materials can be procured to firm-up costs. The actual progress can be monitored against this starting point and the digital twin used to identify restorative action if there are any deviations. Some light-weight MMC constructions can reduce foundation requirements, which results in less material and environmental impact, as well as in reduced works on-site
- Standardisation opportunities – where appropriate, such as meeting housing demands, utilising standardised designs or components across a project or programme reduces reinvention of key elements and results in significant time and process savings, and by proxy, can help drive down cost. By embedding standard elements, designers can focus their creative energies into areas that really add value to delivering the brief, rather than on unnecessary ‘reinvention’ of construction details
- Intelligent asset information management – through digitisation of asset information, not only can the manufacture and assembly process be delivered more effectively and efficiently, but also the long-term impact of maintenance, disassembly and reuse can be managed
- Operations in use effectiveness – formalising a post-occupancy review process that includes embedding sensors and obtaining regular

feedback provides data that facilitates review of performance versus design, to feedback iteratively into future projects and programmes.

## How can the public sector help?

The public sector is a significant influencer within the industry. Through its projects, the sector can drive the MMC market, reaping the benefits of DfMA while influencing policy and industry guarantees. By understanding and projecting the long-term benefits, public sector clients can be ambassadors for necessary change and assist in reaching the tipping point, by supporting intra and cross agency initiatives including private partners. Examples are innovative MMC support measures such as prescriptive site covenants in land disposals; JV development and housebuilder partnership agreements tailored to MMC conditions, benefiting from accessible government funding and support structures (exemplified by Homes England); through public sector capital investment programmes, identify demand pipelines so the supply chain can gear up to deliver the benefits that a DfMA approach can offer.

Furthermore, the early appointment of MMC advisors will offer important guidance to assist in the production of a value profile that will help guide inclusion of DfMA approaches, identify opportunities for designs that are compatible across common systems or platforms, or for particular MMC typologies to be embedded within projects and programmes.

## More needs to be done from central policy makers

Government has been active. Since the Farmer Review, we have seen informative engagement, while also leaning into industry leaders. But this isn’t enough if we are to reach the tipping point. The CIH Construction Playbook calls for mandatory compliance for central government, while ‘arms-length’ public sector organisations can operate on a ‘comply or explain’ basis. Why? This guidance should be mandatory and the support mechanisms from government applied with rigour. How is ‘comply or explain’ being monitored? Pull the plaster off and produce regulatory policy to help reach the tipping point.

The public sector should embrace

the leadership from MHCLG and Homes England to set targets and thresholds for MMC within projects, whether by setting a percentage of Pre-Manufactured Value or other benchmark(s) that require an element of MMC/DfMA across a portfolio and build that target as the market matures and confidence builds in the benefits of moving away from traditional construction.

It is important that central policy makers expand the market capacity and avoid narrowing-in on only frontrunners – this not only broadens the options for procurement, but also spreads risk and should open opportunities for requiring ‘platform’ approaches, which enable one manufacturer to more easily to step-in and complete work of another manufacturer if necessary.

Furthermore, policy and investment can support increasing benefits from public funds, such as those sold through the Help to Buy Schemes.

Aligned with such benefits is the necessary improved access to MCC warranties and other such investment guarantees. While an increasing proportion of the MMC contractors are obtaining Buildoffsite Property Assurance Scheme accreditation for their systems, for some funders this apparently needs to be backed up by other warranties. ‘NHBC Accepts’ is now available for residential projects, but a joined-up approach is needed to facilitate more coverage.

## And so...

While the industry is nearing the crucially important tipping point in which DfMA and MMC become business as usual, we still have some distance to go! Barriers need to be broken to address concerns with insurance, guarantees, funding (and dividends), robustness of the supply chain, and indeed ‘dated’ perceptions of MMC. We need to increase demand, increase volume and ensure that technology, skills and knowledge can promote scalability.

Initially, investment will be required, and some will ask ‘can we afford to do this?’ but by adapting the Value Toolkit principles and acknowledging ‘Evidence based outcomes’ – the reality is ‘we can not afford to do this!’. There is a call to action – help the industry reach the critically important tipping point!



Melvyn has over 30 years' experience in property estate asset management. He joined Norse in 2004 and is Estates Director, providing leadership to the team as well as developing new business including joint ventures, leading portfolio reduction programmes, and facilitating housing developments. Melvyn takes projects from concept to delivery, navigating the partnerships through a business case and risk-based decision making processes [melvyn.stone@norsegroup.co.uk](mailto:melvyn.stone@norsegroup.co.uk).

Richard also has over 30 years of experience in the property industry and has been involved with all aspects of the built environment, working in both private and public sector. For the past 9 years he has been with the Norse Group and is Group Director, providing the strategic client interface into the Group's delivery teams. Richard leads on the formation of the Group's housing development partnerships [Richard.Gawthorpe@norsegroup.co.uk](mailto:Richard.Gawthorpe@norsegroup.co.uk)

# PUBLIC HOUSING DELIVERY

## Building to Net Zero Carbon - The time is now

Melvyn Stone and Richard Gawthorpe

The Norse Group was delighted to welcome over 200 delegates to its session at this year's ACES Online Conference: 'Housing Delivery in the Public Sector - the challenges and rewards'.

Led by Group Business Development Director, Richard Gawthorpe and Estates Director, Melvyn Stone, the session began with an historic overview of the volume of housing building since 1950 between the public and private sectors.

Levels peaked in 1968, where the private sector built 226,000 homes, local authorities built 180,000 and registered providers 15,000. This starkly contrasts to 2004 where council house building was at its lowest, with private sector delivering 183,000 homes, registered providers 21,000 and local authorities just 130. With a need now to provide an estimated 300,000 new homes a year, and a historical average output of 150,000 delivered by the private sector, and around 45,000 between councils and registered providers, an additional 100,000 homes will need to be delivered by the public sector annually. This would mean that local authorities would need to double their outputs year-on-year to hit this target. However, there are a number of challenges that need to be overcome in order to do so.

### Firstly - capacity

The C-19 pandemic has had a significant impact on resource levels, with many industries seeing a loss of experience and

expertise, as well as finding issues with recruitment and retention too. This has been seen, for example, with the shortage of HGV drivers more recently, and experienced professionally qualified staff leaving the public sector and industry over the past 30 years; as well as in lifestyle choices, with employees rethinking the traditional 9-5 and seeking a different work/life balance or more from their employment. A by-product of these two points, therefore, has been a perceived higher level of risk when it comes to house building, leading to a lack of delivery at pace.

### Secondly - demand

While the government has pledged a million new homes over the lifetime of this parliament, the industry needs to deliver the right homes in the right places. But both national and local policy also has to keep up with the pace of change and needs of our residents and communities. This includes reflecting new lifestyle changes, such as the design and layout of our homes or moving to a more sustainable transport infrastructure, which may require less car parking spaces, or electric vehicle infrastructure to address the move away from internal combustion engine to total electric vehicles.

Local authorities can also support demand by creating homes with a uniform internal specification, making it easier to change and adapt the tenure/sales strategy of a home based on market

demand and requirements in different areas, such as from open market sale to affordable housing, even after a project has started.

### And thirdly – climate

There has been an increase in demand from the public for energy efficient homes, and while they may be more expensive, we estimate that can be as little as 15-20%. But of course, this will be dependent upon many factors and each development needs to be assessed on its own merit. We should look at the whole life cost of building to Net Zero Carbon, where assets are being retained, whether it's through the HRA or private rental sector. Finance is currently cheaper than ever, and the public sector, local authorities in particular, need to take advantage of this now, locking in the finance at the currently low rates of interest, developing a long-term development pipeline, and helping to create a maturing green supply chain that will benefit all and not just a few.

### So, what are the benefits of local authorities building their own housing stock?

They can build the right homes for the right people, deliver more affordable homes, and lead by example, achieving their own ambitions to be carbon neutral, and of

course meet governmental Net Zero Carbon targets. It also enables local authorities to be at the heart of place shaping, improving the lives of the local communities and boosting local economies.

Norse has seen first-hand the success that local authorities can have when investing in sustainable housing. One client invested £2m into a site that wasn't of interest to the private sector, in order to create a 14-dwelling Passivhaus development. From this, they received a £2.9m return – a 25% return to the public purse. Residents of these sustainable homes have also benefited, seeing their fuel bills average just £40 a year compared to a national average of £1,300.

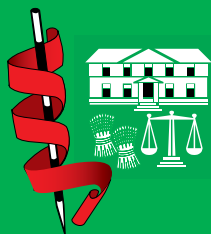
Climate change isn't going away, and 74% of councils have already declared a climate emergency. Therefore, if we don't start now, how will we achieve our goals by 2030, which the majority of local authorities have committed to since declaring a climate emergency? With developments taking approximately 2-4 years to complete, the time is now, especially with finance only likely to increase from here. Acting sooner rather than later will also put local authorities in good stead for when the new Future Homes Standard comes into place in 2025, which will require new build homes to be future-proofed with low carbon heating and world-leading levels of energy efficiency.

## Conclusions

The private sector will continue to deliver 150,000 homes, but it will be up to the public sector to increase outputs. To do this, the public sector will need to intervene positively and take back control in order to deliver on their climate promise. They'll need to think differently and take into account 'whole life costs', and help to create a marketplace of resource that can support and underpin the public sector to deliver at pace and ultimately build more Net Zero Carbon [in-use] homes.

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The Terrier is a good way to get your company known to public sector surveyors. ACES represents the chief estates officers and their staff, who are the property, strategic asset management and valuation professionals in public sector organisations throughout the UK. Membership includes the range of local authorities, the Government Office, fire, police and health authorities and the Valuation Office Agency.



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# NPS Group - delivering total estates and asset management

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[nps.co.uk](http://nps.co.uk)





Mark has a track record of over 30 years delivering real estate solutions in both the public and private sector. His experience includes working for a housing association and 20 years working for institutional fund managers.

Mark founded Torrington Properties to enable him to build on his passion for excellence and focus on the best outcomes for his clients. Torrington Properties is a boutique project and development management business which was formed to deliver socially responsible development with an institutional quality of risk management and control. It works with public sector organisations to deliver sustainable developments.

# PROCUREMENT FOR HOUSING

## Maximising the benefit of public and private sector partnerships and minimising risk of failure

Mark Nevitt [mark@torringtonproperties.co.uk](mailto:mark@torringtonproperties.co.uk)

Mark outlines options for selecting and working with partners to deliver public sector housing projects.

### Procurement options

There have been many attempts to create arrangements to enable the public sector to access private sector expertise and resources. Public bodies have utilised many structures, for example partnering following the Egan report, as well as PFI contracts, with varying degrees of success. More latterly, outcomes from the Hackitt report place a stronger focus on quality, which should inform and improve procurement and contractual arrangements in the future.

All of the mechanisms were designed to fill either resource or skill gaps in public sector organisations and in many cases both, as well as providing finance. Unfortunately, not all of the arrangements have been truly successful and many have not delivered the desired outcomes.

In both the public and private sector, a well-managed outsourcing model can fill short-term resource gaps or provide additional expertise to deliver a desired outcome. However, the selection of an outsourced provider needs to be undertaken with care to ensure the correct fit. Longer term strategic relationships can also be beneficial, allowing the private sector supplier to work with the public body to deliver programmes of work. The advantage of a long-term strategic relationship is that both parties will be able to plan with more certainty how resources are allocated, and desired outcomes are to be achieved.

It is important to design the procurement selection process to elicit responses from the most appropriate firms. When procuring services for smaller commissions, it is important to design the bid request to allow SMEs to be able to comply with the procurement requirements, while ensuring that risk of non-performance is minimised. If the





procurement exercise is not carefully designed, it may limit the ability of the purchaser to engage with organisations who can deliver best service and best value. Larger organisations may bid for small commissions, but may struggle to provide best value due to their overheads, or provide best service if the service delivery is adjusted to suit the price.

Real estate is a people driven sector and in all cases, the selection of an outsourced provider is a combination of the organisation and the people within. Ultimately, regardless of the organisation size, the team being suggested will be responsible for delivery; although a large organisation may have many more people, the delivery team should be selected and allocated to the commission. The resource levels being offered need to be commensurate with the commission. The team needs to be appropriately resourced to deliver the desired outcome, but compact enough to ensure that there is significant ownership to care about the completed scheme.

## Development companies

It is important to have a balanced approach when selecting a private sector partner to ensure that the right size organisation is appointed. One model that we have worked with has been put in place by a county council. In this case, the council has formed a development company wholly owned by the council, with an objective to deliver housing on council owned sites, delivering quality homes and a financial surplus back to the county to support public services.

The development company has a small internal team supported by a management board. Within the management board, the development company has engaged

real estate experts to ensure appropriate oversight of the development company's activities.

The structure implemented in this case ensures that the internal overheads of the development activity are kept to a minimum, with their external partners providing the day to day delivery resources. The structure allows flexibility in operation and the ability to be agile with resources when market conditions require swift decisions to be made.

The development company has selected two main partners to deliver its development programme. Initially the development company appointed a large organisation as development manager and house builder on the large volume sites, but subsequently identified a need to bring forward a programme of smaller sites. Rather than ask the incumbent organisation to work on the smaller sites, the development company undertook a separate procurement exercise to engage firms that would be better suited and appropriately sized to deliver a high quality service, while providing value for money.

The arrangements provide a good template for public/private sector engagements. The procurement processes were designed to select the appropriately sized organisations to deliver the company's objectives, while minimising the day to day overhead costs of managing a large in house development team.

To maximise the benefit of private sector engagement, it is important to ensure that at all levels, the commissioning organisation is appropriately resourced and the outsourcing arrangements are designed to deliver on the objectives, while ensuring value for money and high quality of service. To deliver the desired outcome, it is important to structure the procurement process correctly and invest

the time to ensure that the procurement request documents are designed for the commission in hand.

It is important for the procurement team to ensure that the purchasers are fully consulted and that the desired outcome is articulated fully within the documentation. The procurement team should advise the purchasers as to the sector of the market that the procurement request should be aimed at, and design the documentation to suit.

Following the Hackitt report, officers should be empowered to seek quality over quantity or lowest price, to defeat the "race to the bottom" and ensure that the limited public resources are deployed to achieve maximum impact and return.

## Summary

In summary, one size definitely does not fit all and officers need to be empowered to be able to make the right choice for the commission. This will require a more flexible approach to partner selection.

The contractual arrangements need to be clear, with reporting structures and key gateways that are defined from the beginning, to ensure all parties to the contact are clear on delivery expectations. They should also include the ability for the public body to terminate an arrangement for non-performance, to maintain sufficient tension within the service provider organisation, to ensure performance focus is maintained at all times.

Done well, a well-managed public/private sector arrangement can deliver strong results for public bodies without the need to carry significant overheads; however, done without the appropriate care, contractual structures and oversight, the result is a negative outcome.





Brian is a freelance advisor to the public sector, having held senior positions within local government, property consultancy practices and management consultants. He is currently advising several councils on transforming their headquarters facilities, in line with new operating models for public service delivery. He is a member of the RICS Public Sector Group. He has also helped to prepare an update to the RICS Public Sector Property Asset Management guidelines – as featured here.

# RICS ASSET MANAGEMENT GUIDELINES

## RICS ‘Strategic Public Sector Property Asset Management’ – the new guidelines

Brian Thompson [brian@realestateworks.co.uk](mailto:brian@realestateworks.co.uk)

Brian summarises the long awaited updated RICS guidelines.

What does one of the greatest social commentators of this age have to do with strategic asset management? Keep reading and you will discover.

Following a prolonged period of consultation within the UK and globally (and an unplanned delay due to the editorial team at RICS being placed on furlough) an updated set of public sector asset management guidelines was published in August 2021. Thanks to all ACES members who shared their views on early drafts.

It is perhaps worth stating at the outset that the words in this article reflect my personal perspective rather than those of the RICS, just to set the context. The graphics are reproduced from the guidelines with the permission of RICS.

The third edition is deliberately distinctive from all previous editions because it:

- Takes a global perspective
- Is relevant to public sector organisations of any scale or purpose
- Is focused on strategic issues and aspects of property asset management
- Gives due coverage to various

subjects (such as social value, the climate emergency, customer relationship management, and the creation of value to an organisation) that were previously either given only limited attention or not covered at all

- Is jargon-free and capable of being understood (and enjoyed?) by non-property people as well as those delivering property services within the public sector
- Raises topical issues and poses important questions applicable to all public sector organisations, whatever and wherever they may be in preference to setting out the ‘nuts and bolts’ of asset management. There are many detailed standards, guidance documents, codes of practice and similar that fulfil this requirement – and often in a sector-specific manner
- Makes a strong case for the property asset management function to be given due weight, influence and power within an organisation’s structure and governance arrangements, and
- Includes an up-to-date schedule of further reading with hotlinks





to the source documents. Many of the items listed were published earlier this year and cover a diverse range of subjects such as workplace planning, a standard for net zero carbon buildings, a roadmap to buildings that support health and well-being, and the assessment of property asset management maturity.

A difficult balancing act you might think – and you would be correct.

The remainder of this article now touches on some of the themes in the guidelines.

### What is strategic asset management?

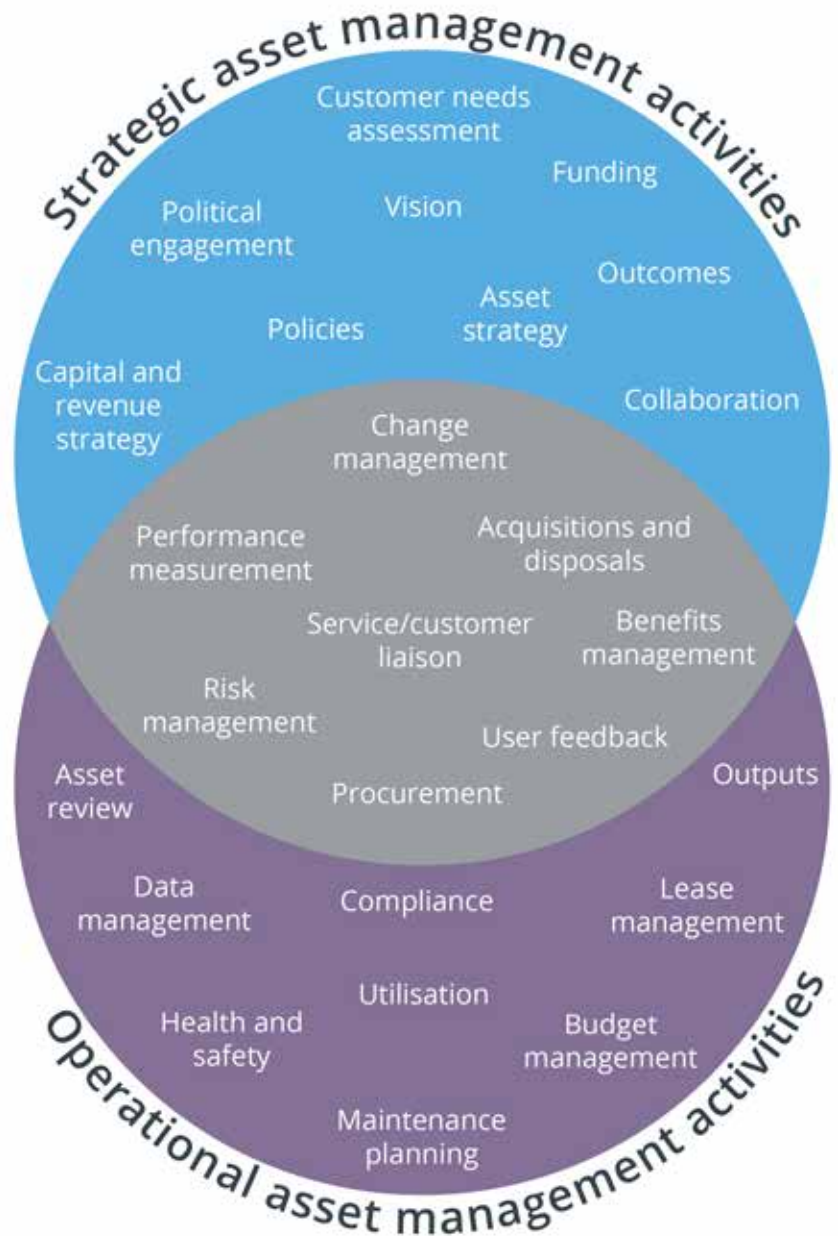
The term ‘strategic asset management’ means different things to different people, often conditioned directly by their personal experience in this role. Figure 1 attempts to distinguish strategic from operational asset management, highlighting tasks that arguably sit within one grouping or another, and the area of overlap.

What distinguishes the strategic components? I would say they are longer term, customer-focused, aligned to corporate and wider policy aims, and are about the direction of travel for the organisation. The language of outputs and impacts is also synonymous with strategic asset management.

### Key attributes of the asset manager

Note that this section of the guidelines does not refer to skills and knowledge, there being a reasonable assumption that the property asset manager possesses or can access the necessary skills and knowledge internally or externally. Instead, a series of desirable attributes are described and yes, I acknowledge that a Venn diagram could equally demonstrate an overlap between skills and attributes! The attributes include:

- Leadership and change management – creating and driving forward the strategic property asset management requires much more than technical competence, particularly where a radical shift



in direction is needed and the old ways need to be challenged. I would go so far as to say leadership and change management (coupled with the principles of management in general) should be mandatory subjects for the aspiring property professionals as they embark on their studies

- Customer relationship management (CRM) – there is much more to CRM than putting in place a Service Level Agreement, as readers will know. A certain mindset is required that involves viewing property

and property services from the perspective of the customer. What does value mean to them? How can the property asset manager add value to the customer’s business area? The guidance sets out more than 25 metrics and indicators that could be used to track and report on value added

- Data management – the strategic asset manager should continually ask ‘what information do I want from my system(s)?’ Too often, we are both driven and constrained by the capabilities of off-the-shelf

Figure 2: Generic asset management framework

systems, and a belief that the performance metrics and KPIs that proliferated asset management plans of old and warranted bulky appendices are still relevant today. Yes, we still need to know sufficient information about condition and (financial) value but is it not equally relevant to capture:

- User satisfaction and experience
- Social value created
- The service delivery outcomes and benefits arising from asset management initiatives.

## The asset management framework

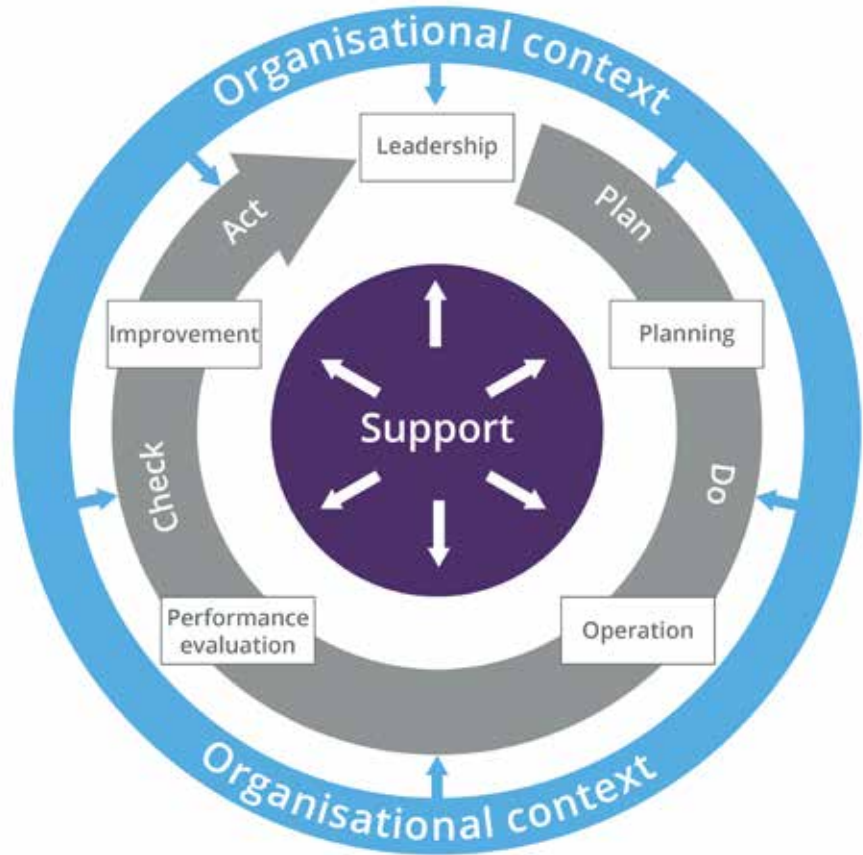
I recall several meetings 15 or so years ago at which intelligent property professionals expressed major concern that the emerging PAS 55 standard had to be treated as a threat – the infrastructure people were looking to take over the world of property with their universal standard and approaches to planning and managing ‘assets’. Nonsense!

Instead, the standard and its successor in the form of ISO 55000 simply set out a perfectly sensible approach to planning and managing the delivery of any asset and, critically, placed the concept of adding value to the customer’s business front and centre.

The guidelines address each of the 5 key steps of the ISO 55000 ‘cycle’ from the perspective of the property asset manager – the steps are leadership, planning, operation, performance evaluation, and improvement (Figure 2).

Mandating a specific asset management framework would be inconsistent with the nature of guidelines and would also not respect the enormous variety of public sector bodies in existence. A proportionate response is needed. To help arrive at the right solution, the guidelines include a set of questions covering themes such as organisational strategy, asset management policy, decision-making, the asset management organisation, performance management and outcomes.

A balance of internal and external perspectives must be taken if the strategy is to have validity. Increasingly, it is likely that the asset manager will need to be acutely aware of the external economic,



political and social environment, and the proposals and plans of current and potential public sector partners (Figure 3).

## A health check

Whether you operate within a well-established asset management function, as is most likely, or you are part of a newly created or amalgamated function, an objective health check can shed some helpful light on the complex web of people, processes, systems and politics that come together to deliver asset management.

Just as organisations undertake internal audits, the health check can be performed using internal resources – but they must be able to ask the right questions, empowered to undertake detailed investigations as necessary, and capable of making clear recommendations for improvement across the organisation.

Target areas for investigation are included in the guidelines, together with sample questions.

## Social value, well-being and sustainability

The asset manager cannot rely on business as usual to deliver the wider benefits expected by users of space, senior management colleagues and other stakeholders. Deliberate and systematic action is needed, and it must be embedded in the asset management strategy and supporting action plans.

There is no doubt that the pandemic has raised the expectations of space users and others. Fortunately, the range of tools and technologies available to the asset manager to meet these expectations has simultaneously grown. Guidance is given on the practical steps to be taken to deliver these wider benefits, but also to measure and communicate the outcomes achieved.

## Summary

The above is a snapshot of the content of the new guidelines. There is much more detail in the 36-page document and, as indicated earlier, a substantial reading list.

Many questions are posed throughout

Figure 3: Indicative components of asset management strategy, and perspectives



the guidelines, and it is up to asset managers to answer them in the context of their organisation – there are few instances where there is a right or wrong answer. It is hoped that the guidelines will, therefore, result in a pause for thought.

Above and beyond this outcome, the guidelines may also help some asset managers address fundamentals such as creating or updating an asset management framework, re-shaping their asset management plan, and resourcing to meet the new challenges of asset management.

But the audience is wider. Professionals, managers, and others outside the asset management domain should take away a clear message that asset management is undertaken to add value to the organisation.

Finally, authors commonly start or finish their articles with a deep and meaningful quote to demonstrate intellectual rigour. To keep in step, I feel obliged to do the same and reflect, through Bruce Springsteen, on the significant strategic asset management challenge that is regeneration.

### Some quotes

*"This new guidance from RICS is a welcome tool to help property professionals get the job done well."* UK Government Chief Property Officer

*"I commend RICS for producing this guidance note which will provide asset management professionals the key support to drive efficient and productive assets and buildings in the public sector into the future."* CEO, Scarborough Borough Council.

*"The draft is aligned with this uncertain and variable time, well structured, and easy to follow for any practitioner: accurate definitions, clear guidance of documents to be delivered in the AMS, advice for the asset manager, whether a public civil servant or not."* RICS Member, Spanish Government Agency

*"Now main street's whitewashed windows and vacant stores  
Seems like there ain't nobody wants to come down here no more  
They're closing down the textile mill across the railroad tracks  
Foreman says, 'These jobs are going, boys  
And they ain't coming back  
To your hometown.'" Bruce Springsteen*

The RICS is keen to learn how members are applying the new guidelines. Please send your experiences to Paul Bagust at RICS - [pbagust@rics.org](mailto:pbagust@rics.org)



Nonye has recently joined Crown Commercial Service (CCS) to lead the Estate Category team. She is focusing on delivering a variety of current and futuristic estate management solutions to central government, arms length bodies and the wider public sector. She spent the last 5 years leading a number of procurement and contract management commercial activities for National Grid's Substation clients and its interconnectors businesses.

# CROWN COMMERCIAL SERVICES

## The new Estate Management Services framework agreement from Crown Commercial Service

Nonye Amatobi [nonye.amatobi@crownccommercial.gov.uk](mailto:nonye.amatobi@crownccommercial.gov.uk)

The new estates management services contract was agreed in August 2021 and here Nonye provides an overview of the rationale for moving to a new strategy and the services available. It is expected that £500m will be spent through the framework over its 4-year lifespan.

### Introduction

Strategic and operational property management, market failure and procurement process are all key issues for government departments and the wider public sector. By utilising market intelligence and an experience of working across government with a broad supplier base, as a leading public buying organisation, CCS provides market insight and a suite of commercial agreements to allow our public sector customers to gain advice, guidance and assurance on maintaining and implementing a modern, compliant and efficient property portfolio.

Over the past 4 years, the public procurement of facilities and estate management has become front page news. Incidents like the collapse of Carillion have put the industry under increased scrutiny like never before, sparking a national debate about the future of outsourcing in general and more specifically, facilities and estate management and changes in the wider marketplace. These challenges give the public sector unique opportunities

to review and change their approach, helping to ensure that public bodies and their supply chains are working together effectively to deliver world-class services. With further shifts on the horizon and a wider embrace of hybrid model designs for the use of buildings, professionals in the industry can be forgiven for feeling under intense scrutiny to make the most compliant, cost-effective and socially responsible procurement decisions possible. At CCS, it is imperative that what we offer our customers in terms of Estate Management Services (EMS) is aligned to the landscape of this evolving market, capturing the breadth of customer requirements, providing access to industry best practice, and innovation in order to support critical estates and property outcomes.

### The role of CCS

Whether public sector organisations utilise an outsourced or in-house model, CCS sets out to support customers through the building, operation and management of built assets. In August 2017, CCS launched



the Estates Professional Services (EPS) agreement, enabling organisations to buy advice, guidance and associated services to help them manage their estates and assets. Suppliers are on hand to help public bodies reduce their property costs, release unwanted property assets, and identify savings and opportunities to generate income from land and buildings. Covering all public sector property across central and local government, health, education and the emergency services, the framework can be drawn on by most UK public sector bodies when commissioning real estate consultancy. It is designed for a range of services, including reducing the size of estates, exiting inefficient leases, reducing running costs, releasing capital, supporting the government's sustainability agenda, facilitating flexible and cross-departmental working, or acting as a managing agent.

It's expected that £500m will be spent through the framework over its 4-year lifespan. Over a third of the businesses supplying the agreement are SMEs (35%), with regional expertise maximised through an innovative lotting structure.

Departments and public bodies such as Government Property Agency, Cabinet Office, HMRC, Defence Infrastructure Organisation, Highways England, Transport for London and The Met Police have already used the agreement to procure a variety of services to maintain and manage their estate.

The current CCS commercial agreement for EPS expired in August 2021 and CCS has now awarded a new EMS framework agreement with an updated strategy and offering for our customers. This article provides an overview of the rationale for moving to a new strategy.

The framework offers a diverse range of services to support your office, institutional, commercial or residential property portfolios through all of the acquisitional, operational and disposal lifecycles. We're able to support organisations to define their requirements and provide practical advice, especially with regard to the common services currently being procured for valuations, strategic advice, acquisitions, disposals, dilapidations, rating support, full property management and consultancy. Further to the more common services, the framework also offers solutions around the use of the Internet of Things (IoT), with built-in digital technologies as the bedrock of smart

buildings. The agreement pipeline value for these services already exceeds £140m.

## **A new strategy for Estate Management Services**

The public sector needs have grown more diverse in recent years, with the requirement to become more flexible and accommodating to changing market conditions by adopting ever-evolving operating models. There are an estimated 93,000 enterprises in the UK market supplying estate management services. According to the Office for National Statistics, the total UK estate management market is valued at £63bn (excluding rental payments). With a spend of £3.2bn (Porge), the public sector services are incredibly significant within this industry. The market is primarily dominated by global service providers who offer national coverage to customers. However, the public sector estate market has seen some contraction over recent years. This is partly due to the government policy of reducing the public sector estate in order to lower running costs and raise capital from the sale of government owned property. In addition, the culture of hot desking or home-based contracts, accelerated by the C-19 lockdown in 2020/21, are also shaping the provision of the government estate, freeing up assets and making those existing assets work harder to achieve efficiencies.

This shift is making the industry highly competitive and has seen suppliers widening the scope of their services to provide multidisciplinary services, to include the facilities management, construction and project management market.

This drive for more advisory and assurance-based services will ensure the industry embraces technology (e.g. drone surveys) and digital services (e.g. IoT), delivering customer solutions at a competitive rate and reducing the industry's wage focused cost model.

CCS has developed category strategies that underpin the basis of design, delivery and management of all of our commercial agreements. These strategies provide detailed information on our frameworks which are supported with market intelligence and are regularly peer reviewed. These provide customers with confidence in utilising our frameworks. The strategies also allow CCS fully to leverage procurement decisions on behalf of public sector organisations, aggregating demand

and implementing value opportunities to the benefit of its customers.

For EMS specifically, we need to focus on some key areas to ensure it is fit for purpose going forward.

### Customer journey/route to market

From our latest strategy peer reviews, we identified the need to simplify how customers select which consultancy framework best meets their needs. We have reviewed CCS buildings agreements to understand whether there is scope to change the way we deliver professional services across all areas, by combining frameworks and providing a dedicated buildings consultancy agreement. Having engaged with customers and in particular, the supply market, while it is clear to CCS that flexibility is needed to accommodate changing markets, the coming together of EPS and other frameworks such as project management and full design team services was not viable at the point of going to market.

CCS is looking to ensure that a full customer journey is mapped out and customers are clear on which frameworks are the optimum route to market for their needs, to facilitate better working across disciplines and how a digitised solution could also improve the buying process.

### Technology

Through engagement with customers, suppliers and other professional bodies such as the RICS, we identified a need to make provisions for advancements in technology, changes in policy or legislation and innovation opportunities, while providing traditional estate management services, and have captured these in our EMS framework offerings, within the Integrated Workplace Management Lot.

### Scope of services

We are keen to explore a pilot on how we can challenge the traditional delivery of FM services. Changing the behaviours of customers and suppliers to start purchasing and supplying a quality service, with cost no longer being the determining factor, a service that is underpinned by technology, and service provision that aligns more with the private sector to support the modernised estate. This is reflected in the lotting strategy and the

price (30%) and quality (70%) tender weighting strategy.

The inherent run to failure strategies have been replaced with the ability for departments to have a more holistic and informed view on how to manage their properties. The ability to develop informed strategies around occupational efficiencies and provision of agile working solutions will ensure the property asset is efficient, effective and has greater focus on staff wellbeing.

## Framework lotting structure

Our current EPS framework agreement is multidisciplinary and structured by regional lots (as well as national lots). The new EMS framework will retain the multidisciplinary aspect in line with the market direction of travel, but will also be structured by service lots on a national basis, to ensure that specialists and smaller suppliers have an opportunity to participate. The EMS framework agreement lotting strategy is as follows:

*Lot 1 - Total Estate Management:* This covers all services listed under estate (property) management, agency & lease management, estate surveying & strategic advice, valuation and business rating services.

*Lot 2 - Estate (Property) Management:* Management of occupations on behalf of customers either as the landlord or tenant. Services include Government Soft Landings, move management, financial management (rent, service charge, rates, insurance), Vertical Real Estate, 3rd party supplier management, energy management, building and occupational management, health & safety and fire.

*Lot 3 - Agency & Lease Management:* Management of the acquisition and disposal of commercial and residential real estate, whether held or occupied. Services may include property searches, advising on property price or rent for marketing purposes (informal valuation) marketing, sales, negotiations, purchasing, letting and leasing activities including rent reviews, lease events and compulsory purchase orders.

*Lot 4 - Estate Surveying & Strategic Advice:* Services to include the development and delivery of strategic asset management plans to achieve savings, additional income, alignment with policy, development and regeneration consultancy. Provision of surveys and studies including dilapidation surveys and negotiations, party walls, rights of light and carbon assessments (EN15978).

*Lot 5 - Valuation and Compulsory Purchase Orders:* Valuation of built, physical, mechanical and electrical assets ranging from desktop to red book methodologies to comply with IFRS, RICS or departmental internal accounting procedures and compliance.

*Lot 6 - Business Rating Services:* Provision of rating support (inc. payment) and rating appeal services as per check, challenge and appeal process for England and the rateable value services for Wales & Scotland.

*Lot 7 - Integrated Workplace Management (also known as an Integrator function):* Provision of services related to the innovative management and data capture of the workplace. Services will include integrated workplace management systems, SMART working solutions, space utilisation, capacity planning & management.

## Cost models

The cost models were updated to provide further flexibility and transparency.

## Call-off process

Our current suite of framework and call off documents are seen as lengthy and complex. This has an impact on the numbers of suppliers participating in the competition for a place on the framework and ensuring CCS aligns to principles around attracting SMEs, but also the level of customer uptake. Moving to the new public sector contract and simplifying the call-off process has led to the inclusion of a short form call-off order form version.

## Direct award

We have reviewed the direct award guidance to align with control processes

## EMS framework launch

The EPS framework agreement expired on 21 of August 2021 and was promptly replaced by the EMS framework, following an OJEU procurement process, which resulted in 45 winning suppliers being appointed across the 7 lots.

CCS is an executive agency of the Cabinet Office, supporting the public sector to achieve maximum commercial value when procuring common goods and services.

To find out more about Estate Management Services visit the agreement webpage or contact the CCS Service Desk at [info@crownccommercial.gov.uk](mailto:info@crownccommercial.gov.uk).

You can find a full list of all the commercial agreements we offer, alongside details of how we can help you build policy considerations into your procurement, in our interactive digital brochure.

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# ACES

## The Terrier

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Clare is a director in the Savills commercial research team and has written extensively on themes within the regional office markets. She has written articles looking at the key ingredients to a happy and productive workplace, as well as pieces on themes such as wellness diversity and flexible working. She also presents at a number of industry events.

# REPURPOSING HISTORIC BUILDINGS

## Suburban and high street buildings for flexible co-working space

Clare Bailey [CBailey@savills.com](mailto:CBailey@savills.com)

Much has been reported about office life being different when we return to the workplace, with greater flexibility and design at the forefront of driving this change. But for flexible offices, are we also going to see a difference in the types of office buildings being occupied as the hybrid working model takes shape? Clare illustrates with buildings already repurposed.

### Suburban working

Workthere's Flexmark report states that 27% of those surveyed think suburban and regional growth will be the biggest change in flexible space going forward, with areas outside London already beginning to respond to demand. It is this trend of businesses combining suburban working with more conventional city office working that is likely to be the catalyst for a greater variety of flexible office spaces becoming available. Cafes and pubs have started to open up their space for start-ups and freelancers in order to diversify their business stream. In fact, Youngs pubs has introduced 'Work from Pub' packages throughout its chains that offers convenient and cost-effective short-term desk space during quiet times of the day. Each participating pub is fully equipped with free Wi-Fi, charging points, quiet spaces and, crucially, unlimited tea and coffee. Never before has the pub been so productive.

### Repurposed historic buildings

A drive for more suburban working will also help to support local communities. Hatcham House, a community workspace hub in South London is a prime example. Set in a beautifully restored building, the ethos of the space is coined as 'combining the focus of a corporate workplace with the convenience and joy of community belonging.'

The use of more historic buildings in suburban areas that offer some form of heritage and cultural belonging help to reinvigorate communities. A survey from National Trust for Historic Preservation conducted by Edge Research: 'Millennials and historic preservation: A deep dive into attitudes and values' (2017), shows nearly all (97%) of millennials, the nation's largest generation, appreciate the value of historic preservation. In line with this, the 'Pandemial generation' (old enough to be conscious of the full impact of C-19 on their lives, but not old enough to

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remember life before 9/11) also put value on the history of the building they work in.

In fact, the repurposing of some of these more historical buildings that no longer serve a purpose for their original use into flexible offices is proving to be a vital avenue for many high streets and suburbs. The unique and distinctive nature of heritage adds value to places and has formed the cornerstone of many successful regeneration projects in towns and cities across England, creating significant benefits for local economies and communities.

Heritage buildings attract creative occupiers who are interested in a more distinctive building, as well as helping feed people's interest in the past. Creative industries often choose space in historic buildings because it fits their self-image and the image they wish to project to customers and potential staff. Historical sites can offer both start-up and established businesses the opportunity to align themselves with the established culture or trade of the area, making them more recognisable. With creative industries being among the fastest growing sectors in the economy over the past decade, it is clear that heritage sites are a welcome addition to modern office supply.

In the 1990s, many old high street bank buildings were converted to wine bars, their banking halls offering high, vaulted ceilings and period settings. However, in 2021, we are seeing the repurposing of some of these more historical buildings that no longer serve a purpose into flexible offices, which is playing a vital part in helping many high streets to survive. The Tea Building, in Shoreditch, London, was a very early example of this. Lipton tea vacated the building in the 1970s and with a long period of under-use, the property was bought in 2001 by Derwent London, who transformed the building into flexible and studio space. What Derwent demonstrated was that older buildings can be adapted and repurposed for modern work.

Other key examples across London include the Old Baths community facility owned by Hackney Council, which will provide much-needed studio and co-workspace for businesses, creatives and the community. In addition, The Record Store, is an exciting redevelopment that provides over 60,000 sq ft of office and studio space in the heart of Hatton Garden, Farringdon. This landmark central London

redevelopment will spread over 6 floors and house a brand new co-working lounge and stylish restaurant.

## A spreading trend

The trend has also grown outside of London with The Tramshed, located in a Grade II-listed building on the edge of Grangetown that was once the old tram depot for West Cardiff, now offering a 1,000 capacity multipurpose performance venue, 30 live/work residential apartments, co-working/flexible office space/tech hub, plus a boutique 40-seat cinema and The Waiting Room café/bar. The Guild, in Bath, is another great example, offering 3,500 sq ft of creative workspace and meeting rooms, housed in the Grade I listed former Tech College at the Guildhall.

As the trend for repurposing existing buildings into flexible office space continues, we are also seeing former libraries and workingmen's clubs, which have historically been left empty, redeveloped to create co-working space. Bethnal Green Library is currently being upgraded with a start-up workspace and gallery. Flexible office space has even found a home in former industrial premises, which have been re-worked to offer high quality space, yet still retaining their industrial vibe. Turner Prize-winning practice, Assemble, converted a former manufacturing premises in Walthamstow into Blackhorse Workshop — a public, shared workshop for local makers and craftspeople.

There is no doubt that the flexible office space of the future will have a vital part to play at the heart of local communities, not only in terms of the service it offers, but also what it can do to help revitalise and re-use existing space that holds cultural and historic significance. Fundamentally, these spaces will need to be comfortable with a nod to community and collaboration. Local town centres could hold the key to providing these healthy, flexible, convenient workplaces, particularly for residents of the new homes delivered in these more suburban local authorities.



# REPURPOSING VACANT BUILDINGS

## LOWE partners with arts charity SET to open new arts centre

Tim Lowe [tim@thelowegroupltd.com](mailto:tim@thelowegroupltd.com)

Tim, founder and Director of the Lowe Group, is passionate about delivering cost effective, innovative solutions to managing vacant properties, which create social impact and support local communities. Tim has worked with developers, investors, funds and public services on numerous vacant sites to provide property owners with an efficient and secure service for their vacant properties. At the same time, this service provides London's key workers, young professionals and creatives with affordable accommodation.

LOWE has continued to grow and evolve as a business and Tim now manages numerous properties, providing their clients with the most bespoke service possible, broadening their offering to include charitable occupation, affordable workspaces and traditional security services too.

Tim sets out the latest repurposed disused buildings, partnering with arts charity, and non-profit organisation, SET, to turn disused buildings into affordable artists' studios and create SET Woolwich, one of the largest meanwhile spaces in London.

Rising rents in London is having an adverse impact on artists, musicians and creatives, who are being priced out of the city. Particularly during the C-19 pandemic, access to affordable workspace for artists is crucial, when the creative economy has seen limited support and unprecedented job losses. The LOWE Group has diversified its property services to include Charitable Occupation, which, in partnership with arts charity, SET, provides affordable studio space, while at the same time helping landlords protect their buildings against squatters, anti-social behaviour and vandalism.

Social impact is a vital part of LOWE's business practice, and a principal value is support and involvement with the local community. The importance of this partnership with SET is to provide artists,

musicians, voluntary and charitable groups with the space to create locally based, stimulating communities, and help the surrounding community to flourish. Creating affordable studio space not only utilises vacant properties to drive positive impact and change within local communities, but also benefits landlords who are looking to create social impact through their vacant space, while artists benefit from affordable creative spaces, as well as access to a community for collaborating and networking.

Tim: "We want to breathe fresh life into vacant buildings and create positive social impact by doing so. Artists have a great way of bringing buildings back into the heart of the community, and so we're excited to partner with SET to house artists and creatives who contribute to the vitality



SET Woolwich  
Riverside East & West



of the local community, and who would otherwise be unable to afford normal commercial rents.”

LOWE has partnered with SET on 3 separate projects across London; Limeharbour, New Cross and Woolwich. Limeharbour provides studio space for musicians, and New Cross affords 30 artists with studio space in a former warehouse. Riverside East & West (now renamed as SET Woolwich) are 2 former office buildings on Beresford Street, Woolwich and are the most ambitious, spanning 140,000 sq ft and 19 storeys.

Opened in February 2021, SET Woolwich hosts over 250 workspaces and exhibition space and is one of the largest meanwhile spaces in London. The project will run for a guaranteed 18-month period, with 3 months rolling thereafter. Free space has also been awarded to selected charities and community groups, supporting grassroots movements, community initiatives and registered charities. The studios are some of the most affordable London has to offer; priced at £0.90p per sq ft per calendar month, all-inclusive, ranging from 200 sq ft to whole floors totalling 5,000 sq ft.

Josh Field, co-Founder & Director of SET says: “With arts and culture under such immense financial pressure, it’s more crucial than ever for artist communities to have access to space they can genuinely afford; not space that is simply

branded as ‘affordable’. Working with LOWE has enabled us to further bridge a gap between our charitable use of vacant space and the property industry; solidifying ourselves as a viable and charitable alternative to conventional property security services – this in turn reduces our overheads and means we can focus on our charitable objectives, keeping the costs low for our members, and having a greater positive impact on the communities we support.”

SET was founded in 2016 with the objective to support and nurture London’s artist communities. A multifaceted arts and community organisation based in numerous centres across London, SET curates an eclectic and experimental arts and educational programme alongside providing genuinely affordable artist workspace. The creation of large-scale installations often requires space, industrial tools, and the freedom to make noise, which is not possible in urban residential properties, and traditional studio space is very expensive to rent. Combining the need for space and the freedom to create, with the vast number of vacant commercial properties in London, led to the partnership between LOWE and SET.

Riverside East & West are owned by MDPL, a young and ambitious development company with deep rooted values when it comes to community well-being. Simon Hall, Director of MDPL

commented: “We acquired the building in November 2020, and our priority for the duration of the project elaboration period would be to maximise social value for the community. Partnering with LOWE made complete sense, especially once we heard their final proposal to work with SET.

During our regular visits on site, it is so rewarding to see how much life is there in the building, and a pleasure to know that some of the studios are licensed to local community activities, like a dance studio for children and adults, a local volunteers’ organisation, and others. On a wider scale, as one of the largest studio spaces in London, we can see changes to the social landscape contributing to improving the image of Woolwich. As it is in our best business interests, we see our cooperation with LOWE as the perfect example of a win-win solution.”

Much like guardianship, Charitable Occupation makes use of vacant properties, but utilising buildings which are not suitable for conventional living spaces. The vacant buildings are converted into safe, usable spaces, ensuring that they are secure and fully compliant with health and safety standards. Vacant properties are subject to business rates, but registered charities are eligible for a mandatory 80% business rates relief. The LOWE Group manages the process and ensures that the rates relief are successfully applied for.



Raoul is Head of Planning at Cluttons and has over 20 years' experience providing planning and development advice to both public and private sector landowners and developers on a range of urban development projects.

# PLANNING AND TOWN CENTRES

## Does PDR have a chance to change its poor reputation and help revive town centres?

Raoul Veevers [Raoul.Veevers@cluttons.com](mailto:Raoul.Veevers@cluttons.com)

Raoul follows up his 2021 Spring Terrier article asking some questions about the efficacy of the introduction of Class E and the effects on our town centres. "The government's extension of PDR to Class E therefore appears to be an attempt to squeeze more homes out of vacant commercial property... it has effectively been responsible for creating modern slum housing, which does anything but Level Up."

### Some questions

It is no secret that our town centres are facing huge challenges recovering from a period of social and economic stagnation, with many trends accelerated by the pandemic.

Initial optimism surrounding the potential flexibility for planning that the introduction of Class E brought about has given way to some real concerns about what impact this could have on the future of town centres. With retail seeing big brand names leaving the high street and businesses shedding office leases, town centres are experiencing more and more vacant property, many of which falls into the new Class E and through Class MA of the General Permitted Development Order (GPDO) 2021, this could be converted to flats using permitted development rights.

The conversion of offices to residential has been highly criticised for creating substandard accommodation in locations that fail to create sustainable forms of development. Alternatively, the conversion of obsolete office accommodation has made a significant contribution in the 7+ years it has been in place.

The government's intention was to revitalise town centres to support their

recovery. But, with most of the easy low-hanging fruit of obsolete office space already converted (and demand for office space in such locations experiencing a post-pandemic spike), is the extension of PDR to Class E dredging our town centres for more housing? And what can be done to ensure the quality of these conversions and protect the character of our town centres?

Could the appointment of Michael Gove and a new Department for Levelling Up, Housing & Communities be the tonic for a revitalised set of town centres where quality is front and centre of any Class E conversions?

Either way the government is committed to delivering 300,000 new homes every year. If the revitalisation of town centres is on the agenda, then the design quality of these conversions and of their surroundings is crucial to their future.

### What is it and how is it different?

Class E was introduced over a year ago and this grouped together retail (A1, A2, A3), offices and light industrial (B1), health (parts of D1) and leisure (D2) under a single



use class. With the inclusion of offices into Class E, a review of the permitted development rights for office to residential was necessary. Class MA was introduced under the Town and Country Planning (GPD) (England) (Amendment) Order 2021 and this allowed the change of any Class E use to residential.

Class MA is significantly different from the previous permitted development to residential (PDR Class O) as it now applies to a much wider range of uses largely found in town centres, including retail. It has an area threshold of no more than 1,500 sq m (150 sq m for retail) and it applies to buildings in conservation areas, but not listed buildings. The building must have been vacant for 3 consecutive months and must have been Class E for 2 years prior. This is the next stage of PDR powers introduced by the government in 2020 which allowed the upwards extension of existing residential and the demolition of vacant commercial buildings to create new residential accommodation.

PDR is attractive to developers and landowners as it does not require affordable housing provision; however the Community Infrastructure Levy still applies, and it is cheap to submit and faster to determine.

## Local authority response

In response to the new permitted development rights, and to protect their town centres and quality of their environments, many councils renewed or extended Article 4 Directions. Previously these mostly covered offices, business parks and London's Central Activities Zone (CAZ). More recently these are utilised across town centres, reflecting the concern of many LAs that the range of uses now capable of changing to residential potentially threatens the commercial viability and quality of their town centres.

To avoid blanket directions across whole LA areas, the new National Planning Policy Framework (2021) states that Directions should only be used to avoid wholly unacceptable adverse impacts, to protect local amenity or the well-being of the area, based on robust evidence and limited to the smallest geographical area.

## Is it working?

Quantity wise, PDR has been a huge success, with 64,798 dwellings recorded

from office to residential alone in the 5 years from 2015 to 2020 (MHCLG Live Table PDR1).

Croydon tops the table as the authority with the largest number of dwellings created from the conversion of its offices (3,217 in the 5 years). This is more than likely due to the abundance of older office space within the borough, rising residential values, coupled with its general drive for regeneration. The top 20 authorities are all either outside of London or outer London Boroughs, except for Lambeth at 18th place, with 809 dwellings. This is not surprising when the entirety of London's CAZ has had its PDR removed. However, the more likely explanation is that these areas have much stronger residential values than commercial.

In locations where residential values far exceed those of commercial property, PDR will still be more attractive, despite the cost of conversion and a slightly below market value residential product. Much of this property - the older office stock in good residential locations - has already been converted or redeveloped. This is reflected in the slowdown from 259 PDR applications in London in July-September 2014, to just 48 applications in April-June 2021. The government's extension of PDR to Class E therefore appears to be an attempt to squeeze more homes out of vacant commercial property.

The introduction of Class MA extends the potential to other properties, particularly those that lie vacant within town centres: not only the offices, but also the many other services that supported those offices. In many cases these may be in peripheral locations that need to be revitalised. We must be careful however, as these could also include locations that are temporarily struggling while things recover. But should we realistically rely on PDR to revitalise our town centres?

## Tackling the stigma of substandard housing

Qualitatively, PDR has been less successful and widely criticised for the poor standard of accommodation being created. The Local Government Association has raised concerns, stating that PDR results in poor design; it fails to contribute to create sustainable and well-designed places; and creates worse living environments. An RICS report in May 2018 stated that the quality of office to residential schemes

ranged from high to extremely poor and "significantly worse" than those which had been through the full planning process. Similarly, the comprehensive government commissioned research by the Bartlett School of Planning in 2020 found that the majority of PDR conversions failed to meet adequate design standards and created poor living environments, with only 22.1% of surveyed homes meeting Nationally Described Space Standards and only 3.5% having access to private amenity space.

These reports don't suggest that PDR will add much to our town centres and there is a suggestion that they may even be detrimental to their future. This suggests that PDR has effectively been responsible for creating modern slum housing, which does anything but Level Up.

To address the flaws identified in the report, the GPDO was revised to require a demonstration that the development will not suffer noise impacts from neighbouring uses, that adequate daylight can be provided, and, where the proposal involves the loss of a ground floor use in a conservation area, an assessment of the impact of that loss on the character or sustainability of the conservation area.

To put an end to the delivery of small homes, the former Housing Secretary, Robert Jenrick, announced that all new homes delivered through PDR would have to meet the Nationally Described Space Standard and local design codes. This has been carried into the new Class MA through a requirement that plans must identify the area of each dwelling; an amendment to Article 3 of the GPDO, which came into force in April 2021, requires all dwellings created through permitted development must comply with the Nationally Described Space Standard. This will therefore apply to all classes of permitted development that permit dwellings, including Class MA.

## Conclusions

PDR is an extremely effective tool to deliver significant numbers of new housing from surplus commercial property in a relatively short time. The downside is that this has historically allowed the creation of substandard accommodation. This has been partially addressed through amendments to the GPDO by requiring these properties to meet basic amenity and space standards, and to assess the impact on character in more sensitive

locations, which could extend to retail impact. With the extension of these powers to traditional town centre uses, we can expect to see the conversion of parts of town centres that have been ravaged by the pandemic or were struggling anyway. It is impossible to say whether these would ever recover or whether the introduction of more residential to our town centres will prejudice their future.

Perhaps this is all part of town centre evolution: as online retail activity increases, the core retail areas are consolidated and strengthened, while being complemented by new local communities. A new town centre community could benefit from the locational advantages of being close to transport and services, which in turn contributes to the vitality and growth of these centres.

To do this effectively and in a way that will endure and create sustainable, well designed centres in line with the much discussed Levelling Up agenda, Michael Gove must turn his eye to design quality and help local authorities to instil the necessary checks to design, plan, and make town centres great places for current and future generations.



Owen is Assistant Planner - Planning, Development and Regeneration at Lambert Smith Hampton.

# ACTIVE LIVING

## Planning and regeneration for place-based Active Living

Dr Owen Hawe MSci PhD [OHawe@lsh.co.uk](mailto:OHawe@lsh.co.uk)

Owen promotes the concept of active environments for our struggling town centres, to increase the diversity, attractiveness, vitality and health of both the place and citizens.

Planning is critical in promoting healthy places. Many of us are aware that the planning profession, as we know it today, emerged from the health concerns associated with the rapid industrialisation and urbanisation which occurred in the late 1800s and early 1900s. As aspects of health and wellbeing are being slowly 're-knitted' together with planning, now is an exciting time to consider how taking place-based approaches can impact on and promote healthier ways of living. For the purpose of this article an emphasis is placed on physical activity and the role planning has to facilitate 'Active Living' which can be defined as a way of life that integrates physical activity into daily routines.

### Historical context

The industrial revolution resulted in mass urbanisation, with cities growing exponentially to serve and house factory workers. Conditions were slum-like, housing was of poor quality and high in density, air was thick with smoke and

smog, with little regard to sanitation and a lack of clean water. Communicable diseases like typhoid, cholera and dysentery thrived in such conditions, which resulted in high rates of morbidity.

Advancements in health (such as the developments in germ theory) resulted in these diseases being almost entirely eradicated from society. Interestingly, around that same period, town planning had its own shift; formerly a function under the Department of Health, the Ministry of Town and Country Planning was formed, which arguably weakened the relationship between planning and health.

A shift not only occurred among the planning profession, but physical shift appeared in our built environments. With rapid urbanisation came mass suburbanisation, and with it, suburban sprawl. Suburban sprawl can be identified by one common characteristic which impacts directly, and significantly, on health – these environments are all car dependent. A car is needed for almost every daily task, such as going



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Figure 1

| CHARACTERISTICS  | URBAN SPRAWL                                  | COMPACT DESIGN  |
|------------------|---|---|
| Density          | Low density with dispersed activities         | High density with clustered activities                        |
| Land Use         | Single or segregated                          | Mixed   |
| Services         | Consolidated, requiring automobile access     | Local, distributed and accommodates walking access            |
| Transport        | Automobile dependant                          | Multi-modal, supporting walking, cycling and public transport |
| Connectivity     | Unconnected roads and walkways                | Connected roads, sidewalks and paths                          |
| Street Design    | Designed to maximise traffic volume and speed | Accommodates diverse modes                                    |
| Planning Process | Little coordination between stakeholder       | Coordinated between stakeholders                              |
| Growth Pattern   | Urban periphery                               | Brownfield development  |

to work, school, the local shop. This encourages sedentary behaviour and physically inactive lifestyles. Now, with the rise of obesity, public health has also experienced a colossal shift from communicable diseases to non-communicable diseases such as cancers, chronic heart disease and diabetes.

### Active environments

However, recently town centres have experienced yet another shift during the C-19 pandemic which has raised serious questions relating to our high streets, which are over-saturated with retail units and office blocks. The pandemic did not cause the problems we are now seeing in town centres, but it certainly exposed the concerns and issues related to 'what we know' and 'how we think' about our high streets. As a result of remote working and online shopping, we need to re-think town centres.

The built environment, and built environment professions, can influence healthier lifestyles by making the daily routines, mentioned above, achievable through the use of physical activity. This can be delivered through regeneration by

applying active living principles: walkable neighbourhoods with high connectivity and permeability supported with green infrastructure, local amenities and rapid transit. Figure 1 illustrates the contrasting elements to urban sprawl and compact design, which are opposite in appearance, function and character - and how they affect how people live in different ways.

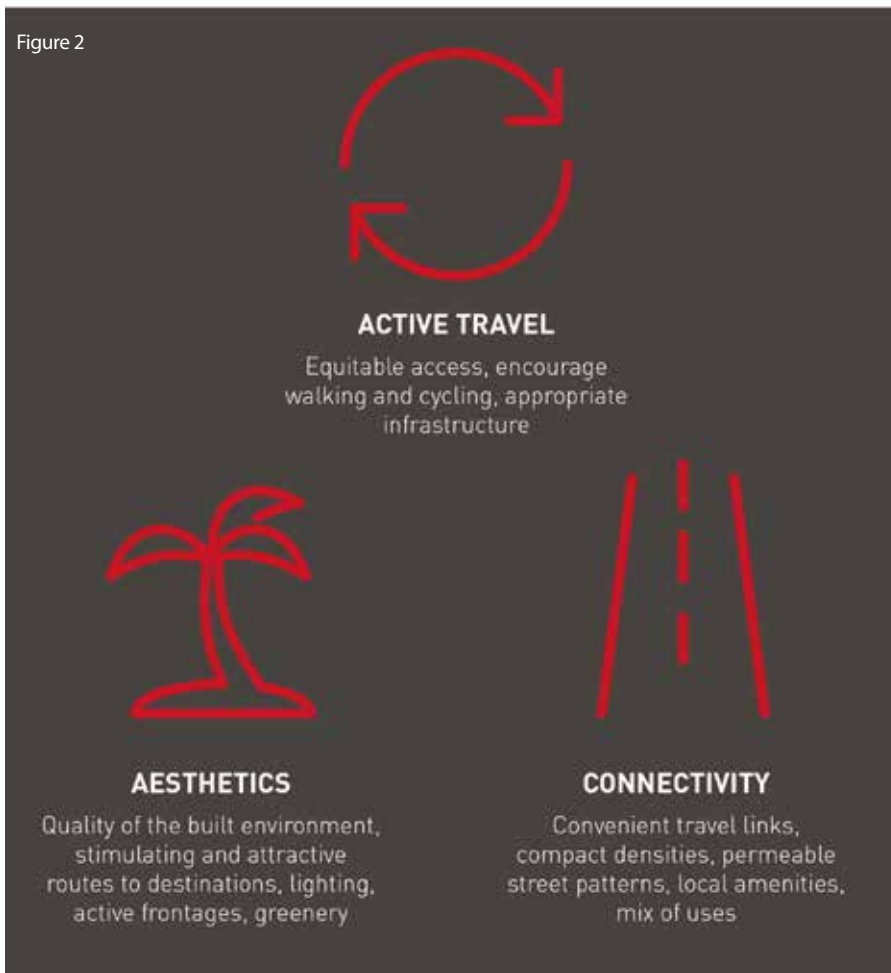
Compact design encourages walking suitable for all members of a community, with priority being given to pedestrians. This opens up exciting opportunities, especially for local authorities who are now receiving government funding to regenerate their town centres and high streets. Health should be integrated as much as possible, to ensure that regeneration schemes contribute to individuals' physical health and wellbeing, while also offering the potential for contributing to social cohesion, environmental protection and economic prosperity. Bringing schools, housing, local shops, gyms and restaurants to the forefront of town centres can contribute passively to encourage physical activity. With that, it is worth reminding ourselves of the core components which enable

active environments to be deliverable and broadly consist of active travel, which encourages walking and cycling; aesthetics and the quality of the built environment; connectivity and permeable street patterns with local amenities (see Figure 2).

Active lifestyles may appear to be a minor aspect of wider health debates, and of relatively low importance to the core operations of planning and regeneration, but placing an emphasis on it could have a significant role to play in creating healthier urban environments and a healthier society. Furthermore, they not only promote health, but also stimulate social cohesion, higher footfall, perceptions of safety, natural surveillance, lower carbon emissions and sense of place within communities (and many more!). Inner city regeneration schemes could have considerable influence in encouraging people to be more active by making healthier decisions within the built environment and therefore contributing to the prevention of non-communicable diseases, which can even help in contributing to easing the burdens on the health system. This calls for partnership working, to span across professional



Figure 2



boundaries and collaborating effectively between planning and other stakeholders, which is imperative in delivering physically active environments.

## Conclusion

Our cities, towns and high streets have been faced with many challenges throughout the century and now, we are again faced with unprecedented challenges to their vitality and prosperity. The pandemic, housing and climate crisis, technological advancements, and planning reforms are all changing the way our society lives, works, shops and plays. Successful town centres will likely need to value more than just their shops and services, but rather promote health and wellbeing, which will act as a catalyst to unlocking the social, environmental and economic value of places and property assets for the benefit of all.

There is 'no one-size-fits all' approach to the regeneration, repurposing and renaissance of our town centres and this is why harnessing place-based approaches is so important, to meet local needs and to gain local knowledge and insight.

I hope this article provides a simple reminder to all those working in shaping our town centres that our professional behaviours, cultures and systems for designing and coordinating tailored place-based approaches can promote healthy living.

Lambert Smith Hampton's Town Centre and Economic Regeneration team consists of highly dedicated and experienced property experts who help to navigate clients through the entire regeneration lifecycle: from economic and market analysis, to planning development and consultancy, and investment and commercial agency. Working in partnership with the public and private sectors, and all key stakeholders, our team has a strong track record of unlocking value for people, places and property. With over 30 offices and 1,100 dedicated staff, our multi-disciplinary teams can help you plan, fund, assemble, and deliver transformational regeneration projects to achieve long-term economic stability and sustainable growth.

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# SHOPPING FOR HEALTH

## Can vacant possession within shopping centres be successfully occupied by NHS Healthcare services?

Richard Waterson, William Dunne, Chris Thornton and Hannah Brewster

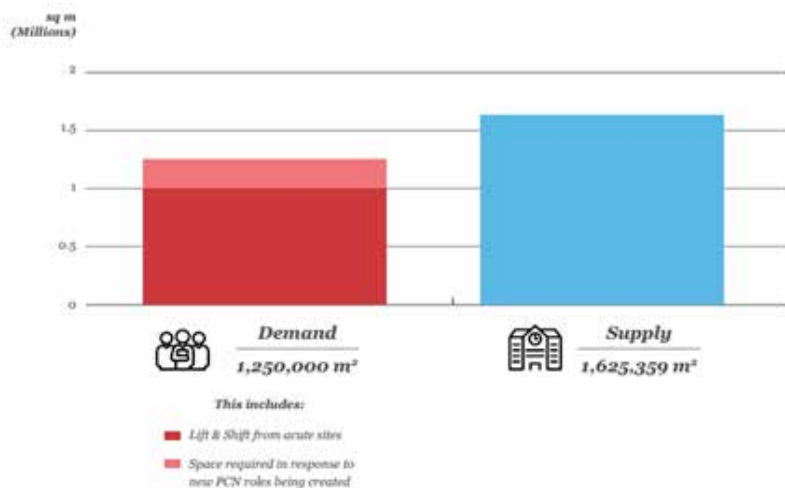
### A concept

During February 2021 there were two consecutive items of interest on the 10 o'clock news. One, as on so many days, reported from the front line of intensive care and the strain on the NHS. The second reported on the demise of retail and the impact on the high street. High levels of demand in one area, high levels of vacancy in the other.

This led the team at Carter Jonas, iDEA and ADP to consider the potential fit between identified demand and supply evidence across health care and retail and to test the concept that the physical attributes of a shopping centre; public transport, pedestrian access, separate service access, car parking, multiple unit sizes, plus complimentary associated uses such as cafes, opticians and chemists would provide an ideal solution for the 'lift

Richard is a Partner at CJ and has 25 years' experience across the public sector, working with clients in the emergency services, local authorities, and NHS Trusts. He is involved in strategic estates advisory work which he delivers from the Consultancy and Strategy team at CJ. He has been involved in a wide variety of complex estate transformation projects [richard.waterson@carterjonas.co.uk](mailto:richard.waterson@carterjonas.co.uk)

Managing Director at iDEA, William, has led major business transformation projects in defence, higher education and central government. He developed the occupational requirements for the BBC's move to Salford and the design brief for Manchester University's £300m new Engineering Campus. His team is currently working on property modelling for various universities and hospitals [william.dunne@idea.eu](mailto:william.dunne@idea.eu)





Chris is the National Healthcare lead with ADP Architecture and has been with the company for 30 years, developing and delivering healthcare projects with NHS, charities, and private healthcare providers. He is an executive committee member for Architects for Health [Chris.Thornton@adp-architecture.com](mailto:Chris.Thornton@adp-architecture.com).

Hannah is Regional Healthcare Director with ADP Architecture and over her 13 years with the company, she has delivered complex projects on busy acute hospital sites and more recently, health and wellbeing facilities in the community which combine complimentary uses to support new models of care [Hannah.Brewster@adp-architecture.com](mailto:Hannah.Brewster@adp-architecture.com)

and shift' of outpatient services from acute sites together with Primary Care provision.

In carrying out the research, the team sought to understand the opportunities for a national strategy set against the question: Can vacant possession within shopping centres be successfully occupied by NHS Healthcare services?

The research was carried out for England, where our findings show that there is a match between key supply and demand criteria. Arguably the supply side could be increased further if non-shopping centre locations were also considered, including not only the traditional high street but also destination out-of-town facilities.

There are recognised advantages to 'lift and shift' services moving from acute settings to more suitable physical space in a primary care community-based setting, mixed with shifts to a virtual service provision and some to support self-care at home. Complemented by other services (Primary Care Network (PCN) roles), these facilities can broaden the range of what can be provided within a local area, and crucially support and participate in the design of healthy communities and places, moving towards more person-centred care.

The ability to respond to the NHS agenda to prioritise sustainability (Net Zero Carbon) and modern methods of construction is limited in this situation, but digital transformation, standardisation and flexibility can be exploited and combined with 'repeatable rooms' in standard hub models, offering financial, maintenance and life cycle advantages. There is an overriding sustainable approach in the retrofit of existing premises, when compared to new build.

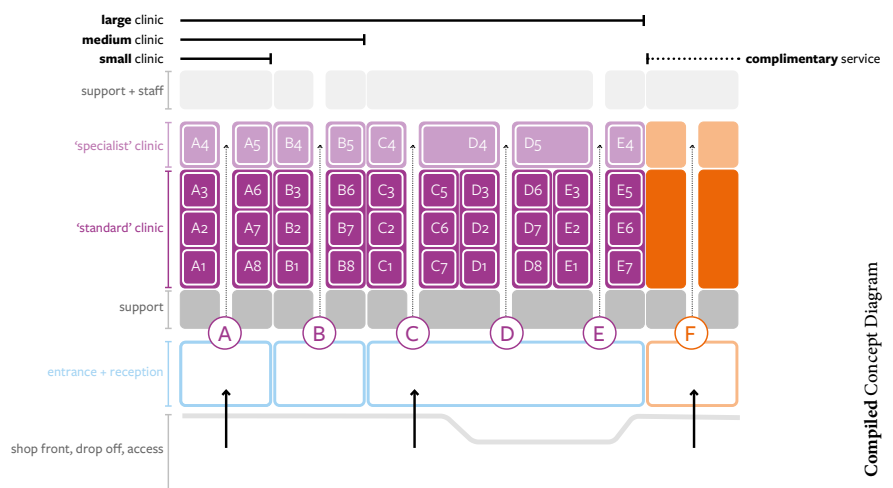
## What size is the total demand?

Department of Health advice is that 250,000 sq m of space is required, purely because of the PCN manifesto and the 30,000 additional clinical roles to be created. While there is a range of individual space requirements, a considerable proportion of the space is centred on smaller 8 sq m units providing flexibility for virtual clinic rooms, social prescribing spaces, counselling rooms and support services.

Similarly, 1,000,000 sq m of requirements are identified due to the 'lift and shift' agenda driven by the decant of services from acute sites. The unit spaces required here are typically the larger 16 sq m multi-use flexible clinical room for consultation, examination, and treatment.

Standardised hubs of accommodation offer flexibility and provide a scalable model for a variety of clinics, saving on design and costs. These are as follows:

1. Small – 490 sq m base model, minimum viable to staff and operate efficiently. Broadly based on a typical small GP Practice 400 – 500 sq m
2. Medium – 895 sq m two hub model allowing greater flexibility and a wider range of services
3. Large – 1,680sq m offering more hubs and the potential to introduce more specialist complimentary services such as minor procedures.



## What are the occupational criteria required?

Accessibility is key to the success of this approach. Generally, the provision of car parking, public transport, welfare facilities and the physical location of shopping centres are advantageous and provide a 'convenience' as part of the wider destination offering. Extended access and opening, along with security control, will allow greater utilisation and flexibility.

The ability to service deliveries and pick-ups on a regular basis is required in most cases, to provide the necessary support from acute sites. Access to acute sites is not necessarily measured in terms of physical distance or time only, but in terms of ease and flexibility and choice of transportation modes. Could a shuttle bus service be considered, for example?

## Is demand increasing?

The move to increase higher acuity services on acute sites with the New Hospital Programme and the impact of the wider range of PCN services combined with C-19 recovery, indicates demand is increasing for this type of space and the services required.

In the short term, the impact of C-19, Long Covid and the resulting backlog of NHS Services has created high demand. Published figures identify 21 to 23m GP appointments per month pre-C-19, and 31m GP appointments per month now. The effects of C-19 and social restrictions to control the pandemic are likely to exacerbate chronic conditions and create additional health needs to be managed over the long term. Analysis has shown that 40 to 60% of virtual appointments lead to a face to face appointment – with a need to improve space utilisation to support this model.

## Macmillian Cancer Care

The team engaged with Macmillian as an integral part of undertaking the research. Macmillian is looking to deliver services in a broad range of community settings; they would welcome the opportunity to work with the NHS to explore the synergies created by a potential shift of non-acute services from acute sites into the community.

Macmillian wishes to develop a hub and spoke model, supported by their large network of existing centres and services

and increasingly to work in partnership with the NHS, local authorities, Clinical Commissioning Groups, PCNs and other 3rd sector providers. This approach will enable Macmillian to better engage with people living with cancer in locations that are more relevant to them and easier to access, including those harder to reach communities in areas of high deprivation that are so important. Town centre locations will provide an opportunity to explore, creating a new type of Macmillian environment that:

*'Forms a physical touch-point for the charity around the UK in strategic community-based locations, combines service delivery for people living with cancer (including clinical, such as infusion centres) with a whole range of other public-facing activities, including health and wellness, gym, event support, fund raising and Macmillian café'*

## Shopping centre supply

The demand for specialist and more acute accommodation on hospital sites means there is opportunity to focus the less acute outpatient services in the community.

This approach benefits the acute hospital sites, in creating valuable space in the heart of complex facilities, where it is needed, to create much needed resilience and expansion. Similarly, moving services into the community setting makes them more accessible and convenient for patients, staff and users. It utilises empty or hard to occupy premises, which in turn can play a vital part in reinvigorating a previously retail dominated scene. Large retail and department store premises are ideal for conversion to clinical use, although there is also a place for smaller unit provision.

The source data has been obtained from Experian GOAD and has been analysed to

illustrate the ratio between existing total built shopping centre stock in England and current vacancy rates by size band.

- The total existing built shopping centre floorspace in England totals 10.2m sq m.
- There are currently 30,374 identified individual units within England's shopping centres. It should be noted that some units will present the potential to be subdivided or combined
- Vacant space within England's shopping centres totals 1.63m sq m, accounting for 16% of the total shopping centre floorspace
- 50% of the total vacant space is available in units of less than 500 sq m
- Comparatively little overall space is vacant in the largest size band (5,000 sq m+) at 75,000 sq m
- There are 6,293 vacant units in England's shopping centres, accounting for 21% of the total units. Vacancy measured in number of units is therefore higher than measured by floorspace, which reflects higher vacancy rates in smaller units
- 818,000 sq m is available in units of less than 500 sq m which accounts for 50% of the total vacant space.

For most shopping centres, a much broader tenant mix is likely to be required to ensure a successful future, incorporating not only retail but also food and beverage, leisure, and essential services including locally accessed health care facilities forming part of a wider health care system. Significantly, several local authorities have purchased shopping centres recently,







# 154

## LOCAL AUTHORITIES

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alexandra.houghton@carterjonas.co.uk | 07880 004520

### OUR LOCAL AUTHORITY EXPERIENCE:

**3,500** assets assessed using our Location & Asset Strategy Review methodology

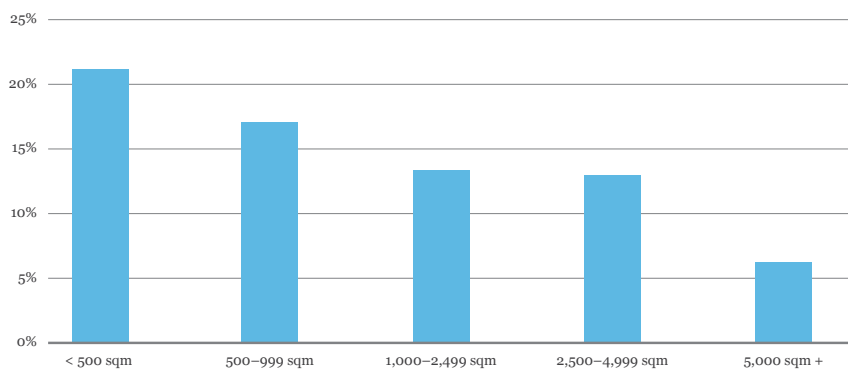
**4** joint venture partner procurement exercises undertaken in the past 24 months

**2,691** tenancies under management

**8** estate regeneration CPOs currently being advised on across 5 local authorities

**12** local authorities we provide annual asset valuations for

Vacancy Rate (by floorspace) in England by size band



partly as a source of income, but also as a tool to achieving social and commercial regeneration through strategic land assembly objectives. Previously, local authorities were not among the key holders of shopping centre assets although this profile is changing, and gives an interesting dynamic to a more joined-up approach to health and social care partnerships

### Total vacant shopping centre floorspace by unit size

The table on p64 illustrates the amount of vacant floorspace across 5 size bands. This shows that 818,000 sq m is available in units of less than 500 sq m. This accounts for 50% of the total vacant space. The next 3 size bands (500-999 sq m, 1,000-2,499 sq m and 2,500-4,999 sq m) all have a broadly similar amount of total vacant space (between 200,000 sq m and 300,000 sq m). Comparatively little overall space is vacant in the largest size band (5,000 sq m+), at 75,000 sq m.

### Vacancy rates by size band (total stock vs vacancy)

Another useful metric, showing the supply/demand dynamics in the market. The

second table above shows the proportion of stock available in each size band across England. While the smaller units have the highest vacancy, the differential between the size bands is less marked than vacancy in overall terms. Units below 500 sq m have a very high vacancy rate of 21%, falling to 17% for units of 500-999 sq m. This falls further in the 1,000-2,499 sq m and 2,500-4,999 sq m size brackets (14% and 13% respectively), while the very large units of 5,000 sq m above have a comparatively low vacancy of just 6%.

### Vacant shopping centre floorspace by region

The third table below illustrates the level of vacant shopping centre floorspace by region, together with the vacancy rate. The South East contains the most vacant space at 377,000 sq m, with the East of England containing the least vacant space at just 62,000 sq m. The vacancy rate also shows considerable variation between regions. Greater London has the lowest vacancy of any region at 11%, with the South West second lowest at 13%. Most regions have vacancy ranging from 14% to 16% (North East, Yorkshire & the Humber, South East and the East of England). The highest vacancy rates, above the average

for England as a whole, can be found in the East Midlands (18%), the West Midlands and the North West (both at 20%).

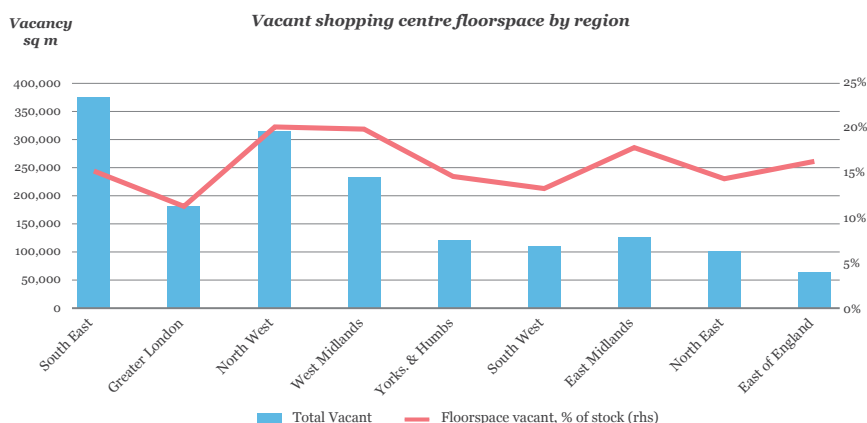
### A property owner's perspective?

Standing in the shoes of a property owner with vacant shopping centre space to offer, we have identified the following key areas where we consider a degree of certainty and commitment will be required to maximise engagement with the Shopping for Health initiative:

- Level of national support
- How the initiative fits in with national, regional and local strategic health planning
- Which body will take the overriding position of tenant
- Suggested typical lease terms including lease length, rent basis and review
- Visualisation of the functioning space (information pack suggested with graphics and support text potentially with highlighted case studies of existing facilities)
- What is expected in terms of the delivered space in terms of physical arrangements, building services supply and health services offered
- How to best engage, governance, decision making.

### ACES conferences poll results

The online Shopping for Health seminar at the ACES Online Conference was attended by approximately 250 delegates across local authority and NHS backgrounds. An interactive poll was conducted, and a high level of response engagement was received. The questions asked included potential in delegates' local government areas, opinions of whether the concept was supported, and how the strategy is best delivered. The results provide overwhelming support and potential (between 74 and 98% for the poll questions), and a sound base for engagement, applicable at local and national levels.





Peter is Environment Strategy Officer for Suffolk County Council. His main role is co-ordinating the Carbon Charter network of Small and Medium Enterprises across Norfolk and Suffolk as they work to reduce their carbon footprint and gain accreditation in recognition of their success <https://carboncharter.org/>.

He is also lead on the Plug In Suffolk project which is accelerating the rollout of EV charging infrastructure in the area and was the first county-wide open access fast charging network in the UK <https://www.pluginsuffolk.org/> and <https://www.greensuffolk.org/plug-in-suffolk/>

Prior to joining the public sector in 2017, he worked in the motor industry, including 6 years as an electric vehicle specialist for Renault UK.

# ELECTRIC VEHICLES

## Working life or a life spent working? The future of work

Peter Frost [Peter.Frost2@suffolk.gov.uk](mailto:Peter.Frost2@suffolk.gov.uk)

Peter was one of the presenters in the 'Excellence in the East' session of ACES' Online Conference 2021 and kindly agreed to write a full – and enthusiastic – article on this important subject.

Whether you are looking at property management or any other business strategy, it is a canny manager who spots the subtle signs of a trend and moves to take advantage of it before their competitors do.

But let's face it, we are not talking about subtlety when it comes to the climate crisis. The signs of the changes that are about to hit our society are obvious and are accompanied by alarm bells and flashing lights so blatant that surely you can't miss them.

### All of the indicators are in one direction...

- Every report into climate change shows a situation worse than previously thought
- Every business that has greened its practices has seen benefits
- Every piece of legislation that is introduced is more environmentally orientated than before
- Every single peer – reviewed scientific study has shown that EVs and heat pumps are better for the environment
- Every survey among consumers is showing that the environmental impact of their choices is a greater factor in their decisions
- The rate at which this change is happening is accelerating.

### Other changes

Before we get to electric vehicles, let's briefly think about some of the other changes on their way...

- As reported in the *Financial Times* the government is soon to lay out its plans to incentivise consumers (that's YOU and your clients) to move away from fossil fuels and towards green energy. The emphasis will be on reducing our vulnerability to volatile fluctuations in things like gas prices, so that people heating their homes with electricity and driving electric cars will pay less, whereas the old technology fossil fuel dependence will prove more expensive in the long run
- The government has also put in place legislation that by 2025, all new homes will be banned from installing gas and oil boilers and will instead be heated by low-carbon alternatives. The ban is part of a UK action plan to reach carbon net zero by 2050
- Targeting zero carbon by 2050 seems like a long way off but any government knows that it has to begin the steps to move in that direction straight away
- This announcement follows recommendations from the Committee on Climate Change in its

recently published report “UK housing: Fit for the future?” that fossil fuel heating be replaced with renewable alternatives such as heat pumps.



## Electric vehicle ownership experience

There are nearly half a million electric cars on the UK roads today – this proliferation has basically shut down all the arguments against EVs. Every time the question of practicality comes up now, it is easy to counter with the sentence “Well, all of those hundreds of thousands of EV drivers out there seem to get by perfectly fine – in fact they rave about how good electric car ownership is, so if they can do it, then so can you.”

It’s better than owning a petrol or diesel car in every way

- Quicker - Instant torque off the line
- Quieter - Much lower cabin ambient noise, pedestrian warning noise required
- Smoother - Less vibration and harshness
- Cleaner – Now, but also improving over time as the electricity grid gets greener
- And overall cheaper to run - such lower servicing and ‘fuel’ costs, plus maybe make money with ‘Vehicle-to-grid’ in the future

This all adds up to a much more pleasant driving experience overall and means that, once you make the switch, you will not want to go back to an old-fashioned internal combustion engine (ICE) car.

Take just two examples on the market right now. Here is a picture of the Renault ZOE. These were one of the first practical EVs to the wider market and present fantastic value on the second-hand car market. A lot of households have more than one car and as a second car in the family, a used ZOE can probably fulfil its duties in a much more efficient way than a cheap ICE car. Yes, there are still cheaper options in older petrol or diesel models, but those come with increasing pollution and higher maintenance costs as they get older. The amazingly low running costs of an EV will continue to impress long after the higher purchase price has been dealt with.

The other car in the picture is the Tesla Model 3. This is a more expensive example but as you drive around, you see lots of equivalent priced petrol and diesel cars out there. In the market segment it sits in, there is very little that can match this. Nought to 60 miles per hour in a little over 4 seconds, an official range of close to 360 miles on a single charge, and with a low centre of gravity giving fantastic sports car type handling. This is a sports saloon that you can enjoy owning while other people fork out on higher running costs in owning a petrol or diesel!

The Tesla Model 3 was the best selling car in the UK in June 2021 – not just the best selling electric car but the best selling car overall. The transition to electric motoring is accelerating as fast as a Tesla flat out.

## The rarely mentioned other side of the rapid transition

The latest figures from the Society of Motor Manufacturers and Traders make incredible reading. From a low point last year (for obvious reasons) the market has increased, but battery electric vehicle

sales are increasing exponentially at the same time as purely internal combustion engine petrol and diesel car sales are collapsing.

The emergence of what is termed the ‘mild-hybrid’ drivetrain is now becoming noticeable. These are vehicles that have a small battery which is only used to capture the regenerative braking energy as a car slows down. This is then used to power a small electric motor to help the vehicle speed up again. It is, as its name suggests, the mildest form of electrification, but even these sales are growing.

As soon as electrification is introduced into the mix, the efficiency improvements make purely petrol or diesel power seem very last century.

I have seen the newer figures and August 2021 was the third month in a row in which battery electric cars outsold purely diesel-powered cars. Referencing the table, look at the contrast in the percentage change. That’s not a blip, but the continuation of a trend which will lead to a point around 2025 where I believe that very few sensible people will think of buying a petrol or diesel car. The argument for switching to electric will be too compelling.

Also, don’t wait too long to change to electric – you could get caught with an unwanted car that is difficult to sell because most buyers have moved to the newer technology.

## Don’t wait - Changes to government grants are coming

- Sales of pure ICE vehicles are ending from 2030 (may be bought forward to 2028)

| Year to date | YTD 2021         | YTD 2020       | % change     | Mkt share -21 | Mkt share -20 |
|--------------|------------------|----------------|--------------|---------------|---------------|
| Diesel       | 101,870          | 147,801        | -31.1%       | 9.9%          | 17.8%         |
| MHEV diesel  | 70,413           | 27,894         | 152.4%       | 6.8%          | 3.4%          |
| Petrol       | 497,833          | 494,000        | 0.8%         | 48.2%         | 59.6%         |
| MHEV petrol  | 122,753          | 40,513         | 203.0%       | 11.9%         | 4.9%          |
| BEV          | 85,032           | 39,119         | +117.4%      | 8.2%          | 4.7%          |
| PHEV         | 68,107           | 27,096         | 151.4%       | 6.6%          | 3.3%          |
| HEV          | 87,261           | 51,966         | 67.9%        | 8.4%          | 6.3%          |
| <b>TOTAL</b> | <b>1,033,269</b> | <b>828,389</b> | <b>24.7%</b> |               |               |

BEV - Battery Electric Vehicle; PHEV - Plug-in Hybrid Electric Vehicle; HEV - Hybrid Electric Vehicle, MHEV - Mild Hybrid Electric Vehicle SMMT VEHICLE DATA



Dire warnings about 'irreversible' damage to our climate fill the front pages of newspapers in Britain and around the world



- Home EV Charging Scheme is changing to focus on multi occupancy residences (so get your home charger in before April 2022 if you want grant support)
- The Office for Zero Emissions Vehicles has announced a change in the targeting of the Electric Vehicle Homecharge Scheme (EVHS). As of April 2022, the government funding of the EVHS will be removed from private homeowners and made available for individuals living in rented and leasehold accommodation instead
- From the start of April 2022, the scheme will focus on individuals who own rented accommodation and leasehold properties, flat and tenement buildings. When the

scheme alters its focus, landlords who own flats and multiple occupancy properties will be able to apply for electric vehicle charging grants on behalf of the building and its occupants, who must own an electric vehicle in order to qualify.

### Lastly, let's not forget the most important reason for decarbonising our society

The Intergovernmental Panel on Climate Change released its sixth major report in August 2021. It made stark reading, but the conclusion was clear: we have the power to stop the collapse of our life support systems on this planet, but we are not taking the actions needed quickly enough.

Decarbonising our society needs to happen more quickly if we are to survive and the transition to electric transportation is a key part of that.

We are on the endangered species list – never mind the obsolescence of fossil fuel powered cars, if we don't change, we're history.

# ACTIVE TRAVEL

## The future is bright; the future is active travel

Neil Webster [cycloconsulting@gmail.com](mailto:cycloconsulting@gmail.com)

Active travel was already in the ascendant pre-pandemic, but C-19 might have turbocharged the shift towards more sustainable modes of urban mobility. Which cities and countries are best adapted to manage the trend? Neil addresses this question below <https://www.rics.org/uk/wbef/megatrends/natural-environment/the-future-is-bright-the-future-is-active-travel/>

Neil offers management consultancy focused on real estate and active travel, sometimes working with Remit Consulting. He is a member of ACES Council and is Head of Engagement for the Association

### A real shift?

The growing preference among commuters for active travel solutions has been slowly reshaping commercial real estate for several years. The combined influence of the C-19 pandemic and renewed appetites for meaningful climate action seem set to push it further up the agenda. Distributed working, the blend of home, office and on-the-move working,

has become a widely accepted concept. It is now fully mainstream and resolutely here to stay. And various data show that active travel – particularly micro-mobility commuting – has surged during the pandemic, caused in part by widespread reluctance to use overcrowded public transport. The high street, already under pressure across much of the developed world, has also been heavily impacted over the past 18 months. We have yet



Tank Bike

to see how changing relationships with public transport might affect town and city centres as they emerge from lockdown. Both the means by which people travel into urban centres and what they do once there seem likely fundamentally to change.

Remit Consulting's ReTour series has taken us around the world, picking up on these themes. We started our journey thinking about the impact of cycling on the development of office facilities. We ended by considering active travel and its role in real estate development more



End of travel storage  
Photo courtesy of Five At Heart

generally. The experience has reinforced the importance to cities, planners, developers and occupiers of targeted responses to this globally disruptive moment in personal mobility. So, what have we learned so far on our tour across the globe?

## Global trends

In her May 2021 article ([On the brink: Urban air quality – how did we get here?](#)), Farah Naz has worked on sustainable and environmentally-conscious projects across the Middle East, USA and UK. Here, she looks at the recent history of international action on climate change and air pollution, and envisions an equitable green future.

Well, as you would expect, appetites for active travel and responses to the climate emergency vary from country to country and city to city. Japan is not far behind Northern Europe in terms of bicycles owned per capita. With 0.55 bikes per person (compared to the Netherlands' 1.25), it ranks sixth in the league table of bicycle owning nations. Similarly, by bike journeys as a proportion of overall travel activity, Japan ranks third in the world, behind only the Netherlands and Denmark. Its great active travel culture means that parents are regularly seen cycling their "tanks" (sturdy electric bikes), often with children in tow, to and from offices, schools and shops.

Japan also has a more tolerant approach to active travellers: shared pedestrian and cycle paths are very common and are generally safe spaces for all users. That being said, there is an overall shortfall in active travel infrastructure when measured against demand. Furthermore, according to Chad Feyen of The Cycling Embassy of Japan, some employers do not provide insurance cover for bicycles and actively discourage their use among employees.

Australia, despite having a culture of outdoor activity, is not blessed with a significant number of commuting cyclists. As such, End of Trip (EOT) facilities are not as common as in the UK – though they tend to be of high-quality where found. Elsewhere, 6.3% of commuters in Portland, Oregon use bikes, making it the USA's most enthusiastic cycling city.

We are also seeing a trend towards car-free cities. The London Mayor's Transport Strategy sets out ambitious targets for





Ecclestone Yards

reducing reliance on the private car. The aim is for 80% of trips to be made by public transport, walking and cycling by 2041, compared to 63% today. Some cities are going even further; Oslo, for instance, is targeting an almost total mode shift away from the private car.

Many currently regard Paris as the stand-out European city in this respect. There, Mayor Anne Hidalgo is aspiring to great things. Paris now has over 1,000 km of segregated cycling routes, having added 50km in recent months alone. Its cycle hire scheme has hit record numbers, and it is estimated that 15% of all trips in Paris are now made by bike.

## Implications for the UK

All of the above developments have serious implications for real estate and infrastructure. ReTour has shown the myriad ways in which cities are including active travel in their climate adaptation plans. We must, though, factor in behavioural changes forced upon us by the pandemic. Yes, there are more people on bicycles now than ever before, but will this translate into more commuter cyclists after the lockdown is fully over? Observers in both Birmingham and Manchester, the UK's second and third cities respectively, certainly think so. Studies there have shown a potential rise of between 20% and 50% in the

number of cyclists on the roads. Should it transpire, this will present a number of challenges to real estate owners and managers. If commuters are really shifting from cars to bikes, the demand for EOT facilities will increase sharply. And further questions will be asked of city planners and highways agencies. On the evidence of our discussions, nobody has yet fully embraced this opportunity. Real estate professionals will certainly need to.

## A view of the future?

What can be learned from the world's most walkable, runnable and cyclable cities? The European leg of ReTour in June 2021, looked at the provision of workplace cycling and active travel facilities on the continent. Aurélien Collignon, Partner at FORE Partnership – the B Corp real estate investment firm – was a panellist on the UK leg of ReTour. His firm has a vision of a low carbon world in which property acts as a force for good. He calls on developers to rethink the importance of active travel and mobility.

"Delivering a set of facilities – showers, bike racks, lockers, stretching areas and maintenance stations – is not the goal in itself," he says. "The outcome is to enable end users to make the right choice, the healthy choice, whether it is to cycle, run or e-scoot to work. The value lies in empowering businesses to cater for

their workforce, allowing them to decide. This is not only the right thing to do for the people and for the planet but, more simplistically, a common-sense business decision ensuring resilience in any developer's scheme."

This is more than just a theory. At Remit Consulting, we've been contacted by major real estate developers who want to know how active travel can be designed into their developments. We are not talking here about a handful of cycle racks in one building. The conversations have covered cycle-ways, electric scooters and bikes, visitor parking, hire bikes, signage and mobility hubs. They go to the heart of placemaking in the post-pandemic era.

Back in 2017, we told the British Council of Offices that cycle parking in offices in the UK had reached a tipping point. We now believe that the influence of active travel on infrastructure and real estate has arrived at a similar point of critical mass.

Editor's note - this article first appeared on the RICS World Built Environment Forum website on 17 June 2021. It contains hyperlinks to a number of articles in the World Built Environment Forum series.



Anthony is CAT's Zero Carbon Britain Hub Project Manager, leading on the new online resource hub and supporting the training programme and innovation labs. He has a background in managing large research and consultancy projects, and developing collaborative management approaches for complex environmental systems – the focus of his PhD and post-doc research.

An introductory part of the Zero Carbon Britain research



# ZERO CARBON BRITAIN HUB

## Supporting action on climate emergency declarations – the Zero Carbon Britain Hub and Innovation Lab

Dr Anthony Hurford [anthony.hurford@cat.org.uk](mailto:anthony.hurford@cat.org.uk)

I have long been a supporter of CAT, which has equally long been pressing for carbon reduction. Located in mid-Wales, the Centre has now produced interactive online tools, information and advice for the public sector to use in its endeavours to meet exacting carbon reduction targets.

The Centre for Alternative Technology (CAT) began its initial Zero Carbon Britain research 15 years ago, at a time when very few people recognised that such radical reductions in greenhouse gas emissions would be needed to combat the growing threat of climate change.

The idea was initiated in conversations mapping out the wide range of environmental challenges faced by humanity, classifying these in terms of whether they gradually increase or whether they feed back on themselves and get worse very quickly. It became clear to us that climate breakdown was one of the most serious problems, which led to a coming together of CAT staff and

students from our Graduate School to explore solutions.

In 2007, after several months of detailed work including a wide range of expert consultations, the first Zero Carbon Britain report was published, aimed at informing the national energy debate.

The climate science was clear - humanity had to be more ambitious - so we had begun to map out what, at that time, was unthinkable, simply because the evidence compelled us to do so. This work evolved over the years with more in-depth investigation of various aspects of the system, including the food and agriculture system. The Making it Happen report in 2017 looked at how we could go about moving towards the holistic national end-point vision which was the core theme of the work from 2007. In 2019 we released of the Rising to the Climate Emergency report in time for the COP25 in Madrid – the last before the upcoming COP26 in Glasgow, which has been delayed by the C-19 pandemic.

As with the previous report, this has stimulated a lot of discussion about what's possible and has inspired people that a healthy, happy, comfortable and connected net zero future can be reached without relying on uncertain technologies, or expanding use of risky technologies such as carbon capture and storage or nuclear power, respectively. A



swathe of climate emergency declarations were made across the UK and wider world in 2018-2020 and the Zero Carbon Britain research attracted many communities and local authorities to CAT, looking for support on how to take practical action.

## A new era supporting action

In February 2020, enabled by a large donation from a Welsh Foundation, our new Zero Carbon Britain Hub and Innovation Lab project team gathered at CAT for the first time to begin planning how we would work together to inspire, inform and enable action on climate and biodiversity emergency declarations. Little did we know that in just a few short weeks, all of our plans would be upended and our newly formed team would be unable to meet in person for many months.

Fast forward to September 2021 and the project is supporting local action by councils, communities and other organisations through an online Resource Hub, training and events programme and innovation lab processes. We've managed to train over 1,600 people and had over 1,200 attend our webinars, we're rolling out innovation lab processes to bring people together to co-create solutions, and we've had thousands of visitors to our Resource Hub.

## An online Hub

The Zero Carbon Britain Resource Hub brings together hundreds of free and useful resources available online for inspiring, informing and educating those taking action on the climate and biodiversity emergency, or trying to work out what to do first.

Whether you're a member of a town council looking for information about emissions in your local area, or an officer trying to inform a council about ways to engage local communities, or looking for a tool to help calculate the value of trees in your area to help maintain or increase tree cover, you'll find inspiring stories, information and advice from a wide range of sources, all gathered together in one online hub.

The online resource hub has been designed to be easy to use. Just go to the Zero Carbon Britain pages on the CAT website at <https://cat.org.uk/info-resources/zero-carbon-britain/> and select

the Resource Hub link. There are 3 filters you can use if you'd like to narrow down your search to resources that relate to a particular audience or topic, or are of a particular type.

Once you select a resource, you'll have the option to click through to access the full resource, or you can click on a category header to find similar resources. The resources are designed to be easy to share with your networks via email and social media. Take a look at this new service and tell others about it, wherever they're acting on the climate emergency. The more connected the Resource Hub is to its users, the better we can support them.

We're intent on the Resource Hub evolving in line with user needs, so if you think something's missing in terms of content, or have ideas for a feature or evolution of the Hub's function that would increase support for collaborative action, then we'd love to hear about it. Please get in touch at [zcb@cat.org.uk](mailto:zcb@cat.org.uk) with your suggestions, ideas or additional resources.

## Training and events

CAT had successfully run an in-person Zero Carbon Britain course for a number of years prior to the development of our new Hub and Innovation Lab. The course typically provided an overview of CAT's Zero Carbon Britain research and an opportunity to discuss and explore themes and case studies through workshops and seminars. Its interactive format provided extensive opportunities for networking and social contact with people interested in, or already working towards, net zero.

Owing to the pandemic, we quickly converted this existing Zero Carbon Britain training to a digital format, offering our first online event in April 2020. The course, which ran over a day and a half, was attended by 93 participants and was a huge success, giving us a great starting point for our digital offer. Participants were able to attend from all over the country and even overseas, as the course was much more accessible online than travelling to CAT.



A pre-covid Zero Carbon Britain training session and 'ZCB: Live Online' event

The course is highly interactive and includes case studies, real life examples, and peer learning with other participants, providing a platform to share ideas about the practical steps participants can take towards a zero carbon Britain. With time built in for reflection and action-planning sessions, participants have the opportunity to think about how they will use what they have heard during this intensive and immersive online learning experience.

In addition to the 'Zero Carbon Britain: Live Online' course, we are currently developing more specialist courses that will enrich our training offer by providing a more detailed exploration of the key themes from CAT's Zero Carbon Britain research and the skills required to make a real difference.

We have delivered the first of two climate change focussed Leadership Essentials courses for the Local Government Association, aimed at elected members with leadership roles. This course is accredited by the Carbon Literacy Project, allowing those who successfully complete the course to go on and train others in their organisation and beyond.

We're also offering a separate Carbon Literacy for Local Authorities course, which is open to book at regular intervals, the next being on 9/10 December 2021. This has similar accreditation as a 'train the trainer' course.

Bespoke training can also be provided at a range of levels – from a one-hour presentation through to a series of workshops. A route often chosen is to start with a one-hour session for initial thinking and then have a longer workshop at a later date to get actions underway.

## Innovation Lab

Climate change is a complex problem, the implications of which affect everyone, albeit to different degrees. Such complex problems, which include multiple stakeholders with intertwining and often contradictory interests, and uncertain outcomes from any particular action, are often called 'wicked' problems. There is no obvious single root cause or solution; in other words, wicked problems, such as climate change, are everyone's problems. They require all key groups within a system to collaborate to find new ways of addressing them, drawing on the many

perspectives available to help understand the nature of the problem and its potential solutions.

Solutions need to work across a complex range of interacting areas; solutions that not only offer technical fixes but also help overcome political, cultural, economic and psychological barriers. Yet too often approaches to innovation are ineffective and do not lead to the rapid systems change that is required if we are to avoid catastrophic climate change.

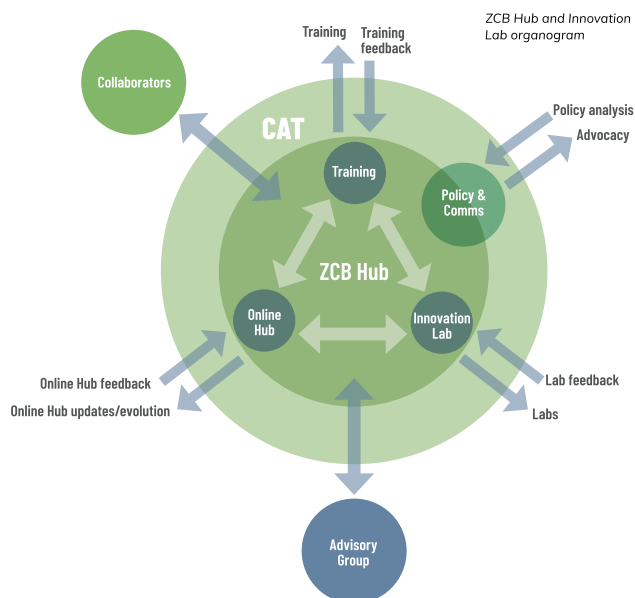
An innovation lab offers a viable tool to both design and implement the solutions needed to face this complex challenge.

## Experimentation and participation

Innovation labs take a variety of forms, but essentially use experimental and participatory methods to tackle complex issues or challenges. Central to an innovation lab process is 'design thinking', which is used to understand a particular issue and its impacts, and in turn design solutions to the challenge. In addition to this, innovation labs are co-creative, experimental, sense-making and systemic in their nature. They involve an iterative process that seeks to understand the participants (stakeholders), challenge assumptions, and redefine problems before co-designing, prototyping and implementing solutions to those problems.

CAT's Zero Carbon Britain Innovation Lab aims to:

- Develop greater understanding of current barriers to net zero
- Co-design innovative measures to address those barriers
- Identify mechanisms through which those measures can be prototyped
- Implement and monitor prototyping of the solutions
- Create routes into larger scale impact or systems change.



Typically, our labs use tools and methods that enable the participants to work together to: explore the current situation (system) and its barriers to addressing the climate emergency; develop a vision of where they want to get to (e.g. net zero); and identify opportunities that will enable their journey to that vision.

From that process we co-design interventions and solutions that can be prototyped within the current situation. We support the participants to evaluate those solutions and where necessary revisit them to adjust accordingly. Where needed, we can draw on our training offer to support the participants in developing the additional skills and knowledge required for implementation.

All solutions and interventions that are developed will be shared widely, supporting other organisations to adapt and implement them, avoiding duplication and unnecessary use of resources. Our Resource Hub will share outputs from the lab and our training will support organisations to understand and implement the solutions.

Finally, reports on the findings from each Lab process will also be shared with policy makers. We will work with others to engage the political community to inspire and influence policy making at multiple levels, from local councils to national governments. In this way, our innovation labs have the potential to make a significant contribution to the rolling out of effective solutions at the speed and scale required to address the climate emergency.



# COVID AND REGULATIONS

## Some of the main regulatory and legislative changes that are currently in force

Antony Phillips [antony.phillips@fieldfisher.com](mailto:antony.phillips@fieldfisher.com)

Antony kindly agreed to expand on his presentation at the Online Conference on the current regulatory and legislative changes that affect both landlords and tenants.

Antony is a partner at European law firm, Fieldfisher, where he is Head of Real Estate and also heads the Property Litigation team. He deals exclusively with contentious (and potentially contentious) issues relating to commercial, mixed use and residential property. This includes dilapidations claims, rent reviews and other landlord and tenant disputes, real property disputes (including covenants, easements and ownership issues), development issues (including rights of light, party walls and boundaries), planning disputes and property-related insolvency issues.

Throughout his career, Antony has had a strong emphasis on public sector work, helping clients unlock value in their property portfolios and dealing with issues arising from public sector clients' ownership and development of their real estate holdings. Antony is a regular speaker at ACES conferences and other events and was recently made an honorary member of ACES.

As well as impacting on all of us individually up and down the country, C-19 has also impacted heavily on the property sector. It has been (and remains) a challenging time for both landlords and tenants. The government stepped in quickly to protect businesses and particularly targeted their property costs. While this has provided some immediate protection to tenants, it has created challenges for landlords.

The government's aim has been to get commercial landlords and tenants talking and coming to commercial deals. However, in the knowledge that this will not always happen, the government has also introduced legislation and regulation. I summarise below some of the main regulatory and legislative changes that are currently in force. Please be aware that this is only a summary, so please do take detailed legal advice in relation to any of the provisions if they impact on you, and before acting or relying upon any of them.

### Forfeiture

Section 82(1)-(12) of the Coronavirus Act 2020 (CVA 2020) introduced last Spring contains express protections for business tenancies that restrict the landlord's ability to forfeit a lease during the relevant period. This relevant period has been extended to 25 March 2022 (s82(12), CVA 2020).

To summarise, the restrictions relate to non-payment of rents and are:

- A landlord may not forfeit for non-payment of rents, by action or otherwise (s82(1))
- If High Court proceeding have already commenced seeking forfeiture for non-payment of rent, the tenant does not have to give possession before 25 March 2022 (s82(4)).
- Where the High Court has already made an order for possession to enforce a right of re-entry or forfeiture for non-payment of rent, the tenant can apply to vary the order and, if it does so, the High Court must ensure that the tenant does not have to give possession before 25 March 2022 (s82(5) and (6)).

Therefore, in essence, a landlord of a lease of commercial premises cannot regain possession of its premises before 25 March 2022 if the basis of the claim is non-payment of rents.

### Rents recovery

There is protection provided to tenants of commercial premises where there are rents that have fallen due from 25 March 2020 onward (i.e. during the pandemic) and remain unpaid. These debts have been ring-fenced and tenants have been

provided with the following protections (s82(2) CVA 2020):

- Landlords and tenants are encouraged to come to an agreement in relation to these debts, such as waiving some element of the sums due or agreeing a longer-term repayment plan
- If agreement cannot be reached, a binding arbitration process will be put in place that ensures a legally binding agreement is made to which both parties must adhere – as at the time of writing, no such plans had been published and the arbitration scheme is not up and running, so precise details of how this will work (or the sorts of concessions that landlord might be required to make) are not clear
- Commercial rent arrears recovery is only available to landlords of commercial premises where unpaid rent has been outstanding for at least 554 days.

## Remedies available

While the CVA 2020 imposes heavy restrictions on the remedies available to landlords, landlords can still pursue their tenants of commercial premises for:

- All monetary claims that are not arrears of rent (such as other debt, mesne profits or damages)
- Drawing down on a rent deposit
- Claims against guarantors
- Other remedies, including specific performance requiring the tenant to perform its obligations or an injunction to restrain a breach of covenant.

## Winding up companies

The threat of winding up a commercial tenant can be a powerful remedy where there are unpaid rents. However, with the advent of C-19, the Corporate Insolvency and Governance Act 2020 (CIGA 2020) came into force on 26 June 2020. CIGA 2020 restricts the presentation of debt-related winding-up petitions where a company cannot pay its bills (including rent) due to C-19. These restrictions ended

on 30 September 2021 and a more limited restriction now applies until 22 March 2022. The Regulations have created two different types of debt and impose new conditions for winding-up petitions, the nature of which depends on the type of debt. The two types of debt are:

1. An 'excluded debt': arrears of rent or any sum or other payment that a tenant is liable to pay under a relevant business tenancy in England and Wales which is unpaid by reason of a financial effect of coronavirus; and
2. A 'non-excluded debt': any other type of debt.

In respect of an excluded debt, landlords cannot present winding-up petitions against tenants who are in arrears of rent and other sums due under business tenancies, unless it can be shown that the arrears are due for a reason other than the financial effect of coronavirus. Many commentators consider that it is likely to be difficult for landlords to successfully wind up a company for debts that have accrued since March 2020.

In respect of non-excluded debts, a landlord will not be able to present a winding-up petition if the debt or debts total less than £10,000 and:

- The landlord has served written notice (a Schedule 10 Notice) on the tenant seeking the tenant's proposals for payment of the debt; and
- The tenant has not made a proposal that is to the creditor's satisfaction within 21 days.

## Conclusion

In conclusion, the options available for landlords of commercial leases are severely limited. In respect of rents that have fallen due during the pandemic period, the only available remedy is likely to be court (debt) proceedings until the new arbitration process comes into force. As for the new arbitration process, watch this space!





# MINIMUM ENERGY EFFICIENCY STANDARDS

## What do stakeholders need to be mindful about following the MEES Consultation?

Robert Burke [robert.burke@cluttons.com](mailto:robert.burke@cluttons.com)

Robert explains the proposed changes to the MEES regulations and offers recommendations to comply with the changing requirements.

Robert is a chartered building surveyor and a fellow of the RICS. He leads the Project and Building Consultancy business unit for Cluttons LLP. He has wide experience across the public and private sector, and has worked with central and local government, charities and not for profit organisations, as well as funds, investors, banks, developers, occupiers, and landlords. Sectors of expertise include commercial, retail, industrial property, residential and hotel, student accommodation, leisure, schools and health care. He has acted as an expert witness in dilapidations and building defects. His work ranges across all things building surveying.

Robert also has a deep understanding and interest in the environment and sustainability, and believes that working together we can really make a difference to our environment and our impact.

### What the latest consultation proposes

The MEES Consultation is designed to reduce energy consumption and carbon emissions related to commercial buildings in England and Wales. While we await further communication following the closure of responses to the consultation in June this year, it is clear that the property sector has a lot of work to do in order to reach the minimum Energy Performance Certificates (EPCs) targets.

While the original consultation in 2019 laid out the government's intention to raise the minimum standard of EPCs from the current minimum "E" rating to a "B" rating by 2030, this more recent consultation sought to lay out the practicalities of how to do so.

The consultation largely focussed on implementation in several phases, with the intention of avoiding a widespread rush from 2028 onwards and to motivate landlords and property owners to start preparations well in advance. Therefore, an interim milestone to achieve an EPC rating of "C" is proposed for 2027 and preceded by a 2-year compliance window, where landlords must either demonstrate that the threshold has been achieved or that they have registered an exemption. Currently an EPC is:

- Required when selling, renting or constructing commercial and residential buildings
- Valid for 10 years, unless a newer EPC is produced to replace the current certificate

The certificate not only gives the actual building efficiency rating, but also a comparison rating to typical buildings of similar building class and construction date, and a third value displayed shows the ratings of similar buildings if newly constructed to current building regulations. Building area, building level and assessor details are also displayed.

The proposed new framework for implementing an EPC Band B trajectory includes:

1. Phase in the requirement with an interim milestone of EPC Band C in 2027 to ensure early action is taken by the market
2. Introduce a compliance window designed to simplify compliance and enforcement
3. Removal of the 3 quotes system
4. Move away from enforcement at the point of let, and introducing a temporary 6-month exemption to address the challenges of compliance for shell and core premises.

## Concerns and Cluttons' view

The consultation sought to answer some of the concerns raised by property industry experts:

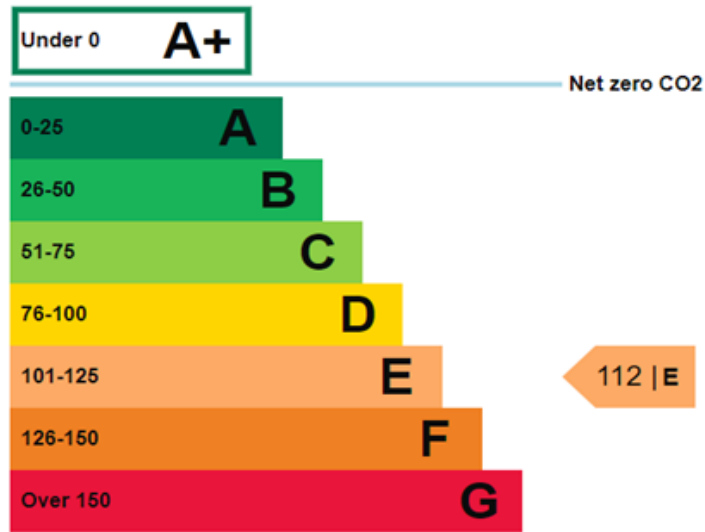
### Recommendations

#### Landlords

- Start to review existing properties now to analyse what work will be needed to meet the various phases of compliance laid out in the MEES consultation
- Budgets and plans for work need to be put in place, particularly for landlords that own multiple older properties, as it could be that some of these could obtain an exemption
- When budgeting, consider likely future rises in costs when planning now
- Landlords should watch out and feed into the next 2 consultations on energy performance – one will look at a new rating system to measure and compare potential energy performance vs actual performance for large commercial buildings; the second will focus on mandatory non-financial reporting again for large businesses
- Be mindful that many existing EPCs

## Energy efficiency rating for this property

This property's current energy rating is E.



Properties are given a rating from A+ (most efficient) to G (least efficient).

Properties are also given a score. The larger the number, the more carbon dioxide (CO2) your property is likely to emit.

may be old and possibly wrong, so re-running them using better software will provide greater accuracy and will provide a more transparent picture about the real work that needs to be done in the

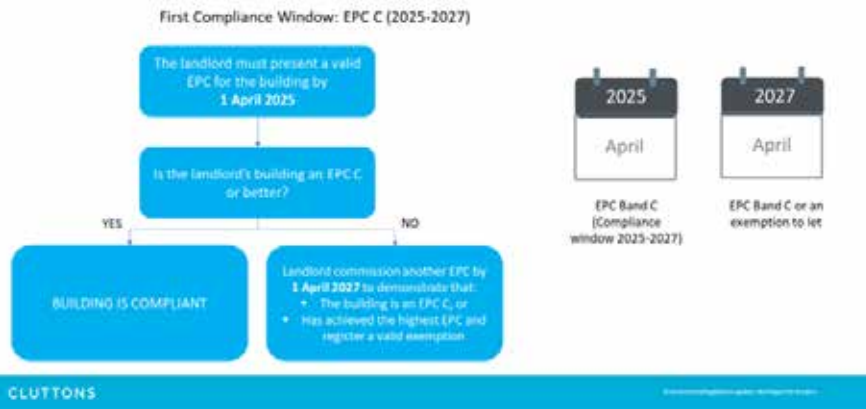
drive to net zero

- Use an expert property consultant to analyse portfolios and advise on strategy, investment and activity required to meet targets.

| Concern  | Government response  | Cluttons says   |
|--|--|---|
| Lack of clarity over older, heritage and listed buildings, particularly those being refurbished, where works are planned or in progress  | All listed buildings that are let should have an EPC. However, if proposed works require planning consent, and it cannot be obtained, landlords can apply for an exemption from MEES thresholds  | We believe that retrofitting buildings should be encouraged wherever possible and that extensions to EPC thresholds be granted wherever possible to ensure that retrofitting is preferred to buildings becoming left empty or neglected   |
| If a landlord has a property that is part finished – for example a shell and core, where the occupier is tasked with the fit-out, where does this leave the landlord in the meantime? EPCs cannot be granted if the building is not finished which leaves landlords in both a valuation and a MEES compliant no man's land | The consultation proposes a 6-month exemption period to allow for difficulties associated with shell and core. Tenants thus have more time to finish fit-outs and to meet the energy threshold which, in turn, facilitates the landlord's ability to grant a lease | This is a big help to landlords and tenants, albeit external circumstances, as we have seen over the last 12-18 months, can disrupt delivery of space by more than 6 months.<br><br>Moreover, where does this leave landlords when it comes to refinancing in the meantime? It is likely lenders will only allow borrowing once the lease is legally granted and values are cemented. This is a good opportunity for lenders to take the lead on supporting landlords through the process with its own guidance and criteria on shell and core space which might have become vacant since a loan facility was granted |
| Many EPCs are old (they have a 10-year lifespan) and may not be accurate today   | All buildings that are let should have an EPC. There is no guidance on how often these should be reviewed except the need to be C and then B in 2027 and 2030 respectively   | Landlords should take the initiative to review existing EPCs and rerun them with updated software to provide greater accuracy. This will give a more transparent picture of what needs to be done and the potential cost implications to meet the forthcoming thresholds  |

## Band B Framework

### Commercial property



## Future dates

### Commercial property



## Future dates

### Residential property



## Local authorities

- Now is an opportunity for local authorities to review their own portfolios as occupiers
- Local authorities can identify transgressions on their patch and implement fines. This has generally not happened, partly due to uncertainty and overstretched teams
- Cluttons has a meaningful and proactive solution for this
- Local authorities should watch out for and input into the next 2 consultations on energy performance when considering their strategies concerning EPCs (see opposite, landlords)
- In the meantime, now is the time to review your portfolio and the EPCs available and fill in the gaps and obtain new EPCs to replace older ones – this could achieve a better rating.

## Conclusions

The government has put the property sector front and centre of its energy agenda. Landlords must get a handle on their portfolios now to build a plan that is practical, cost efficient and allows the time for delays and complicated work.

Landlords must also be mindful that there are opportunities to improve many older EPCs by reviewing these. This will provide greater accuracy, often a better rating and a more transparent picture about the real work that needs to be done in the drive to net zero.

In addition, it is crucial that all stakeholders work together to reach the right compliant levels and move the dial significantly for energy performance in the property industry. In the absence of central and local government enforcement and any meaningful incentivisation, we believe that lenders could hold the key



Jonathan is a Partner at Hartnell Taylor Cook. He has a demonstrated history covering all areas of commercial real estate, and provides advice on all aspects of strategic asset management and property management to a diverse range of property companies, family offices and public sector organisations throughout the UK.

# REDUCING CARBON IN OFFICES

## Getting offices to go green - what can landlords and local authority estate managers do now?

Jonathan Marwood [jonathan.marwood@htc.uk.com](mailto:jonathan.marwood@htc.uk.com)

Jonathan gives some sound but simple advice for building owners to plan to and then improve their green credentials for let offices. But it has to be a collaboration with occupiers.

In April 2021, the UK government enshrined the world's most ambitious sustainability target in law. It pledged to cut carbon emissions by 78% by 2035, far surpassing most developed countries and both our US and EU neighbours.

Of course, the entire commercial property sector is currently grappling with the fallout of C-19, but it mustn't be blinkered by the pandemic. The clock is now ticking, and it only has 14 years to create some fairly dramatic change. Accounting for approximately 7% of the UK's GDP, contributing £63.3bn in capital investment in the UK and £116.1bn to the economy as a whole, the sector has a substantial role to play in meeting the government's target.

Unlike bigger players, who are more readily able to turn up the heat on sustainability initiatives, private landlords and local authority estate manager operators are often burdened with smaller margins and less capacity. As such, many still seem unsure about how they can realistically meet these targets. But all hope should not be lost, particularly not in the office market.

### Look at green travel and green savings

We already know that the pandemic has had a significant effect on office occupier trends, one of these being an increase in demand for on-site amenities. Indeed, a recent survey by Knight Frank found that 56% of respondents expected an increase in workplace amenities over the next 3 years. Interestingly, cycle storage was among the top 3 facilities required by global occupiers, pointing to a broader pandemic-induced trend of occupier ethics. The market can no longer hide from the fact that there is now a fresh emphasis on sustainability, and local authority estate managers are under increasing pressure to meet a very high standard.

For smaller operators, one way to begin to tackle this is to ensure office stock has green criteria visible to potential and existing occupiers. For example, although often forgotten, a green travel policy can be a powerful tool, as it lays out ways in which occupiers can reach the building via a number of eco-friendly modes of transport. It can even



be implemented at an early stage of a building's development, by engaging with bus operators during initial planning to redirect bus routes towards the building, or installing electric car charging points during development.

For buildings where such travel policies may not be feasible – for example, in existing buildings or out-of-town business parks – other occupier-visible tools are available. Think, for instance, about installing a building manager system. This affords a better understanding of the building's overall energy use and the ability to assess trends and spikes. Simple data collection and assessment can, in fact, play a significant role in improving environmental credentials, can be shown to occupiers, and is an option readily available to existing stock.

## Create realistic aims

The fact that policies need to be implemented to meet green occupier demand is clear. However, what many fail to remember is that any plans need to be SMART. There is a growing fear that landlords are advertising their building's green credentials but that they are nothing more than adverts, failing to create any real change. Now, occupiers are quickly picking up on this and calling out what is commonly referred to as 'greenwashing'. To avoid this, and ensure positive policies result in real change, goals need to be specific, measurable, achievable, relevant and timely.

For example, as part of a development in Newcastle, we recently managed to lift a 135,000 sq ft building from an EPC rating of D to a B, while also reducing its running costs by £50,000 p.a.. No small feat but entirely attainable. It

was achieved by ensuring measurable aims from the outset of the project and analysing the data that we had on offer; by monitoring the carbon footprint of all common areas of the building; by measuring and reducing waste throughout each stage of the project, rather than simply considering a few steps at the beginning of the scheme; and by ensuring that the right materials were used for every stage of the process.

Even with larger projects, effective 'green steps' can be taken and the excuse of increasing the costs often doesn't wash anymore. Our budget was not hurt, and we plan to mirror this approach across many projects this year, to ensure we are working towards the government's renewed sustainability pledge.

## Work together

Clearly, local authority estate managers can do more to ensure that their real estate is not only catering for evolving occupier demand but also contributing to the UK's new sustainability targets. However, ultimately, they can only do so much in isolation.

Any sustainability initiative is meaningless without occupier engagement. Previous studies found that occupiers make up as much as 80% of a building's total carbon footprint, so without both parties working together toward energy efficiency, there is little hope of a building improving its green credentials.

Regular meetings between both parties are always a good place to start and can help a building manager identify needs as well as potential opportunities for improvement. However, evaluating data in relation to a tenant's energy usage

can prove invaluable for ensuring these conversations result in measurable change.

Ultimately, the UK government moved the sustainability goalposts this year - by quite some way. There is now no denying that the future is green. By taking the lead in the battle against climate change, the government expects local authority estate managers to follow suit. What is clear is that there are small steps that estate managers can take to ensure new and existing office stock supports the nation's new carbon target; with just over a decade to go, action needs to be taken now. However, what is equally clear is that fostering communication and collaboration is also non-negotiable if real estate is to succeed.

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# ACES

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Phillip joined Wilks Head & Eve in 2012 and works for the Valuation Department, as well as undertaking rating and landlord and tenant work and is an Associate Partner at the practice. He has experience valuing a wide range of property types and interests for clients in both the private and public sectors, including specialised assets such as Energy from Waste facilities, golf courses and football stadia.

# VALUATION UPDATE

## The value of Football Stadia

Phillip Smith [psmith@wilks-head.co.uk](mailto:psmith@wilks-head.co.uk)

Phillip tackles (I suppose pun intended) the methods available to value football stadia, their pitfalls, and tips for preparing realistic valuations – which are equally relevant to other asset classes.

### What is the most appropriate method for valuing a football stadium?

Now that the dust has settled following the delayed Euro 2020 finals, with the England team almost bringing home the trophy, and the 2021–22 domestic season well underway, attention is likely to once again be turned to matters off the pitch. As is becoming increasingly reported, there is much more to the industry than what happens in those 90 minutes.

WHE has been involved with football clubs and stadia for over 4 decades for both book-keeping valuation and Non-Domestic Rating purposes. We have represented clients throughout all levels of the footballing pyramid and provided valuation advice on all matters relating to football stadia, from the lower league sports clubs to the brand new, state of the art stadium and national footballing centres.

One of the most common questions we are faced with is “what is the most appropriate method for valuing a football stadium and how reliable is the evidence to support the figures?”

It is no secret that in recent times football stadium valuations have been thrown into the spotlight even more with closer examination of football club profit and loss accounts and the transfer of assets - not players this time - but the stadiums themselves being the talk of the transfer window.

In determining a valuation of any stadium, we have first to begin with the fundamentals and as with all classes of valuation, there is the “hierarchy of evidence” familiar to all valuers – which has been commented upon in case law. This will help decide the method of valuation to adopt.

### Comparative market evidence

At the top of the hierarchy is direct arm’s length comparable market evidence. The primary starting point for any valuation is to ascertain comparable market evidence which could be relied upon when reaching an opinion of value. Finding good comparable evidence in property markets is often not easy, and even harder within a relatively closed market of assets from only about 92 occupiers. In many instances, any transactions will be intertwined between connected parties and not considered to be ‘arm’s length’ – both crucial points within the RICS Valuation – Global Standards 2017 definition of Market Value.

In order to complete a valuation via the comparable method, the valuer must ultimately be able to determine a market rent for the stadium with consideration for size, facilities, age, quality and condition and a market yield, in order to capitalise the opinion of market rent. As mentioned above, the marketplace is fairly limited to a set number of facilities and the pool of evidence is not that deep. There are considerable limitations to the evidence that is available, mainly down to the nature of the market place, with very few cases of stadia being sold to other clubs for use as a stadium (to determine a yield) or even rented out for existing use. Most stadiums which do end up being sold are likely for redevelopment purposes and not comparable for these purposes.

The added difficulty is in the data itself. Not all market data is as it seems and can often be tainted or protected by non-disclosure agreements. In a market so highly motivated by finances, this is not uncommon within the footballing world.

## Receipts and Expenditure model

Where details of sufficient directly comparable sales or market rent transactions are not available, the valuer will have to fall back and seek and rely upon a range of other sources of evidence or relevant information. Furthermore, an alternative to a direct comparable method may be to complete an analytical review of the football club's accounts to undertake a form of Receipts and Expenditure model.

This is no easy task, and comes with high level sensitivity risks attached. The valuation method is dependent on the valuer determining a Fair Maintainable Trade (FMT) for the property derived from a set of accounts, typically over a 3 to 5-year period. It is important that the FMT removes any abnormal income which may be associated directly with the operation of the business and not the property itself. This is a somewhat difficult area and valuer caution should be applied.

Aside from the difficulties outlined above, there are also the inputs which may be influenced due to factors directly from the wider football world including:

- Philanthropic owners – it is apparent that even more clubs are being purchased by owners willing to take huge financial risks in order to reap the rewards associated with a successful football club
- External income sources – widely reported are the levels of money awarded to clubs from TV rights, sponsorship and competition earnings, even when the club in question finishes the season having suffered relegation. The term 'Yo-yo' club is used when clubs suffer multiple relegations and promotions in short periods of time; however, the payments received will be increased by way of 'Parachute payments' to counter knock-on financial effects of relegation
- Owners who take a commercial view that the alternative use value of the stadium site is worth in excess of existing use restricted to professional football.

With the Receipts and Expenditure model, the valuer is trying to determine what that stadium can generate without the actual

football club being in occupation. The answer is not particularly straightforward, as there is an intrinsic link between the two – the stadium and the football club itself.

A degree of valuation caution is advised when reviewing any set of accounts, due to the sensitivity: it is a very common area for criticism and interrogation when it comes to the post-match analysis.

## Depreciated Replacement Cost

The third method of consideration would be via a Depreciated Replacement Cost. While commonly referred to as the "last resort" for valuers in the absence of any other data or no market evidence to compare to, the DRC method of valuation is deemed, by the RICS Red Book, appropriate to assess Market Value.

The DRC valuation method applies a build cost figure to the site area (usually the capacity of stands) prior to applying locational adjustments, costings, depreciation and land.

Historically WHE has adopted this approach in a number of instances, for valuations for both Red Book and for Non-Domestic Rating purposes. Typically



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*All services prepared in line with the relevant RICS regulations*

speaking, the valuer is seeking to arrive at a cost per seat based upon the decapitalisation of building rates from completed stadia projects. This is derived from the cost of construction from evidence of new build stadia and BCIS online.

While there is likely to be substantially more data relating to build costs available, it is critical to understand and consider the stadium costs you are comparing to. To compare a top flight Premier League multi-level stadium with a 1970s built single tier League One stadium is likely to produce a value wide of the target.

Consideration has to be given to all costs, facilities, and additions to stadium sites as they may not all be totally relevant. For instance, a number of new stadia are being built as 'community' projects with vast housing schemes, or have significant architectural excess applied to them.

In all cases, it is also prudent to examine if any additional expense was required for difficult landscaping or ground conditions or re-routing of infrastructure, all of which needs to be considered and either consistently adopted or removed from the analysis of costs.

It is also important to consider the degree of utilisation when valuing on a

DRC method, which is incorporated into the valuation as a Modern Equivalent Asset. The view can be taken that the value determined is based upon an underlying theory that the potential buyer in the exchange would not pay any more to acquire the asset being valued than the cost of acquiring an equivalent new one designed to fulfil their need at the valuation date.

To account for this WHE would suggest analysis of stadium attendance across several seasons, to help give guidance to the actual utilisation on a match day by the club in occupation. This approach is included within other methods of valuation, namely if a property was to be valued via Receipts and Expenditure.

Having completed the cost data analysis and worked these through the valuation, applying adjustments for location factors, fees and obsolescence (an area sometimes more questionable than video assistant referee!), the valuer will also need to factor in the land elements required for the site, in determining an opinion of Market Value. It is, however, always important to remember that 'cost does not always equate to value' and the valuer's professional judgement will be

required to 'stand back and look' at this, or for any valuation model adopted.

As with all of the above, our professional view is that all methods require analysis and dissection as part of a "sensitivity analysis" to establish what, if any, commonality there is between the methods, and establish if evidence can be adjusted to support different methodologies. Careful adjustment and critical analysis may direct the valuer to a view of value supportable by these methods.

## Conclusions

WHE has completed many valuations on behalf of clients and the experience picked up along the way has highlighted that no two stadium valuations are ever the same, due to very nature of the stadiums being valued. Through our work, we have sought to enhance a valuation method and approach which is, in our professional view, a fair and reasonable outcome for all parties involved.

For any advice, assistance or just an informal chat please feel free to get in contact at any time.

# BUILDINGS INSURANCE CLAIMS

## Buildings damaged during lockdown that haven't been repaired and the implications

Robert Burke [Robert.Burke@cluttons.com](mailto:Robert.Burke@cluttons.com)

In a second article, Robert illustrates some interesting outcomes regarding insurance claims on commercial and domestic buildings during and after lockdowns, and suggests the reasons for these claims.

### Lockdown claims statistics

Covid-19 has caused, and continues to cause, extraordinary levels of disruption to the real estate sector and the insurance market that serves it. While property owners face challenges in managing and maintaining unoccupied properties, many insurers are reeling from unprecedented losses sustained from business interruption policies written in what now

seem more innocent times.

In April 2020, a month into the UK's first national lockdown, QuestGates reported a 50% drop in property claims. May saw fewer still. But in June, with the Prime Minister declaring that the UK's 'national hibernation' was coming to an end, it was back to business as usual on the claims numbers.

The types of claims seen during Lockdown 1 were broadly consistent

with those seen in the months before the pandemic set in. There were simply fewer of them. The fall in claims frequency is widely attributed to the highly restrictive measures put in place during the first lockdown. These were significantly stricter than those seen during Lockdowns 2 and 3.

One notable change to the types of claims seen during Lockdown 1 was a big jump in fire claims. Crawford & Co claims analysis suggests that fire claims in



aggregate increased by 40% between 1 May and 11 June 2020. Reflecting the fact that factories, shops and offices emptied, while homes became many people's de facto place of work, domestic fire claims rose, while commercial fire claims fell. The most remarkable increase over this period was a massive 197% increase in outdoor fires. Three in five of all fires during this time began outside or in outbuildings.

What lay behind this upswing in fire claims? Arson certainly played a part. Around a third of outbuilding fires, and one in five outdoor fires, typically result from arson. April and May last year saw exceptionally fine weather. Many people found themselves at a loose end, with schools and workplaces now off limits. Lockdown 1 left many properties unoccupied, with limited building security and maintenance in many cases. Even the casual surveillance provided by users of other nearby buildings was often absent. The fine weather encouraged barbecues and smoking outdoors. Added to which, we know that economic downturns have historically coincided with an increased incidence of fraudulent fire claims, though it is still too soon to say with confidence what role this might have played through Lockdown 1. All of this was clearly a combustible mix.

Shifting patterns of occupancy between home and workplace saw domestic claims for escape of water (EoW) significantly reduced in value, while commercial EoW claims increased. Sedgwick attributed this rise to smaller leaks going undetected or unreported for extended periods of time, ultimately leading to more substantial damage and higher-value claims. The rise in EoW claims through Lockdown 1 was not replicated to any significant extent during the less restrictive second and third lockdowns.

Along with fires and (to some extent) escape of water, other drivers of claims involving unoccupied buildings included malicious damage and fly tipping.

## Challenges for property owners

With insurers relaxing inspection requirements for unoccupied buildings during all 3 lockdowns, it was up to property owners to take appropriate preventative measures. With government-imposed lockdowns and travel bans in place, this was not without its challenges.

Property owners did what they could to cover the essentials, including making sure visits and inspections were carried out as regularly as possible, tidying up after the sudden departure of absent occupants following the abrupt onset of Lockdown 1, clearing piles of unopened post from building entrances, removing other combustible debris, and cutting back vegetation as necessary. Where practicable, many took steps to maintain and test fire systems - particularly in residential buildings. Commercial property owners did their best to secure perimeters and ensure adequate building security.

Many property owners and managers introduced new measures or enhancements during lockdown, like installing or extending CCTV, reconfiguring alarm systems or making special arrangements with tenants to ensure they visited properties regularly and stayed vigilant. All such measures would have played an important role in the reduction in claims seen during Lockdown 1.

One of the challenges faced by building owners and managers was a widespread shortage of contractors. This often led to significant delays to scheduled site visits or for remedial work to be undertaken. Most contractors continued to respond to emergencies, but costs increased. Social distancing restricted workers' access to buildings, adding to costs and lengthening timescales.

There were instances of contractors being unable to access premises in which residents were required to self-isolate. This again put upward pressure on average maintenance times. A huge surge in homeowners' enthusiasm for domestic renovation projects contributed to shortages of labour and materials - some of which persist to this day. Price spikes were often exacerbated by pandemic-induced disruptions to global supply chains, further compounded by the impact of the UK's barebones Brexit deal. This again led to constricted supply of construction materials and parts.

The potential consequences of such challenges are obvious. If a damaged property is not promptly repaired, costs can quickly escalate, particularly if there's a requirement for alternative accommodation. However, a recent QuestGates analysis of claims found little trace of any noticeable increase in costs since the pandemic began and over the

course of an 8-month period during the C-19 crisis; Sedgwick detected only an average 0.7% increase in costs for commercial property claims.

Many real estate insurers took steps to support property owners through these challenging times. Some temporarily relaxed their stance on unoccupied properties, although typically only for a limited period. There has also been a sharpened focus among brokers, loss adjusters and insurers on ensuring that valid claims are settled promptly to ease cash-flow constraints for policyholders. Brokers in particular have attempted to resolve the delays that typically occur when insurers seek additional supporting information on claims causation.

## Post-pandemic possibilities

Among the challenges facing property owners in the early stages of the pandemic were a lack of clarity and some confusing messaging coming from government as it struggled to come to terms with an unfamiliar health crisis. Guidance coming out of Whitehall has improved as the pandemic drags on. Lessons have been learned along the way and the rules have evolved to accommodate the practicalities of everyday commercial reality across a range of sectors and circumstances. In the meantime, brokers and insurers have done their best to respond flexibly and pragmatically to shifting government requirements.

As the UK moves tentatively towards an emerging new normal, the fallout from this unprecedented era has both current and longer-term implications for the real estate sector. More settled claims trends are now beginning to emerge in the partially post-pandemic phase we've been in since March this year. Asset values have clearly been impacted - not least by what may turn out to be lasting changes to how and where people choose to live and work. Meanwhile, insurers are likely to impose new policy coverage restrictions, increased policy excesses, or in the worst cases, withdraw coverage altogether for buildings left unoccupied over extended periods. Until the true new normal settles in, the key will be ensuring that affected properties are well maintained, weather-proofed and secure against unauthorised entry.



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

Chris is a member of ACES and is ACES' Valuation Liaison Officer.

# TRAINING OPTIONS

## Is online training dead?

Chris Brain FRICS [chris@chrisbrainassociates.com](mailto:chris@chrisbrainassociates.com)

Chris argues the benefits of face to face as well as online learning, which is here to stay.

One positive benefit many people have taken from the whole C-19 experience, is the accelerated adoption of digital ways of working.

The almost overnight movement in March 2020, of staff away from the office to people's dining rooms, spare bedrooms and kitchen breakfast bars saw people operating in completely new ways. Staff that previously were not in that elite corps of people allowed to have their own laptop, were suddenly included. People that were previously told their job was not suitable for home working, were now expected to do just that. Managers that had previously said their teams could not be trusted to work at home, were forced to accept they had to find new ways to manage performance and outputs.

Out of all that, much of which is positive, we also witnessed massive change in how people receive training. Face to face training, either in the office or in conference or hotel venues, was effectively banned. But training needs did not go away. New ways had to be found.

Prior to C-19, most people had probably attended the occasional webinar. But all of a sudden that now became the default means for people to have professional workplace training. National conferences (including two ACES Conferences) had to move online. Training providers did the same, and as a consequence we have seen over the last 18 months a plethora of online and digital training and webinar offerings. Some of that has been excellent, some of it less so.

As we gradually emerge from the C-19 restrictions, and people once again meet others in work and social environments, the question naturally arises what sort of return we will see to in person training. The answer to that

might for some be based simply on cost and time commitment. But that would be a mistake. Good trainers know there are underlying principles to how people learn, and training should be structured around that. In turn, that should shape the nature and medium for the training. Some teaching approaches support active learning, and some do not.

In the book 'How Learning Works: 7 Research-Based Principles for Smart Teaching' (1) the authors use research based evidence to demystify the complex topic of learning into 7 clear and powerful learning principles. They focus on things such as prior knowledge, how students organise knowledge after learning, learning motivation, developing mastery, practice and feedback, course climate and self-directed learning. From my experience, all important principles.

Any conversation about effective learning must begin with a consideration of how people learn. Having been a trainer for nearly 20 years, I know this. Training is not just about throwing together a set of PowerPoint slides and talking through them. There is a great deal more to it than that.

Creating a great learning experience is an important element, and is much harder to achieve than it might first appear. If you have ever fallen asleep in a lecture, or felt your eyes getting heavy during a training session, you will know exactly what I mean. Training has to be designed. Learning strategies have to be deployed that attract and maintain attention, reinforce learning and embed habit formation and behaviour change.

With that in mind, what does the future hold for your future training. Do you see this following the pattern of the past 18 months, with you and your team

consuming a seemingly never-ending chain of webinars and online tutorials? Or do you see yourself moving back to in person training, and that human element?

For me, there is a role for both. Which medium you use in future needs to be considered carefully. You should think about what the purpose of the training is, what existing knowledge people have of the subject, and the extent to which concepts will be new to that individual, the learning outcomes you expect and which learning environment will be most beneficial to embed learning and enable people subsequently to apply learning in their workplace.

One big downside of live online learning is attention span. Over recent months you must have surely at some point during a webinar either checked social media, responded to emails, browsed the internet or vacated your workstation to answer the door, or find out what the dog was barking at! When you were doing that, you were not giving the webinar your full attention. You were not learning.

Online learning will, I am sure, still feature in learning programmes. They are excellent when there is a need to impart simple concepts or ideas, or involve the communication of straightforward information. They have particular strengths where broad and general concepts are being conveyed, in short and sharp snippets.

I am seeing some training providers delivering all day webinars – and charging for the privilege, as if the training was face to face with all the overheads that go with it. Not only does that not represent good value for money, such sessions are far too long for effective learning. In my view, no webinar or online learning should exceed an hour and a half. After that, people start switching off. But there are still many webinars out there which are free, representing a really cost effective offer, especially as there is no time lost travelling to a learning venue.

The other beauty of digital learning is that it is digital. It is or can be recorded. This opens up the possibility for training replays, where students have the ability to pause the training, make notes, undertake further research or reading, or give the concepts being covered some thinking time before moving on. That simply cannot happen in face to face situations, where everyone attending the learning

has to move pretty much at a similar pace.

While online learning and webinars are probably here to stay, if you structure your learning around that medium alone you could well find yourself at a disadvantage. When you attend in person training, there is human interaction with the trainer; you can ask questions of the trainer and get an answer without using a Zoom or Teams chat facility; if the trainer doesn't answer the question you thought you had asked you can ask a supplemental question; you can seek clarification as discussion points come up; there are room discussions and face to face breakout sessions where attendees can work through problems and collaborate on the answers, and exchange ideas.

You may find that your trainer is more animated, that there is more life in their presentations and more vitality to the training. Good trainers thrive from the energy in the room. Learners get as much from wider room discussion, as they do from pre-prepared presentations, sometimes more. That is something which is extremely difficult to replicate in an online learning environment.

Alongside that, in person learning takes you away from the workplace. You are no longer at your desk, with all the distractions that brings. You are now in a learning environment. Your brain tells you that you are now in a place of learning which means you are more likely to remain motivated to give that learning your full attention.

On top of those benefits, there is the social element. That ability to mingle ahead of the training over a cup of coffee and a Danish pastry. To talk with other attendees and the trainer over refreshment and lunch breaks, to ask questions about the subject of the training, or simply to get to know other people better and learn from their experience. Online training cannot offer that. Let's all hope we get to enjoy that feeling again at the 2022 ACES Conference.

Do I believe that online training will fall away and die?

No, I most certainly do not. Online training really does have a big part to play in future learning. The genie is out of the bottle. Students and trainers alike have been introduced to new ways to access and deliver training routinely. It has moved from being insignificant to significant in the role it plays in how

people learn. It is here to stay.

For example, the online library of training modules that we at Chris Brain Associates have accumulated within the Asset Valuation Circle is a fantastic learning resource. The 30-plus hours of pre-recorded sessions are available 24/7, as and when people want to access them. It can be consumed multiple times. The RICS Online Academy is similar in many ways, and there has to be a continuing role for that type of access to learning. People have agile lives, and they want agile training to go with it, available when they want it [Ed – and there is the ACES/ CIPFA Diploma in Public Sector Asset Management].

As someone that wants to develop and learn, or is responsible for how others develop and learn, you have decisions to make. If you feel that online learning alone will meet your entire needs, this may be a mistake. Live, in-person, face-to-face learning events, training and conferences are here to stay also. They can bring so much to the table that online training cannot, and I believe we will once again see them play a massive role in continuing professional development.

The bottom line to this is that there has to be a place for every type of learning, whether online webinars, recorded training modules or face to face training. The challenge is to choose the right medium for each element and type of training, so there is blended approach to learning. A learning portfolio if you like. This demands that you think carefully about the training topics and learning outcomes, and choose the training environment that suits you best.

(1) Susan A Ambrose, Michael W Bridges, Michele DiPietro, Marsha C Lovett & Marie K Norman (2010), John Wiley & Sons, Inc., ISBN 978-0-470-48410-4



# TEAM WORKING SKILLS

## Hybridisation and soft skills in the new normal

Anthony Bamford MBA MRICS MIWFM [anthonybamfordmba@gmail.com](mailto:anthonybamfordmba@gmail.com)

Tony presents a view of how to manage effectively in the future 'hybrid' workplace(s). the key is communication at all levels.

Tony is a former Chairman of the Welsh Branch of ACES and attends National Council as the lead for Covid 19, as well as Rating and Taxation. He holds a Diploma in Strategic Management and Leadership from the Chartered Management Institute (CMI) and a Diploma in Management from the Institute of Leadership and Management (ILM).

His main distinction grade MBA dissertation on the public sector handling austerity gathered information ranging across 450 years' public sector experience and over 50 organisations. Senior councillors, union officers, managers and professionals contributed to a corporate, business, commercial and stakeholder focused thesis covering the sector in depth.

### Background

Following one of Chris Brain's excellent regular presentations to the Welsh branch, the key points of the failures of Northamptonshire County Council were outlined. Having worked in what at one time was the best and then at one time, one of the worst first tier authorities in England, I found the failures provocative, but wondered what we as senior professionals and managers were doing to play our fullest part effectively in our organisations. By this I do not mean another round of business as usual (asset valuations, capital receipts, landlord and tenant issues or working out whether another development will wash its face using analysis on the computer). These are a given - what I call the dough in the bun. But are we providing icing and a cherry on the top for our wider organisation? The positioning of property and assets in an organisation is a relatively reliable answer to the views of others.

### Introduction

Back in the summer and autumn of 2018 I wrote articles in ACES' Terrier on effective management and an introduction to leadership, respectively. Both have a carefully chosen broad selection of references and bibliography. My intention here is to take a more holistic and challenging view into the future and I hope that, taken together, these 3 articles will prove helpful in making more of your working lives, that of colleagues, the organisations where you work, and the communities you serve [Ed - all issues of

ACES Terrier can be found at <https://aces.org.uk/library/> .]

### Hybridisation and core principles

The importance of the wide-ranging adoption of hybrid working means that I have put this section at the top of the article. We all think we have a pretty good idea of what this means, but like with new ways of working, clear, agreed and understood definitions can be more difficult to pin down. In simple terms for this article, hybrid working is the partial attendance at the office and partial attendance at another working location, be it a hub or home, for example. The Allen curve holds that communication between colleagues, in simple terms, drops off if they are more than around 100 feet apart and evidence has held this to be accurate in the modern day, with all the ICT tools we have at our disposal. So, the senior professional, middle and senior managers all have essential roles to play.

The core of these roles is communication - within the team, across teams, and within the organisation. I attended a webinar earlier in the year, where out of over 5,000 respondents, almost a quarter had not received any communication from their organisation about returning to work, let alone the issues involved. This seemed to be a fundamental failing across organisations at such an uncertain and worrying time for employees. The role of the much maligned middle manager is very important and I will return to this later. Hollowed out organisations are in a weaker and more challenging position in this area.



## Engagement and creating and developing working relationships

I have just celebrated 3 decades as a chartered surveyor and early in that period I was asked to go round a big property with a social services manager. After doing so I asked her why she had asked me as a junior, just qualified person to consider this big refurbishment issue with her. The answer was simple, she said. I was an amiable colleague to have a coffee with and discuss the matter and if I said no, that would be the end of it - and it would not be a painful experience. If I said yes then all the professional and technical people. I wondered why she wasn't involving, would have to be dealt with - not quite through gritted teeth. So for a young earnest professional, that was a memorable lesson in how to engage with your customer positively by understanding their terms. So, this raises challenge one for you. Are you and your colleagues approachable helpful comrades, in the eyes of others, or detached aloof professionals and technicians that are avoided wherever possible?

## Applying frameworks to achieve outputs and outcomes

There are 2 frameworks I would like to refer to here, both for simplicity and the fact that both span and support the spectrum of hybrid working. The first is John Adair's Venn diagram supported, team – task – individual – framework, and the second is the Hay McBer management competencies. I am going to avoid broader organisational models, such as those by Charles Handy, since I am concentrating on practical everyday points. The Hay McBer competencies are adapted from Daniel Goleman's best selling books and set out the following core positive leadership styles - visionary, coaching, affiliative, democratic, and two to be used more carefully, pace setting and coercive. The latter have their place but must be used carefully.

One authority, some years ago, pushed its planning department on a major applications backlog. After several months this was almost cleared, but 2 out of 3 team leaders left, 16 of 24 staff left, and the service manager left after 10

months. Naturally the council concerned was back to square one, with an inevitable backlog - but this time with no staff. So be careful of pace setting and coercion.

There is also a need to use plain simple language, not some impenetrable jargon, possibly picked up from HR. I recently looked at a senior manager framework that for one competency described the position holder as a "credible curator of a vision". It reminded me of another leadership book I read some years ago that said a vision by itself is nothing, and sharply pointed out there are plenty of inmates of mental hospitals with visions. Needless to say, that authority is one of those that seems to have gone round in pointless circles for years.

## Best use of setting

When I helped lead a major new ways of working initiative across 2,000 staff, the central strap line we used was "Work is what you do, not where you go." It is therefore important to reflect on the benefits of each space objectively and how it can be used to maximise the value of output. This involves consideration by managers, staff and other users. The safety and efficacy of each location must also be considered. I worked with a health and safety team once, which was adamant laptops should not be used for more than an hour at a time. Issues like these have been subsumed by the urgency of C-19 but will become a problem longer term, so should not be ignored. The home space is usually used for high productivity work - effectiveness over efficiency. On a space planning course some years ago, the presenter kept asking us when we thought we should turn our computer on, across the 2-day course. His answer "not yet" was almost the whole way through the course. "Yes" finally arrived at a point 20 minutes before the formal close of day two. So, I would ask the second challenging question - are you a computer jockey or a productive and effective contributor to your organisation?

The regular use of home working also requires the use of SMART objectives (easily found electronically or in time management and business books). This leads onto the effective preparation for meetings, whether one to ones, or group meetings. It is simply lazy not to prepare for these properly and all attendees should do so. The busiest senior

managers seem to be most adept at this (one executive director I worked with received 800 emails a day and another had 3,000 staff but attended to this activity as a core task). This emphasises: always listening learning and improving throughout your career, to everyone around you, not just senior people.

I have a copy of the delightfully entitled "Will there be donuts" on my desk, subtitled "Start a business revolution one meeting at a time". This has a wonderful list of key points for meetings. Again, don't mistake efficiency for effectiveness. Meetings should provide something other mechanisms do not or cannot. Creating team interaction, trust and coordination is fundamental, but learning, sharing, updating are essential parts of getting together. The middle and senior managers can hear and inform, according to the forum and the 3 areas of vision, progress, enabling effective execution (ie clearing problems and roadblocks) can be achieved. In the better organisations, key support through finance, legal, or HR are more likely to be present or at a minimum dip in and out. In others, functions are more likely to operate in silos, be distant or absent, creating work for the effective middle manager in bridging these weaknesses. To emphasise this, many years ago I made finance colleagues let me collect Government Office (GO) representatives from the council foyer for a meeting on capital strategies and asset plans. At the end, they told us they were not surprised when I went to collect them since we were one of the most joined up authorities in the region. This act transformed our relationship with the GO. Other authorities they visited didn't even know where colleagues were, never mind attending joint meetings and interacting. So, if there are metaphorical walls and barriers in your organisation, as an individual and through staff and service, try and break them down. Create a vision of effectively working together and purposely stride towards it.

## Partnership working

The visions and challenges C-19 has brought us are bigger than ever before. The larger the stage we seek to work on, with partners, joint ventures and other proposals, the more alignment and effort will be required. However, this is essential if outputs and outcomes are to be achieved at an organisational,

partnership and regional level. Property and assets have key roles in supporting the 3 central areas of housing and regeneration, employment and skills, and education and health.

## Conclusion

I recently re-read Charles Handy's "The age of unreason". Published in 1990 with a foreword by Warren Dennis, both these visionaries foresaw that the future was banging on the door of the present. The ability to remote work and be a "road warrior" were just beginning. Other changes culturally and in the workplace were also clearly discernible. These were reflected later in Lynda Gratton's seminal book "Shift - The future of work is already here". C-19 has come and kicked down the metaphorical door across the world. Modern forward-thinking organisations, like Unilever, Patagonia and Ford, leading public sector bodies and governments, will embrace this - and indeed there is no alternative. My final challenging and deliberately provocative question to you is - will you embrace this or consider these issues to be irrelevant?

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## Branches News

# CHRIS GILL, NORTH EAST BRANCH

## ACES Regeneration Prize at Northumbria and Sheffield Hallam Universities

### Introduction

ACES North East Branch is proud to sponsor the ACES Regeneration Prizes at Northumbria University and at Sheffield Hallam University as part of our outreach and engagement programme.

There is no doubt that the C-19 pandemic has had a severe impact on higher education as universities closed their premises in response to lockdown measures. Although higher education institutions were quick to replace face-to-face lectures with online learning, these closures also affected learning and

examinations.

Perhaps most importantly, the crisis raised questions about the value offered by a university education which includes networking and social opportunities, as well as educational content.

However, notwithstanding this, I hope you agree that these students have demonstrated great resilience in producing such high quality work, evidenced by the very high standard of entries, and so we are delighted to reveal this year's winners.

### Northumbria University - ACES Regeneration prize

The prize is awarded to the best submission of a mixed-use development proposal and appraisal for a brownfield

site of the student's choosing. The submissions are shortlisted by the university and with final judging by members of ACES North East Branch.

This year's award was won by George Jackson's assignment for a complex brownfield site in Stockholm, Sweden - Well done George!

### [About this year's winning project](#)

I chose Sweden and more specifically the Södermalm island because I stayed there in a hotel on a boat very close to the site a couple of years ago. I absolutely loved the area, even though it was covered in snow, it just felt really relaxing and the people were so friendly. I saw other major urban developments taking place in the local area. I also decided to look at Sweden



| BUILDING                     | UNITS                | DUAL/SINGLE ASPECT | FLOORSPACE PER DWELLING | TOTAL FLOORSPACE | SPECIFICATION  | TENURE                                      |
|------------------------------|----------------------|--------------------|-------------------------|------------------|--|---|
|                              |                      |                    | SQ M * (N/A)            | SQ M             |  |   |
| Block 1<br>8 storeys         | 20 x 3 bed           | Dual               | 70                      | 1400             | Built to incentive specification<br><br><i>3 bed - 0.875 x incentive</i><br><i>1 bed - 1.75 x incentive</i>  | Tenant association and commercial lease     |
|                              | 36 x 1 bed/studios   | Single             | 35                      | 1260             |  |   |
|                              | 2 x restaurants      | N/A                | 300                     | 600              |  |   |
| Block 2<br>10 storeys        | 40 x 5 bed co-living | Dual               | 150                     | 6000             | Designed in conjunction with co-living provider  | Partnership with co-living provider         |
| Block 3<br>10 storeys        | 15 x 3 bed           | Dual               | 70                      | 1050             | Built to incentive specification<br><br><i>3 bed - 0.875 x incentive</i><br><i>2 bed - 0.875 x incentive</i> | Tenant association                          |
|                              | 30 x 2 bed           | Single             | 60                      | 1800             |  |   |
| Block 4<br>8 storeys         | 18 x 5 bed co-living | Dual               | 150                     | 2700             | Designed in conjunction with co-living provider  | Partnership with co-living provider         |
|                              | 1 x commercial unit  | N/A                | 300                     | 300              |  |   |
| Block 5<br>8 storeys         | 15 x 3 bed           | Dual               | 70                      | 1050             | Built to incentive specification<br><br><i>3 bed - 0.875 x incentive</i><br><i>2 bed - 0.875 x incentive</i> | Tenant association and commercial lease     |
|                              | 20 x 2 bed           | Single             | 60                      | 1200             |  |   |
|                              | 1 x commercial unit  | N/A                | 300                     | 300              |  |   |
| Office building<br>6 storeys | 6 x floor plates     | Dual               | 1000                    | 6000             | Grade A standard   | Leased by floor                             |
| District heating centre      | 1                    | N/A                | N/A                     | N/A              | N/A  | Heating paid for by site occupiers pro rata |
| Parking                      | 250                  | N/A                | N/A                     | N/A              | Multi-storey   | Leased individually                         |
| <b>TOTAL</b>                 |                      |                    |                         | 23,660           |  |   |

because they at least appear to be more proactive with things such as ventilation requirements in buildings (although I would say their fire safety is appalling from my experience of being there!).

In terms of differences between the UK and Sweden, I understand the planning system to be much more localised in Sweden, with strategic plans for the upcoming decades already in place for each area. It's not about developers making money out of every little piece of land, it's about a cohesive plan that all links together, covering transport, energy, communities etc. The City Plan document is certainly a very important document for this. Looking at the tenures of dwellings, it appears that they are much happier to live in shared accommodation/co-living spaces, probably due to the community aspect that they love. I did read something interesting about how dark corridors and alleyways etc should be designed out of any plan, making the area safer and more community focused.

## MIXED USE DEVELOPMENT PROPOSAL AND APPRAISAL



George Jackson, Northumbria University  
[gjackson28@outlook.com](mailto:gjackson28@outlook.com)

I started MSc Real Estate to get into the property industry. I have a specific interest in the landlord and tenant relationship from my time as a tenant. After working in a purpose built student accommodation management company, my concerns were exemplified, and following that I have gained employment at Newcastle City Council in the property licensing team. My future ambitions include working with residential landlords and tenants to improve their experience, and making the private rented sector fairer for all, with a focus on safety, compliance, and

the quality of accommodation. I have taken my experiences forward into my dissertation, which will hopefully have a positive impact on the housing sector.

The following project was part of the Urban Planning & Development module, looking at how a disused site can be developed into a mixed-use scheme, with my project having a focus on providing affordable housing, and conforming to the Swedish planning system. For more information on any of my projects, or to see the full report, please email me.

Task: Plan a mixed-use urban development site, with a development appraisal. The objectives were to produce a profitable and realistic development appraisal of a site that was suited to the community. Required content included establishing an understanding of local planning policy, analysing the local market for key figures to inform the development appraisal, producing a site layout plan, and concluding with recommendations.

Project summary: The chosen site is on Södermalm island, in the centre of Stockholm, Sweden. The site was selected as, at first glance, the site appeared out of place with the surrounding developments. The topography is interesting as it is anything but a flat piece of land. Other surrounding developments had successfully been built on similar ground, therefore setting a precedent for the build process feasibility. It is a waterfront location, therefore the design of the buildings needed to make the most of the views, thus increasing desirability.

Investigation into the differing requirements of developments in Stockholm brought up several topics to research, including environmental standards, the planning system and the City Plan, tenures, and developer incentives. Not surprisingly, there are several examples of urban regeneration projects exemplifying sustainability, including Järla Sjö and Hammarby Sjöstad.

Stockholm is seeing demand for housing surpassing supply. This development provides the much-needed housing, with a mix of multi-let dwellings, and family apartments. Co-housing popularity is growing, with management companies seeking entire apartment blocks. This proposal fits their requirements, while also providing affordable housing to those who need

it. By taking advantage of incentive schemes, the high build costs are lowered. Other requirements include making the buildings some of the most energy efficient in Sweden, and the rent is also capped, to increase affordability.

The City Plan, possibly the most important document when planning a development in Stockholm, shows all the designated areas ripe for development. It includes objectives that all projects must adhere to: A growing city; A cohesive city; Good public spaces; A climate-smart and Resilient city. This project creates a supply of housing, integrates the land, provides open-access community gardens, and efficient fossil fuel utilities provision.

Calculations for the development appraisal are calculated using the residual land price method. It is expected that a 20% profit on cost would be reasonable, converted to approximately £28m, with a residual land valuation of approximately £15m. These figures leave room for a healthy amount of unknown and unaccounted for costs, should the planned contingency be used.

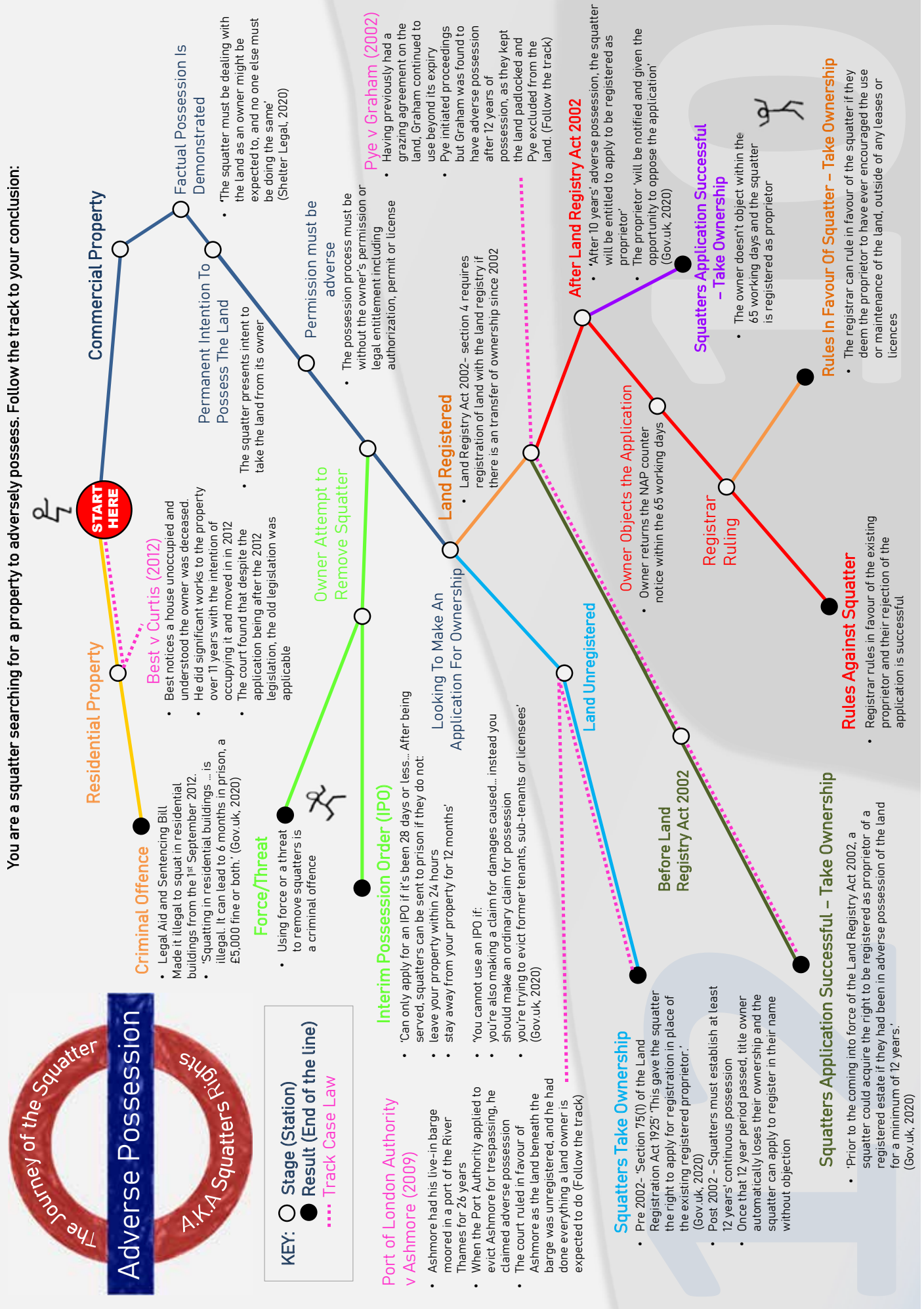
The site plan shows the proposed layout, including residential blocks, with commercial space to the ground floor, large communal garden areas, and an office block. The site has been designed to maximise the usability of the rocky landscape, while complementing the older developments on neighbouring sites. New access roads have been planned to ensure access, but in a way that limits traffic coming onto the site, to ensure compliance with the City Plan, and the Urban Mobility Strategy. Smart and sustainable buildings take advantage of developer incentives, while providing affordable housing to residents.

To progress with the development of the site, conversions are needed with the municipality and key stakeholders, including finance providers and construction companies. It is hoped that the development would be well received and be influential for sites worldwide.

## SHEFFIELD HALLAM UNIVERSITY STUDENT POSTER PRIZE

You will recall in 2021 ACES' Summer Terrier we showcased work by 3 shortlisted teams of students from Sheffield Hallam University and asked you which entry you would choose as





the winner of this year's Development Practice module?

While you didn't tell us which one was your winner, we were delighted that some of you commended the very high quality of the students' work and the clarity of their presentations [Ed – somebody from an architects' practice even enquired of me whether I accepted professional advertising features, having looked at one of the poster submissions and assumed it was genuine].

It's worth recapping the entries and summarising our judging notes as follows:

Group 6 (Harry, Ben, Charlie) - Listed Buildings - great detail provided and evidence of understanding. But would have benefited from being more applied to a scenario. The 'my favourite listed building' feature was a nice touch.

Group 7 (Fraser, Jasper, Qasim) - Easements - the comic strip idea works well to showcase a clear understanding of key concepts.

Group 8 (Megan, Lucy, Matthew, Declan) - Adverse Possession - a good mix of advice giving, visual communication,

technical accuracy and detail.

In the opinion of the university and our judges Group 8 – Adverse Possession are worthy winners.

Well done Megan Gale, Lucy Johnson, Matthew Keating and Declan Kelly! [Ed – it's so good, I've reproduced it again for this issue!]

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Port of London Authority v Ashmore (Court of Appeal 2010)

## Conclusion

We hope that all the students go on to achieve their full potential and make a great contribution to our places and built environment. Hopefully some of them will carve great careers in and support the public sector – maybe join ACES - but remember it is incumbent on us to support mentors and encourage them, as well as allowing them to open our eyes to future horizons, new ways of working and emerging challenges.

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# HEATHER HOSKING, LONDON BRANCH

## Meeting held on 14 May

The meeting was held online. 18 members and guests attended, including ACES' President, Simon Hughes. Chris welcomed everyone, including the guest speakers.

### Presentation - High street recovery: The Recovery Property Pledge

Louise Dougan and Alex Marsh of the Regeneration and Economic Development Unit of the GLA gave a very interesting presentation on the work of the GLA's London Recovery Board, which is seeking collaboration between all groups with a property interest in London's town centres, to promote the use of property to support post-Covid recovery. They are promoting an approach that will support diversity in high streets to support the local community and ensure vibrant, thriving town centres. They will be asking property owners to consider the wider objectives of regeneration and cumulative impact of decisions when considering the future of their land holdings, rather than looking at the maximum short-term financial benefit that can be derived.

They are seeking partners to sign a Recovery Property Pledge, which will share positive examples of innovative use or reuse of properties and are setting up a website which will share good practice, outlining positive behaviours, the social value that can be generated, and the promotion of diversity. It is intended that the founding partners will be representative bodies of landlords, tenants, public sector landowners, private portfolio owners etc, who will sign up to the pledge. The GLA is currently engaging the founding partners, and the website is due to launch in September/October. The scheme does not have any access to grant funding to support schemes, but will signpost available funding.

Additional information:

<https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/london-recovery-board>

<https://www.london.gov.uk/what-we-do/regeneration/funding-opportunities/high-streets-all-challenge>

<https://www.london.gov.uk/what-we-do/>

[funding/future-neighbourhoods-2030](#)

[Presentation - Post-Covid digital connectivity - Does it matter and what is our rôle?](#)

Mike Snaith of Regional Network Solutions explained the various forms of connectivity and the way in which the future use of buildings will be affected by their connectivity. He gave examples of various projects on which he had worked with local authorities, including Norfolk County Council, and the contribution of connectivity to regeneration, giving the Royal Docks as an example. He also explained the importance of providing good connectivity to social housing estates, to ensure equal access to the opportunities that digital communication can provide. He made members aware of consultation on connectivity which is being carried out by the Department of Culture, Media and Sport. The Department is producing a map of assets and infrastructure across the country which will be shared with providers.

## Covid-19 update

Work continues to establish vaccination centres, in partnership with the NHS, and locations are now being sought for the roll-out of booster vaccinations from the autumn. Other topics discussed included rent deferrals, rent free periods and repayment plans; changes to accommodation strategies; the GPA would like to work with local authorities to consider the possibility of making space in the hubs available for sharing, but security might be an issue.

Neil Webster reported that an organisation is carrying out a data capture on accommodation use across the country. He asked for anyone interested in joining this project to contact him. Simon Hughes commented that one effect of the increased flexibility in the location of working was that Norfolk CC had found that applications for jobs were being received from a much wider area and more diverse applicants, as presence in the office was only being required on a limited basis, often one day per fortnight, and other members concurred. This gave rise to concerns about a potential lack of local knowledge, and the possibility of including a requirement that applicants must have a knowledge of the local area in future person specifications.

Simon said that future meetings in Norfolk would be filmed and available on YouTube, again being considered by other councils.

## Exchange of information

- A valuation issue had given rise to press interest and FOIs for one council which had bought the freehold of one of its offices, which had then been valued for asset valuation purposes at existing use value, giving a lower value than the purchase price
- A county council had experienced an upward pressure on building costs and lengthening timescales for construction, due to increased international demand, a reduction in production during the pandemic, and difficulties in importing goods from the EU. This was giving rise to concern about projects due to be procured over the next few months
- A member reported on some of the issues arising from the Grenfell Enquiry, one of which related to

other construction projects. It had been noticed that products manufactured by Kingspan were being used on a school project near Grenfell Tower, which had led to public concern, and an audit of the components of all projects that were underway, and resulting delay

- A council had consulted on its voluntary community strategy, and would be reporting shortly to members. The recommendation is to move from a fixed rent approach to redistribute the amounts payable across the estate, collecting the same total income. Some tenants would benefit from rent reductions, while others would see their rents increase. It was estimated that this would result in the collection of 25% of the market rent; 10-year leases were to be offered.

## **Meeting held on 9 July**

The meeting was held online. 15 members and guests attended.

### Presentation - An update on health estates Issues across London

Sue Hardy, Programme Director at the London Estates Delivery Unit and Regional Estates Delivery Director at the GLA gave a very interesting presentation on the recent work of the London Estates Delivery Unit and an update on health estates issues across London. Sue kindly offered to provide links to local contacts whom authorities could contact to help develop good local working relationships between the health sector and local government.

Sue agreed that she would join a London branch meeting next year to give us another update.

### RICS Matters

Paul Bagust, Head of Property Standards at RICS attended the meeting. He provided the following updates:

- Internal RICS Review – this has been published and is available on the RICS website. A coordinated local authority/ACES roundtable had been held to feed into the review. The review found that more member engagement was needed,

together with more activity at a local level

- A valuation review is being carried out by Peter Pereira Gray of the Welcome Trust, investigating standards and the Red Book
- The RICS Public Sector Asset Management guidance is nearing publication [Ed – now published: see full report in this issue of ACES' Terrier]
- ESG (Environmental Social and Governance) implications for property are being reviewed, in the context of the delivery of a property solution
- The RICS is working on international building operations standards.

## Exchange of Information

- Councils reported that the viability of their housing programmes was being jeopardised by increased costs for concrete, timber and steel; 25-30% increases in costs were being experienced, with delays in the delivery of goods of up to 12 weeks. There are also construction staff shortages, particularly of brick layers, following the move away from the use of cladding on buildings. It was also proving difficult to secure professional consultants because of increased demand
- A district council is advertising for a regeneration manager and an economic and property development manager. It has been difficult to recruit graduates and councils were considering apprentices
- There has been an issue with legionella testing reopening some offices, which had had to close as a result
- A county council had received £25m in government funding for carbon reduction projects across its portfolio. It appears that the NHS is looking to extend its short term use of council buildings that were occupied during the pandemic for roll-out of booster vaccinations
- A council is implementing a reorganisation of its property function: a new HQ is planned and the council is providing hubs to allow staff to work in an office environment if they wish to do so

- Work will complete shortly on the conversion of a building acquired from a surplus hospital into incubator/lab space/easy in-out units.

Date of and arrangements for future meeting

It was agreed that the branch should aim to arrange the December AGM and

OGM at a venue in central London. The general sentiment of attendees at the meeting was that a hybrid arrangement for future meetings could offer the best option, with 2-3 face to face meetings being organised, and others being held on-line. The benefits of on-line meetings were recognised, allowing people (in most cases) easy access without any travel requirements and the ability to

attend other meetings either side of the branch meeting. However, it was felt that the benefits of informal chats and social interaction were lost, and that many people missed the face to face meetings.

## SARA CAMERON – EASTERN BRANCH

### Monthly MS Teams calls

Eastern Branch is continuing to hold its informal MS Teams calls to discuss and share experience of the following regular topics:

- Rent collection, deferments and rent holidays arising from the pandemic
- C-19 Testing and vaccination arrangements
- Market activity
- Member office accommodation and hybrid working approaches.

### Branch meeting 25 June 2021

Eastern Branch held its branch CPD meeting on MS Teams. The Chair, Brian Prettyman, opened the meeting by

reflecting on the success of our monthly members call to discuss and share experiences of managing our operations and assets through lockdown and considering what comes next.

There followed a presentation from our guest presenter Peter Frost, Environment Strategy Officer at Suffolk County Council. Peter updated the Branch on the purpose and resources available to all businesses on the Carbon Charter website [www.carboncharter.org](http://www.carboncharter.org) before sharing feedback from the Groundwork Report 'Working from home – the carbon emissions reporting impacts' by Rex Kellet (<https://carboncharter.org/working-from-home-a-new-report-by-rex-kellet/>)

Peter suggested that the difference in carbon emissions between a single worker commuting to the office or

working from a normally unoccupied home may be small, depending on the specifics of the situation, with the length of the commute being the largest factor. He concluded that a worker staying at home that is usually occupied will potentially add very little to the normal emissions of the household. Peter also spoke enthusiastically about electric cars, stressing that they were going to make a bigger impact quicker than anticipated [Ed – Peter was one of the speakers at the opening session of ACES Online Conference (see conference write-up) and has written a full article in this issue of ACES' Terrier].

The next branch meeting will be held virtually on 29 October 2021.

## JENNIFER SCOTT, SCOTTISH BRANCH

### Meeting held on 28 May

The meeting was held online. 21 members attended, including ACES' President, Simon Hughes.

Reports were given on:

Valuation Working Group

There were 26 attendees at the last meeting. Topics included C-19 Rating appeals, HRA asset valuations, police masts, filming rates, RICS investment methodologies, compensation, valuation of leisure trust assets, and sewerage charges.

Asset Management Working Group

Attendance was low at the last meeting. Topics covered included asset management post Covid, office return and revised staff work patterns, climate targets, systems overview. It was requested that members encourage attendance from their organisation, and proposed wider membership including substitutes.

Presentation - Renewable energy property issues and valuation work,

This was presented by Nick Green of Savills. It was informative, wide ranging and very well received. Nick agreed to forward slides for distribution to all.

Discussion

- Professor Mark Deakin of Edinburgh Napier University advised of courses

provided and the need for 3rd year placements for estates "sandwich" course for 27 students

- CPD provision for staff. Discussion on CPD foundation, MRTPI events, Chris Brain and internal seminars. Agreed future ACES Branch presentations to be made available to all members professional staff
- Government EPIMs database replacement with new Insite system based on OS mapping. Authorities will be requested to update and validate data, the initial focus will be on office accommodation and surplus/ disposal sites.



# GERRY DEVINE, WELSH BRANCH

## Another busy quarter!

With the Welsh Government continuing to take a cautious approach to the ongoing pandemic and advising workers in Wales to work from home unless it is essential to go into an office or workplace, our meetings continue to be held virtually.

Our first meeting of the quarter was for an Accommodation sub-group (of 26 attendees) on 8 July to discuss how the various public sector organisations were managing any staff returning to the office, including the use, actual or planned, of any office - or desk booking systems. This sub-group was set up at the summer meeting on 16 June when it became apparent that this was a subject that warranted more discussion time than was available in that meeting. While some authorities had set maximum percentage occupation levels for offices of up to 20%, all except the health authorities were running much lower than this, generally between 5% and 10%, with one at just 2.9% and another with a numerical limit of just 50 staff, all on one floor, while it simultaneously took the opportunity to reduce, re-configure and refurbish its offices. In some instances where staff wished to return for the social interaction with others, they found there were few other staff in the offices.

A variety of systems for office and/or desk booking are in use, from MS Outlook Calendar, MS Shifts, MS Building Access-Power App, to Cloud Booking, with at least two authorities using internally developed booking systems. It was generally agreed that a single system for all of Wales could be beneficial, especially as Welsh Government is piloting some shared hubs for public sector remote working, to reduce commuting and help towards carbon net zero.

Other items of interest that arose from the meeting were that productivity had increased with staff working from home, as many staff were tending to work well outside 'normal working hours' with flexi-time clocking being replaced by trust; recruiting staff for some posts had become easier as remote working can avoid the need for relocation, and one authority's boss had authorised staff to hold face-to-face meetings, where

necessary, in open air locations such as parks. And one authority is running weekly coffee mornings and quiz evenings (with over 350 participants) to promote staff social interaction and avoid isolation issues.

What is usually 'the holiday quarter' had become rather busier this year as an additional meeting of the group, proposed in the June meeting, was held on 15 September, with 28 attendees. The meeting started with an update on RICS matters from Sam Rees, RICS Wales Public Affairs Officer. Sam briefed us on the findings of the Levitt Report on RICS Governance which had been published during the previous week, and advised us of the resignations which had taken place in its wake. Sam reported that we could have an RICS accredited course in Wales as early as 2022; he has been working with a university on a Land Management Surveying course as well as arranging guest lectures to promote the profession at other universities too. He has also been working with the Welsh Government to agree apprenticeships, an important route into the profession. RICS is introducing the International Building Operations Standard and Sam agreed to give us a presentation with Paul Bagust at the ACES Welsh Branch Conference on 14 October. An RICS Wales round table on the environment, with RTPI, House Builders Federation, Dwr Cymru Welsh Water and others, was to be held the following week and Sam encouraged members of the group to join in that event.

There followed a discussion on ACES matters including feedback from the July ACES Council meeting and Forum topics, with several Welsh councils having received FoI requests from the Taxpayers Alliance. In one case, the TA asked for projected yields and actual yields on the authority's commercial property investments and it was pointed out that yields could be Reversionary, Gross, Net or Equivalent, and would the reader know what any of those actually meant or the differences between them?

The chairman has been working to get relevant and interesting speakers for the Welsh Branch Conference and remind all to book the day as 'Busy' in their diaries.

Jonathan Fearn, approaching the end of his term as Chair of the CLAW

Leadership Group, provided updates and reports on CLAW matters, including the CLAW Conference and AGM in November, climate change and discussions around the calculations for carbon emissions and net zero, as there is a lack of a defined standard. This is important for us as energy falls within the remit of estates and he, in common with other authorities, had found the Welsh Government Energy Service very helpful. He had also been working with Data Unit Wales on performance management and the setting of performance indicators. He had encouraged them to work with the Welsh Local Government Association and ACES on asset management indicators as these need to be relevant to be meaningful.

Nigel Thomas, Head of Estates Expert Services at Welsh Government, provided updates on various Welsh Government and Ystadau Cymru (YC) matters, including InSite (the replacement system for e-PIMS), the Land Release Fund and the Skills and Training Webinars provided by CIPFA Property. The regional sub-groups of YC should start meeting again soon and progress has thus far been slower than anticipated on the remote working hubs as most people are continuing to work from home.

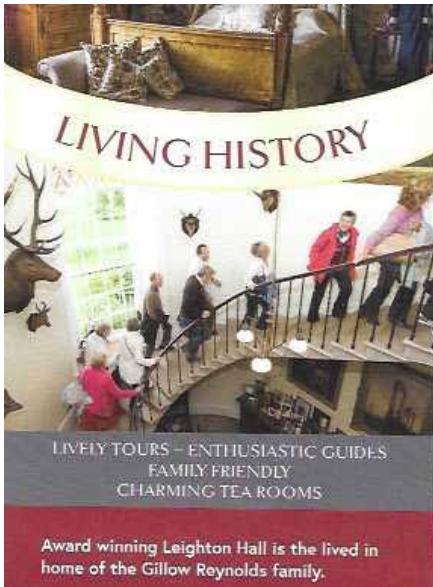
Chris Brain delivered wide-ranging CPD presentations on reports, consultations and announcements from, inter alia, local government finance, C-19 Impact, asset management and the future of offices, commercial property, the environment, and housing.

Another very busy and interesting quarter, with our virtual conference to look forward to soon.

## Other interest areas

# HAPPY MEMORIES

Betty Albon



Readers who make it to the back pages (even though there's no Suffolk Scribbler to look forward to) may recall that in the 2021 Summer Terrier, I included a photo of a leaflet Jill Bungay came across, featuring some famous ACES' members and partners on the stairs of Leighton Hall, which she had picked up when recently visiting the Lake District.

That photo caused me to throw down the gauntlet to see if the unidentified social

delegates could be identified by any Terrier readers. Lo and behold, Martin Haworth responded with some more photos of the 2012 Lancaster social events and some ideas about missing – but not forgotten – personnel. Dave Pogson reliably informed me: "It's frightening what Martin has stored in his garage. He once went in there and pulled out a 1964/65 Lancaster Royal Grammar School 'Blue book' with his and my names on the register. If Lancs County

Hall ever burns down he can recreate their estates records back to 1974."

As I became Editor in 2012, I've had my own rummage, so here's a selection of the photos which appeared in Terrier, and one of Martin's.

I'd be happy to include a regular feature of 'Happy memories' if there's an appetite for it (very apt, with a constant focus on afternoon teas!).



Simon started his career in the commercial field, moving to private practice in 1983. In the mid-1990s he joined Great Yarmouth Borough Council and in 2006 moved to Waveney District Council and retired in 2018.

## MUSINGS 6 Third party determinations

Simon Eades

If the Parties are unable to agree then the matter can be referred to a Third Party for determination.

The third year of my course in urban estate surveying involved a year in a professional office. In July 1976 I started working in the Estates Department of the Norwich Union Insurance Group in Norwich (NU). We were all told that for the first 6 months the employer would support the student, but they should get some

form of return in the latter 6 months. How true this was is difficult to comment upon many years later, but clearly there was a considerable amount that the sandwich student needed to assimilate before feeling that the student actually did enough to earn the salary.

While I was spending the year at NU, I completed the first year of the Test of Professional Competence and did the groundwork for the dissertation that

formed part of my degree course.

For those with a long memory, you may recall the period of 1976/1977 as the time that some significant legal cases were determined that had a real effect on rent reviews.

One of the first things I did at NU was to read a lease! While I had a theoretical understanding of what a lease was supposed to achieve, I think that I was, perhaps, naive to imagine that I could write a dissertation on lease terms, but I decided that was what I would do. However, many years later looking back on the work confirms a narrow superficial approach based more on theory than practice.

However, this superficial approach did, with the assistance of others, identify the salient and important terms of the lease that affected the rental level at review, and which terms had to be considered in detail. It took a little time to realise that the value of an investment building depended both on the level of income achievable and the frequency of receipt. A vacant building is of little value to the owner who acquired it for income and/or capital appreciation and if I learnt nothing more during that sandwich year, it was that a good landlord/tenant relationship was critical for both parties.

I discovered at an early point in my year that there was no such thing as a standard lease. Each lease was different and to understand the basis of the rent review, a thorough knowledge and interpretation of each and every lease was necessary. I was encouraged to summarise the terms as I read the lease and, over time, it became easier to do so.

The one fact I learnt at this early stage in my surveying career was to take nothing for granted. I discovered that just because a particular clause was not where you assumed it to be did not necessarily mean that it was not included. Some leases were upwards of 40 pages and solicitors have been known to put clauses in strange places!

The initial reading of a lease helps to identify the salient lease terms that have a bearing on the rent review; I soon came to appreciate the following lease terms were significant in the rent review process: Term, Rent, Rent Review Frequency, Repairing and Decoration Responsibilities, User and Alienation.

These were among the principal terms that I considered in my dissertation at a time when the courts were heavily involved in a question as to whether "Time

was to be of the Essence." In simple terms the courts were asked in *United Scientific Holdings Ltd v Burnley Borough Council* (HL 1978) whether a failure by a lessor to keep strictly to the timetable laid down in a rent review clause in a lease necessarily deprived the lessor of the benefit of the rent review. In this case, the landlord could serve a trigger notice between 12 and 6 months before the review date. The House decided that, in the absence of clear contrary words, time is not normally of the essence in machinery to invoke a rent review.

The practical effects of this were to give the landlord more flexibility in rent review negotiations where there were no time constraints imposed in the lease which were dependent on other considerations. The landlord was not required to complete the rent review before the rent review date, but this did not give the parties the excuse to let the latter drag. The landlord under normal circumstances wanted to maintain the income level and the value of the investment.

The vast majority of the rent reviews I completed were negotiated between the parties whether I was acting for the landlord or the tenant. The overriding aim was to secure the best result for the client. In most situations, a thorough investigation and report to the client preceded any formal negotiations, ensuring that the client was aware of the likely settlement at the outset of negotiations. The report would always identify the third party mechanism in the lease so that the client was fully aware of any potential risks, as the third party procedures involved additional costs. Some of these would be mine in preparing the documentation; others' costs would be raised directly by the third party surveyor and these costs had to be met by the parties.

The determination of the rent at rent review is, in its simplest form, two parties trying to agree a figure that both will accept. In some cases, one party will not be able to confirm agreement as the client is simply not prepared to accept it, despite the fact that both agents are in agreement.

It is these situations that negotiations/discussions with the client become more acute and I have had some difficult discussions with clients. The additional costs of a third party determination have to be considered against the likely potential increase in rental value over the length of

the review period.

I recall one case where I had negotiated a significant increase in rental value which the tenant was prepared to accept. I felt that this was the end of the matter and so I reported to the client that the tenant had agreed to pay the figure that I had recommended. The client thought that a further increase should be possible. I felt that the rent offered by the tenant was acceptable – a significant increase justified by the comparable evidence. However the client, as was his right, felt that the tenant should be paying more. When I told him what I felt would be the likely level of the third party costs, his first comment was that they would fall on the tenant but I had to clarify the facts that the arbitrator would act in accordance of the terms of the lease, which in this case gave him complete autonomy to direct how his fees were paid!

In the event, the client decided that the increase was sufficient and instructed me to complete the review.

I have taken some reviews to third party determination. The procedure imposed by the arbitrator or independent expert was similar, but the principal difference in approach is that the arbitrator determines the rent between the figures offered by the two parties, but the independent expert has more latitude and can determine any figure.

In one sense, the fact that a rent review goes to the third party could be seen as an admission that the negotiations based on the evidence were not sufficient to convince another professional. However, there were one or two references that were destined for third party determination from the date of the instruction.

My most surprising case was one where the other side would not agree any increase in rental value and invoked the arbitration procedure. From that day he took no part in the procedure whatsoever and in due course my submission was sent to the arbitrator. I was told by the arbitrator that no submission had been received from the other side and despite the arbitrator giving a further week to the other side for receipt, no submission was received. In the event, the tenant decided to vacate and a new tenant took possession shortly afterwards. The vacating tenant was required, as a condition of the assignment, to pay the rent from review at the figure that I had identified in my submission!





David was Head of Asset Management at CIPFA for over 20 years but has recently 'semi-retired' and moved to live in the Scottish Highlands north of Inverness. If you are interested in his photography website and 'Grumpy' travel guides, they can be seen at <https://davidjbentleyphotography.com/>

I've been writing tongue in cheek 'Grumpy Guides' on Facebook and on my photography website for some time now. A few months ago, I made the mistake of sharing some of them with the Editor. I suppose you can guess what's coming next. She either enjoyed reading them, or more likely was desperate for content, and so I'm afraid you've got this.

If you enjoy it all, well and good, and you might see a Part 2. If you don't, then blame Betty and we'll call it quits.

# BENTLEY MEMOIRS

## The Grumpy Guide to a life in asset management - Part 1

David Bentley [bentleybunch@icloud.com](mailto:bentleybunch@icloud.com)

So where to start?

As a young lad growing up in Birmingham, I had the choice at the age of 18 as to what to do with the rest of my life. I decided I was fed up of 'full time' education and a friend of a friend offered me the chance of embarking on the exciting and glamorous career of a trainee quantity surveyor at Silk and Frazier. Those early days, earning a small salary were full of unbridled joy, fulfilling essential tasks like doing photocopying, clearing the snow from the car park, and popping to the shops to pick up cigars for the partners' Christmas party.

I did actually do some very important quantity surveying as well: colouring in drawings was a particular favourite and the therapeutic benefits of arranging 'cut and shuffle' paper can't be undervalued, so life wasn't all bad. However, if I knew then what I know now, would I pick that path in life if I was given the choice? Certainly not; I would have gone to university, enjoyed myself and worked up enough money to travel round the world. Many a time on a Thursday evening at Birmingham Polytechnic I would doze off in a law lecture dreaming of some exotic shore. But then again, where would I be now without that essential knowledge of 'Donoghue v Stevenson' (the snail in the ginger beer bottle case) and the 'Wagon Mound' which have been so useful getting me out of all sorts of tight scrapes over the years.

I eventually found my way to Birmingham City Council, possibly out of a desire to provide some public service, but more likely because they paid twice as much as the measly £25 a week I received with my first employer. I found local government much more to my liking, in a department of over 100 quantity surveyors. I don't suppose there is a collective noun for that, but I would like to think it would be an 'estimate', although most architects would probably call it 'hell'. They had flexi-time, an active golf society, fishing

club, football and cricket teams, and occasionally we would even find time for some work.

I surprisingly even got qualified in-between all the football, golf, fishing and cricket. Eventually, by a protracted path, I moved into managing large compulsory competitive tendering (CCT) procurement exercises with Birmingham and latterly Southampton City Council, where I commuted from the Midlands early on a Monday morning and lived in a small caravan on a dairy farm. It was great in the summer months (golf and cricket), but come winter when the nights were long, the inside of the windows froze, and my only conversation was with Daisy the Friesian cow, I decided it was time for something different.

Just when I was giving up hope, I spotted a job advert from CIPFA for a 'Construction and Property Advisor'. I wasn't totally sure what the job entailed, but with Daisy's encouragement I popped my application in the post. The time now coincided with Tony Blair's 'New Labour' Government and my new position was to run a network supporting construction and property professionals moving from the CCT regime to a brave new world of Best Value. We didn't really know what to expect, but we kept being told that 'things can only get better' [Ed – isn't that a song?].

The role at CIPFA was basically trying to work out what government was doing (in England, Wales and Scotland) and then pulling together all the relevant property bits and passing these on to councils across the UK through events. This was in the prehistoric days of overhead projectors and we had to print our presentations on acetates and cart them on pit pony the length and breadth of the UK. In practice, it meant that you tried to get as much information as possible onto one slide, as when you got up to 30 or 40 pages, they started to get pretty heavy. I've just moved



house and found a load of the things up in the loft (acetates not pit ponies). First of all, I was surprised the roof beams had supported them all this time, but then I did flick through them with moderate affection for all of five seconds before they were unceremoniously thrown in the skip.

After a few months I was given a Nokia mobile phone and thought I'd arrived. It was about the size of Belgium, OK possibly a slight exaggeration, maybe more like Luxembourg, but you get the idea. It could make calls without wires and play a game called 'snake,' which at the time was all pretty amazing. I suppose I look back on those early days at CIPFA with some affection. Local government was very different to what it is today. It was the late 90s, most councils still had a Chief Architect, emails were unheard

of, and if we didn't know an answer to someone's question we couldn't google it at lunchtime.

A few events stand out in my memory. There was the time in the middle of Wales when the delegates voted to watch a Republic of Ireland World Cup game instead of doing the obligatory workshop after lunch. I promised not to tell their bosses and they promised not to tell mine. It was possibly the best feedback I ever got, even if Ireland lost. We were once snowed in at the same Welsh hotel and the few delegates that did get through didn't start arriving until lunchtime (maybe they knew it was me doing the morning sessions). It also seems strange now that private sector delegates were not allowed at events. If we did get someone speaking who was classed as private sector, they would have

to sit outside before their session and then leave straight away afterwards.

And so the last couple of years of the 90s seemed to go pretty well. I clocked up thousands of miles and made a lot of good friends up and down the country. But as we moved into the new millennium, there were new challenges on the horizon, with the infamous 'bug,' what to do with the millennium dome, and even more of a mystery something called 'The Single Capital Pot'.

But more of that in the next edition. [Ed – you'll be lucky.....]



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

## HERDWICK TALES

### Butting Heads

Dave Pogson

Selwyn is Property Services Manager for the fictional Herdwick District Council. From January to June 2001 his daughter Lisa is temporarily working in mainland China. Communication is difficult so he stays in touch by sending her an e-mail once each month. He tells her about his work and the people he encounters during it.

From: dad@user.freereserve.co.uk  
To: Lisa345@hotmail.com  
Date: 2 April 2001 20:42  
Subject: Herdwick Tales

Hello Lisa.

Your 6 months in China are already more than half over. How time flies. Your mother tells me that you need a favour but that, for a change, you are giving me plenty of warning. Can you confirm if she has got this right, please? She says that you regularly lecture to a class of 40 students and that it's customary for the teacher to give each student a small gift to remember them by when the teacher leaves. She says that you require 40 picture postcards of Herdwick district scenes, all different if possible, one for each student. At least you have given me plenty of warning to scour the tourist gift shops of Shepdale over

lunchtimes (though it may interfere with my browsing in Ottakers bookshop or my sampling the delights of the Wandering Tup) and allowed long enough for them to be sent in bulk by parcel post to China in time for you to hand them out. You do realise that most scenes of Herdwick district will include photos of sheep and that all Herdwicks look alike. You might have to explain to your students that they are not photos of how the local population has evolved over centuries of walking the fells – but then again!

Speaking of Herdwicks, I had to carry out an inspection of a field full of them last week. I like to keep my hand in with some real work occasionally, just as a change from all my management responsibilities – like monitoring budgets and deciding who can book 2 weeks' leave in August to avoid everyone taking the same 2 weeks off. Fortunately the weather was fine when I went to inspect the field.



The council lets various parcels of land on 360-day mowing and grazing licences to local farmers. The letting periods all end in March each year and the licences carry no protection for the users under the Agriculture Acts, so they have to remove their stock by the end of the 360-day period. Offering them to let again by tender is a lot of work for relatively small annual increases in income and they are often won by the same farmers every year, so in recent years we've tended to offer them back to the existing user first at modest increases to save on tendering and advertising costs.

Farmer Spelk enjoys 60 acres of the council's rough pasture and enclosed fell adjoining his farm east of Winander. He is known to be a difficult customer who has resisted rent increases in the past so I decided on a new approach this year. I arranged to meet him at the land to walk its boundaries and check the fences that he is liable to maintain under the licence. He was expecting me to offer it to him again at the existing rent, but I wanted an increase. When he arrived, I reminded him to get his stock off the land that day and told him that I wanted to walk all the boundaries and check for faults in any fences and dry-stone walls and take a photographic

record. Most licensees try to ignore repairs and just stick sheep-netting or corrugated metal panels into the gaps as the walls collapse for as long as they can get away with it. Usually we are too busy to inspect properly and they do get away with it, so the gaps mount up.

I knew that he limped badly from being butted on the knee by an aggressive ram as a young man. He used to bring his fleeces in for baling to the Herdwick Farmers' Cooperative depot where I worked for a couple of summers, years ago when I was in the sixth form. Someone had told me about his misfortune then. Some details stick with you and there's no substitute for local knowledge. Farmer Spelk relied heavily on his collies to do the legwork for him, but even the most intelligent of collies isn't capable of agreeing boundary defects with me. He groaned but reluctantly decided to come with me. I opened the boot of my car to reach for my wellies, dramatically revealing to him some laminated 'To Let by Tender' posters, with tie-strings already attached, just lying there, face up, ready for attaching to the field gates.

'Ar' yon signs fer 'ere?' he asked.

'They are if we can't agree a sensible rent increase by the time I get back to the car.'

'An' yer wants me to lowp rown yon walls now, wi' mi gammy leg?'

'Yes.'

'An' yer wants mi to pay fer fixin' t'gaps in 'em?'

'Yes, but if the rent's good enough we could postpone that for another year.'

We hadn't got a third of the way round before he was having a hard time keeping up with me. We reached a deal fairly quickly on a higher rent and agreed to abandon the boundary inspection until next year when his son could do it, and in the meantime, he offered to do some stone repairs himself as it would be cheaper. As with Herdwicks, there has to be a winner in every head-butting contest.

That reminds me of a recent tale of 2 other ornery rams butting heads that might amuse you. It can be entertaining at council meetings because of the characters involved and it does get pretty heated on occasion. I mentioned the affordable housing site in a previous e-mail. Councillor Bill Blackledge raised the possibility of Two Sheds Housing Association appealing the planning application refusal at the recent Affordable Housing Working Party and completely wrong-footed young Councillor Lloyd Simpkin. The meeting was lively enough but the stand-up scuffle in

the town hall corridor afterwards was truly something to commit to memory. Lloyd was not happy about Bill's politicking. Nothing really happened except for a bit of pushing and shoving and a few raised voices but by the time the tale circulated around the council offices, it was as if war had broken out. There had to be a conduct inquiry. Little came of it in the end, but I was told of one classic outburst to the conduct panel from Bill. When spouting forth about the charges being investigated, Bill launched into a monologue stating that he did not agree with what was being alleged against him and ended with "and I know who the alligators are." Much mirth in the Council Chamber.

Councillor Bill Blackledge is quite wide for his height. He is built like one of those toys that you see in the bottom of a budgie cage which rolls upright every time you knock it over. I couldn't see young Lloyd knocking him over even if he'd landed a good punch and, if he had, he would have just bounced upright again. We have some other councillors who are even more portly than Bill. Councillors Milk and Milk are a married couple representing adjoining wards on the edge of the district. They are both pretty large people, thus being nicknamed 'Full-fat' and 'Double cream'. Neither of them drives a car so in recent years Bill, who has to pass through their area, has taken to bringing them in to council meetings in his Land Rover. I was at a recent committee meeting when Bill raised the question of councillors' travelling expenses. When asked by the Chief Executive 'What's the issue?' he stated that he wasn't happy with the current mileage-based rate for using his car. He suggested that he should be switched onto a weight-based allowance if he was to continue delivering the Milk. More mirth and merriment from the spectators.

You will know by my constant references to it that I have been waiting to hear about next year's maintenance budget. Well, the Chief Exec got back to me first thing this morning with a final decision after a very late March Full Council meeting. It seems that my prompting and lobbying and diplomatic warnings have had some measure of success. I didn't get the £1 million that I asked for, but I did get the same as last year - £800,000. The Treasurer is finding the extra £200,000 over the threatened cut to £600,000 from reserves. It still represents a cut in real terms when inflation is taken into account, but it is

better than I expected back in January. It also means that I don't have to make a building surveyor redundant. However, it may also mean that the threatened review is postponed, which is good in one way but bad in that my chances of early retirement on enhanced terms may be rapidly disappearing. So mixed feelings about that.

Remember me mentioning my hefty part-time typist with the food obsession who applied for the full-time post in the FOOD Safety Group? She worked her notice last week and left a big gap in all our lives (no pun intended) which I've had to fill with agency staff. We took her out for a meal at lunchtime on her last day and we haven't seen her since. She may still be at the restaurant for all I know, working her way through the menu. I'd applied to recruit a permanent replacement but got a reply from HR today with bad news. As soon as Steve and Kurt from IT have installed the new computers, there will be a standard word processing programme available on the council's intranet with model layouts for letters, memos and reports for all staff to do their own typing. Training will be provided for everyone except for the Chief Executive, who has exempted himself and will retain his secretary on the grounds that she also provides services to the Chairman of the council. How very convenient.

All existing typists including my ex-colleague will be subject to an appraisal to determine if they can be redeployed into any existing council vacancies. Maybe she can become a technical assistant in FOOD and combine health inspections with her passion for eating and dieting. Is this another Industrial Revolution in Herdwick district? Will the rise of IT resulting in the loss of typists replicate what happened in the textile industry when industrialisation attracted all the cottage wool-knitters to the big cities to retrain as cotton spinners and weavers, resulting in the bottom falling out of the Herdwick underpants monopoly overnight? It took us years to pull our socks up and develop new products. What we need is some young inventor to find a new use for Herdwick wool. It might happen in your lifetime Lisa but probably not in mine.

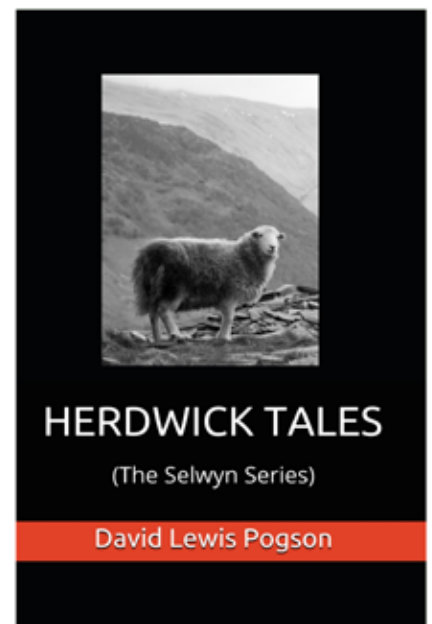
Jim, the Senior Committee Clerk, tells me that the Tourism Committee had a one-item urgent meeting today at the written request of a ward member. It seems that councillors are worried that following the opening of the Eden Project

in Cornwall on 17 March, tourism numbers coming to Herdwick (at the opposite end of the country - I ask you) are expected to dip dramatically. To counteract the £37.5 million grant made to the Eden Project by the Lottery Commission, the Tourism Committee decided to make a grant of £2,000 for increased advertising to the Herdwick Visitor Centre and Guesthouse up in the Shepdale Valley. Yes, that will certainly give the Eden Project something to think about and will no doubt secure the sitting councillor's seat for that ward in the upcoming local elections. One has to spend to compete in the international world of tourism and politics. As a council tax payer, I think that they have invested my money wisely and I will sleep soundly tonight. At least they didn't decide to waste it on fees just for a consultant to tell them that better advertising might help.

Postcard purchasing for your students will begin in earnest as soon as you confirm that I've fully understood your requirements.

Write soon.

Ed - Dave has assembled his collection of short stories in 'Herdwick Tales'. Please contact Dave direct.



If you're impatient to read more episodes in ACES Terrier then enjoy all 26 together now in paperback, Kindle or free on Kindle Unlimited. Just google 'Amazon Books' and type 'Herdwick Tales' into the search bar.



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