

CIPFA\



ACES Conference 2023

Property Update & SAM Diploma

The Chartered Institute of
Public Finance & Accountancy





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UK's largest council issues section 114 notice

Birmingham City Council declares itself in financial distress

Current budget gap: £87m

Cited issues

- £760 million bill for equal pay claims
- Installation problems with new IT system
- £1bn in government cuts over past decade





One in ten SIGOMA councils facing Section 114 notice

Posted on August 29, 2023





One in ten SIGOMA councils facing Section 114 notice

Posted on August 29, 2023



Children's
social
care



Inflation



Energy
costs

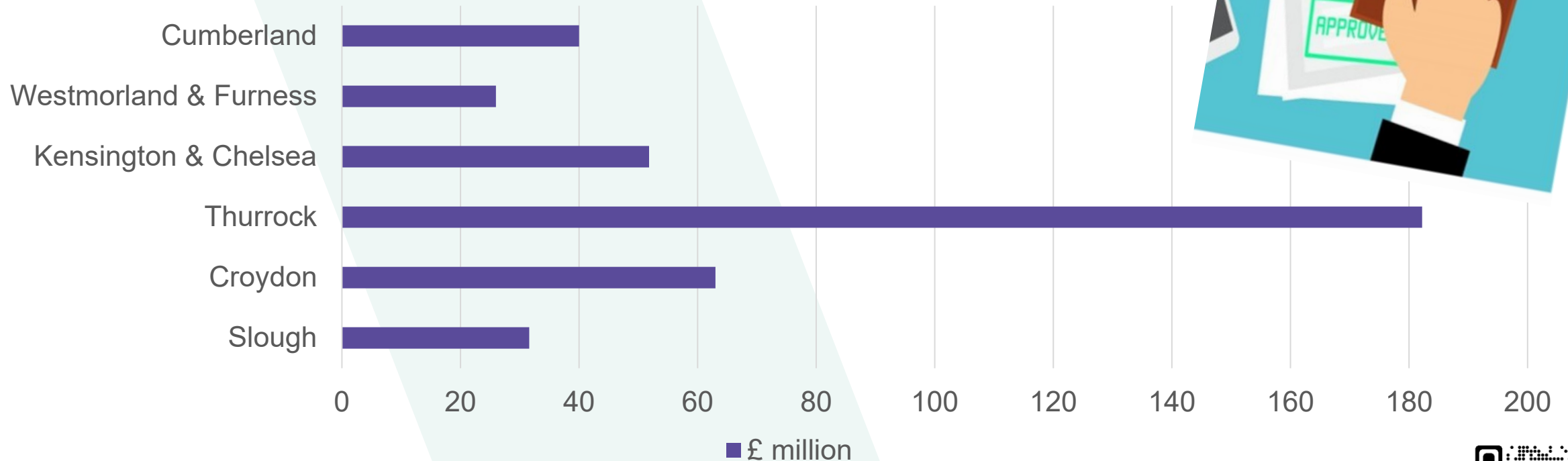


Wage rises



Exceptional support for local authorities

In-principle support agreed for 2023-24



Hampshire County Council's finances 'close to breaking point'

BY [AYSHA GILMORE](#) IN [151 NEWS](#) · [FUNDING](#) · [GOVERNANCE](#) · [RESOURCES](#) · [TREASURY](#) — 11 SEP, 2023

Hampshire County Council has warned that it is "close to breaking point" as it faces a budget gap of at least £132m by April 2025.



Hampshire County Council has reduced its spending by more than £640m over the last decade. Photo: Shutterstock

Growing funding gap of almost £50m 'most immediate issue' for Kirklees

BY [AYSHA GILMORE](#) IN [151 NEWS](#) · [FUNDING](#) · [RESOURCES](#) · [TREASURY](#) — 7 SEP, 2023

Kirklees Council's budget gap for the next financial year has increased to £47.8m as its finance lead warns that there are "tough decisions to come" for the authority.



Westminster urged to build consensus to fix local finances

By: [Chris Smith](#) | 13 Sep 23

Political parties urged to set out plans to fix finances



Image © iStock

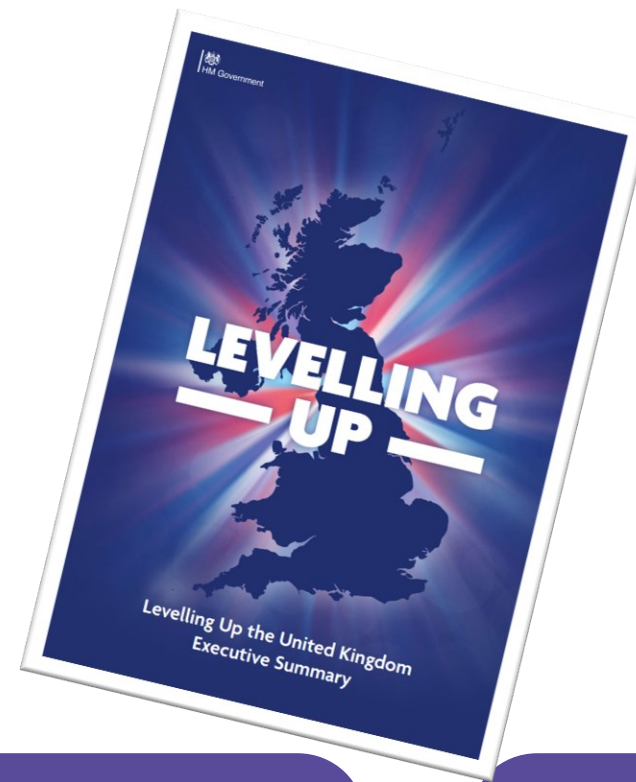
Westminster MPs have been urged to build a cross-party consensus to fix local governments finances.



Housing pressures
may push councils
into effective
bankruptcy



Levelling up



boost productivity,
pay, jobs and
living standards
by growing the
private sector

spread
opportunities and
improve public
services

restore a sense of
community, local
pride and
belonging

empower local
leaders and
communities



Levelling-up and Regeneration Bill

The screenshot shows the House of Lords website page for the Levelling-up and Regeneration Bill. The page has a dark blue header with the House of Lords logo and name. Below the header is a navigation breadcrumb: UK Parliament > Business > Legislation > Parliamentary Bills > Levelling-up and Regeneration Bill. A 'Bill feed' icon is in the top right. The main content area has a dark red background. The title 'Levelling-up and Regeneration Bill' is in large white text. Below it, 'Government Bill' is written in smaller white text. A progress indicator shows three stages: 'Commons' (with a checkmark icon), 'Lords' (with an hourglass icon), and 'Final stages' (with an empty circle icon). A 'See full passage' link is below the progress indicator. At the bottom left, it says 'Originated in the House of Commons, Session 2022-23' and 'Last updated: 5 September 2023 at 09:32'.

Parliamentary Bills

HOUSE OF LORDS

[UK Parliament](#) > [Business](#) > [Legislation](#) > [Parliamentary Bills](#) > Levelling-up and Regeneration Bill [Bill feed](#)

Levelling-up and Regeneration Bill

Government Bill

Originated in the House of Commons, Session 2022-23

Last updated: 5 September 2023 at 09:32

Commons Lords Final stages

See full passage

Watch this space!



CIPFA/
4 days a week?

Recorded by THE BEATLES on Capitol Records

EIGHT DAYS A WEEK

By BOB JENSEN and PAUL McCARTNEY

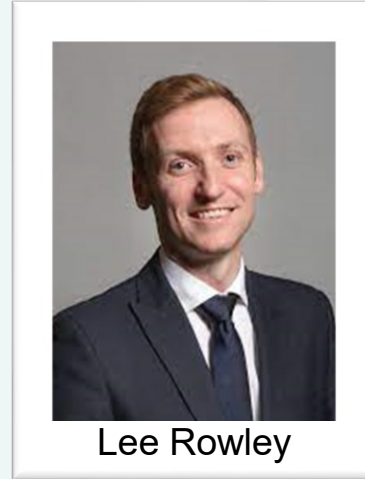
~~FOUR~~



CIPFA\

4 days a week?

30th June 2023



Lee Rowley

First LA in UK to trial a 4-Day week for 450 desk-based staff at office in Cambourne

The 4-Day working week could impact the LA's 'best value duty' under the Local Government Act

“...all councils are expected to ensure that finite and valuable taxpayers' money is used in a way which demonstrates value for money – something which paying employees for an extra day of work that is not carried out is unlikely to demonstrate”

The DLHC will “shortly be issuing clear guidance”

CIPFA\

4 days a week?

“This is a trail, but we have already seen strong independently assessed evidence which showed that performance was maintained, and in some cases improved”

“At the start of our trial, we were carrying a £2m annual agency bill. During the first three months of the trial, we filled four permanent posts that had previously been impossible to fill (and) this has reduce our annual bill by £300,000”

“increasingly clear that recruitment has been positively affected””

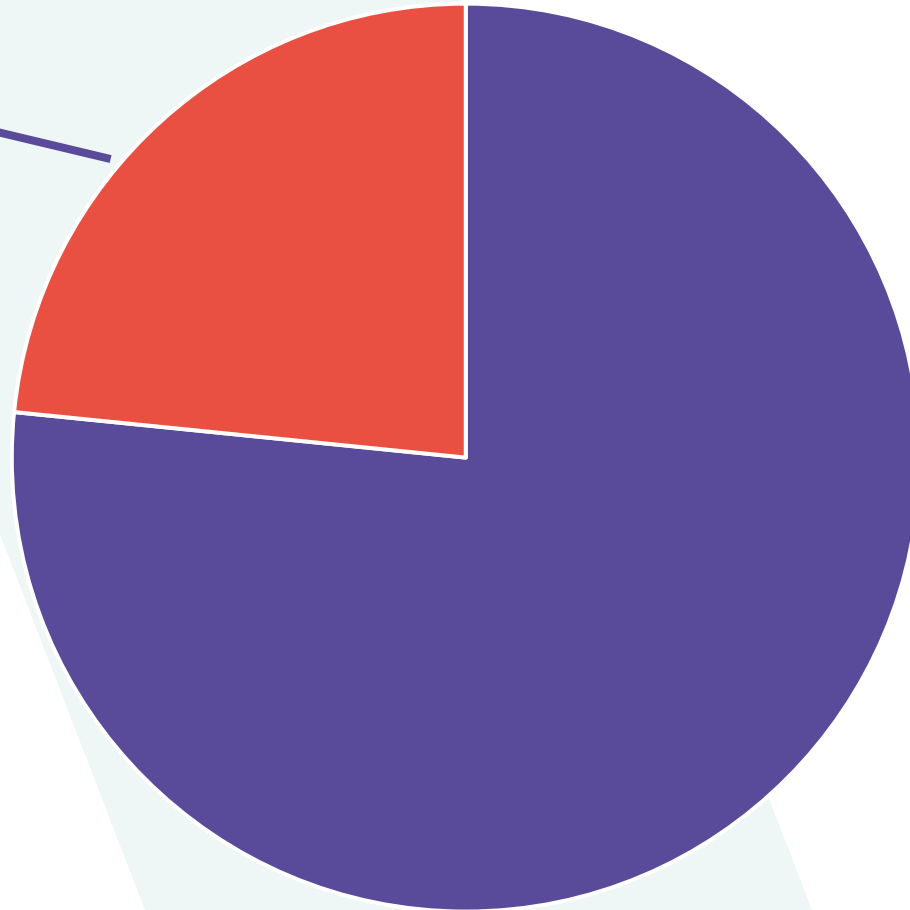


Bridget Smith



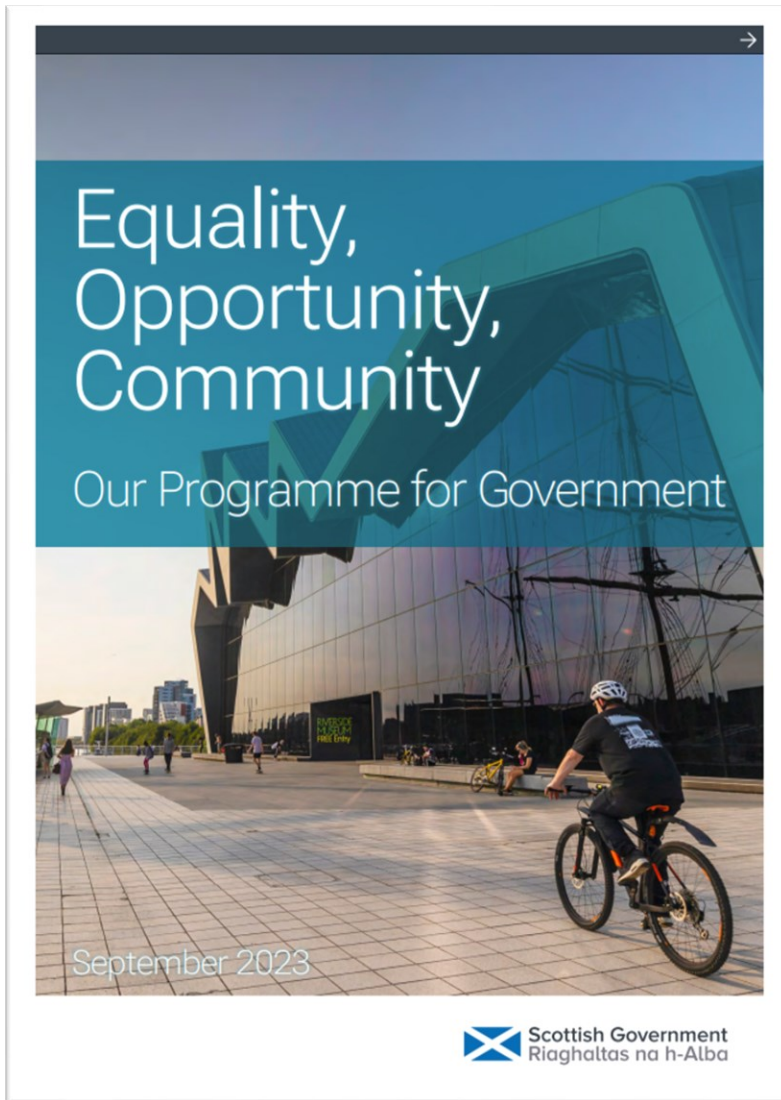
Full-time jobs advertised by local authorities 2022-23

23.4%
unfilled



Data obtained through
Freedom of Information
requests by Scottish
Conservatives
Responses from 30 out of
32 councils





The Scottish Government 2023-24 Programme for Government will begin piloting reduced-hours scheme in some public services by the end of the year

Pilot will aim “to assess the wellbeing, environmental, and productivity benefits a four-day working week could bring”

Suggestion is that pilot will run for around a year and is likely to include arm’s-length bodies rather than ministerial departments

2021 survey found 87% of Scottish Government officials backed the idea of piloting a four-day week, while 84% said they believed they could adapt their current work processes to four days



<https://www.gov.scot/programme-for->

[government/#:~:text=Programme%20for%20Government%202023%20to%202024&text=Equality%2C%20Opportunity%2C%20Community%3A%20Our,on%20equality%2C%20oportunity%20and%20community.](https://www.gov.scot/programme-for-government/#:~:text=Programme%20for%20Government%202023%20to%202024&text=Equality%2C%20Opportunity%2C%20Community%3A%20Our,on%20equality%2C%20oportunity%20and%20community.)

Chained to the Office?

Civil servants could soon be presented with fresh guidance on the proportion of their working week that should be spent in their official workplace

The suggestion is that ministers will push for a one-day-a-week limit on remote working

Departments are currently able to set their own rules on office attendance, and in recent years many jobs have been advertised on the basis that remote working will be acceptable for at least two days a week

Longer-term measures under consideration include changing contracts for new starters in the civil service to include a requirement to attend the office



Public v Private



“Overwhelming majority of councils want hybrid meeting powers”

95% of councils would like to be able to reintroduce virtual and hybrid meetings to support the recruitment and retention of councillors,

One in 10 of the surveyed local authorities reported having a councillor who had stepped down since May 2021 due to the requirement for them to attend in-person meetings.

84% of councils said their councillors with work commitments would benefit from hybrid meetings

64% thought that councillors with childcare commitments would also take advantage of digital meetings

No council surveyed wanted to hold fully virtual meetings





Great Resignation

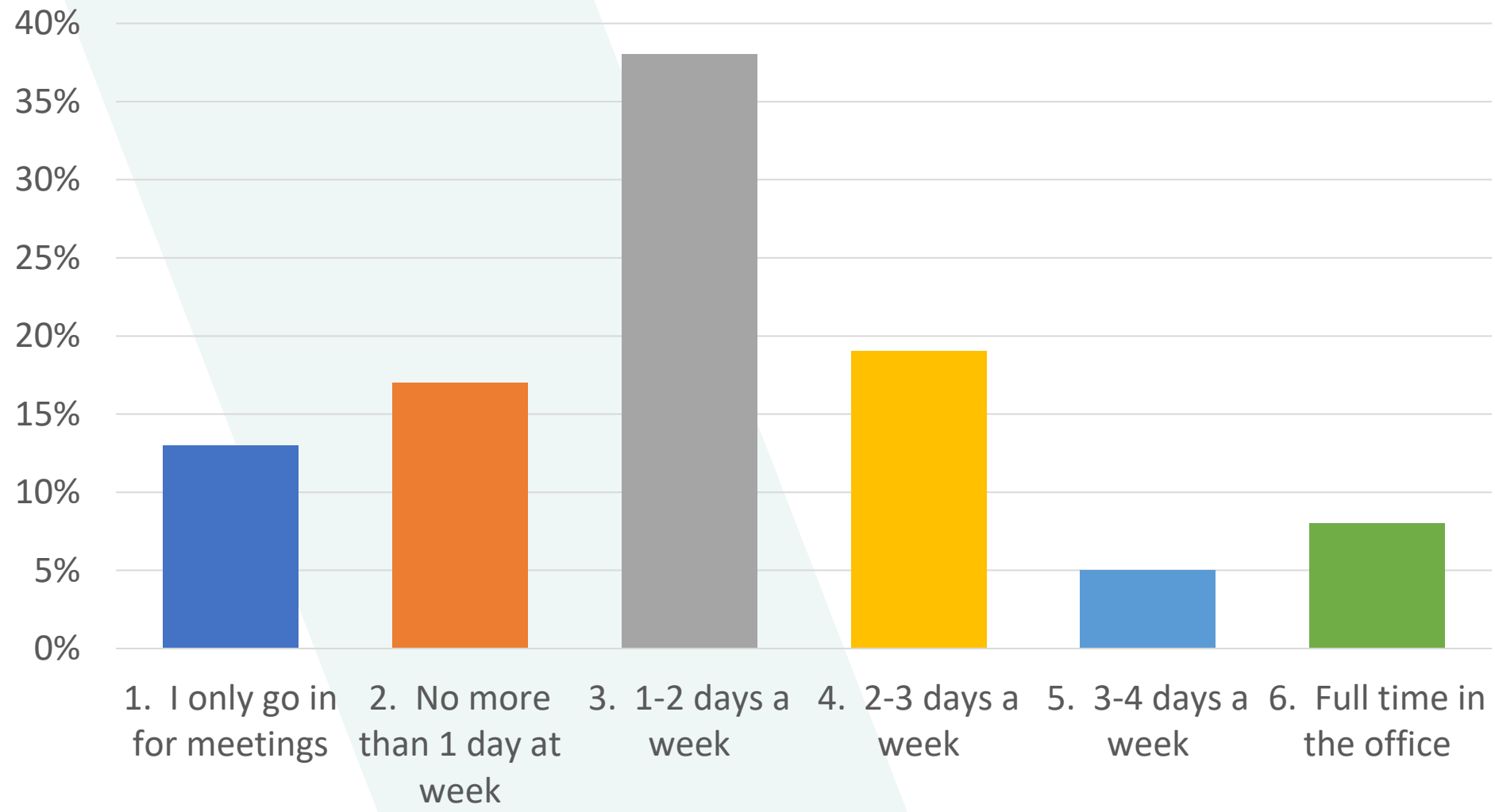
Meanwhile on a Beach Somewhere?

More than 1,350 requests from council staff to work from overseas have been approved over past three years



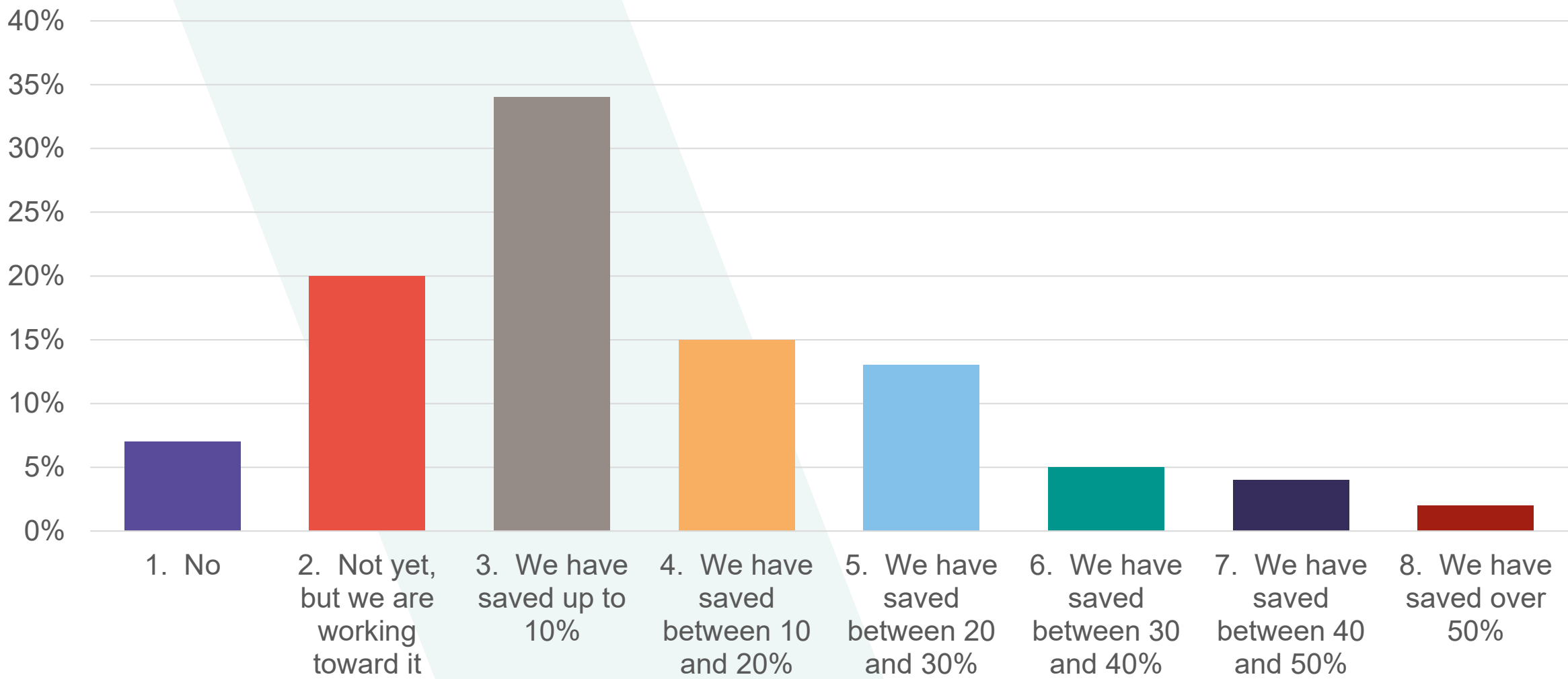
FoI request by Taxpayers Alliance 383 councils in the UK with 320 responding

Following the COVID Pandemic has your organisation moved to a more remote way of working? – Poll Results 24th May 2023



63 responses

Has your organisation reduced office space post pandemic? – Poll Results 24th May 2023



55 responses

Hertford to Stevenage



- Operated as if at full capacity
- 18% Staff attendance
- £48m spend required to adapt for business needs

Hertford to Stevenage



Stevenage Robertson House

- Move to Stevenage will save around £1.2 million p.a. running costs
- Move cost circa £6 million

Office closures

Unitary set to close office to cut costs

By: Oliver Rudgewick | 10 Jul 23

Home working leads to Cheshire East reducing estate



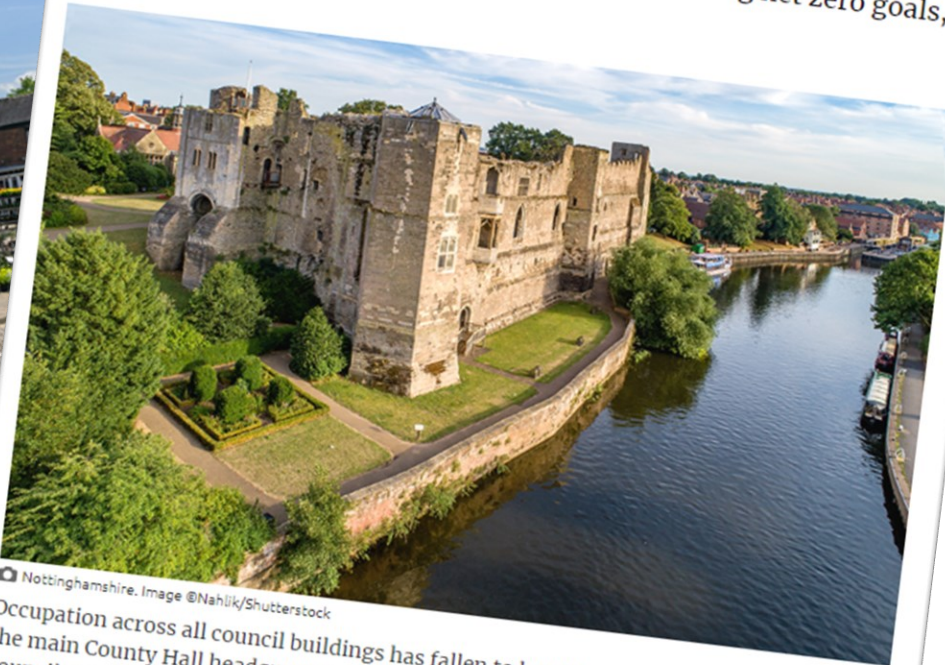
Sandbach, Cheshire East. Image @iStock

Lower office use and the need to cut expensive running costs East Council to propose closing one of its five main offices.

Nottinghamshire considers office move to cut costs

By: Oliver Rudgewick | 6 Jul 23

Moving Nottinghamshire County Council workers to a new office would reduce running costs and go towards meeting net zero goals, officials believe.



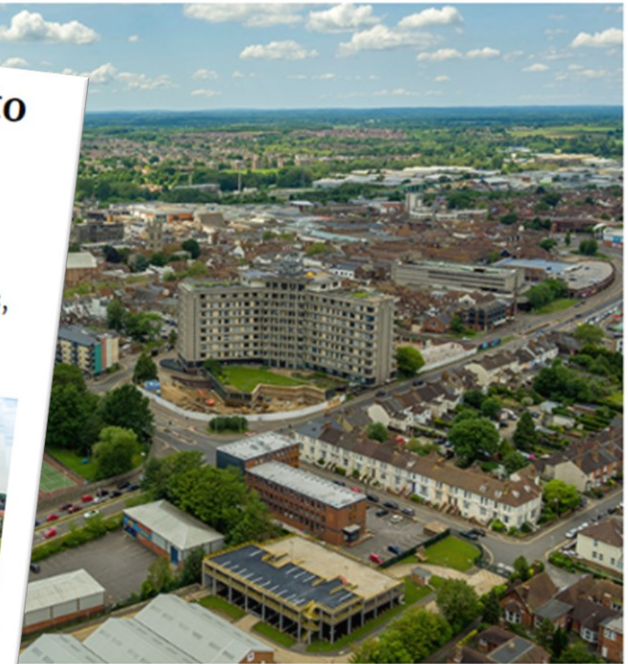
Nottinghamshire. Image @Nahlik/Shutterstock

Occupation across all council buildings has fallen to less than 40% of capacity, including the main County Hall headquarters in West Bridgford, a report published ahead of a full council meeting said.

Downsizing plans revealed by Ashford as finances tighten

By: Chris Smith | 15 Aug 23

Budget pressures are forcing another town hall move



to help balance the books.

Challenge for Hertsmere Borough Council

Modernising and maintaining historic Elstree Film Studios set to cost up to £200 million



Elstree Film Studios
© The Studio Tour



Managing Surplus Property

CIPFA Property Training Network event

Date

8 November 2023

Starts: 10.00

Ends: 16.00

Location

Webinar

The Chartered Institute of
Public Finance & Accountancy

[://www.cipfa.org/training/p/ptn-managing-surplus-property-20231108-london](https://www.cipfa.org/training/p/ptn-managing-surplus-property-20231108-london)



What asset management?

PF Live: Maintenance backlog a 'ticking time bomb' for councils

By: Oliver Rudgewick | 28 Jun 23

The failure of public bodies to adequately maintain their properties represents a ticking time bomb for local authorities, an expert told delegates at Public Finance live.



Image ©iStock

David Bentley, an associate at CIPFA, said public bodies rarely consider the condition of properties and how that can impact on wider council strategies.

“Public bodies rarely consider the condition of properties and how that can impact on wider council strategies”.

“What we should be doing is gathering information through condition surveys, to provide the basis for maintenance plans”

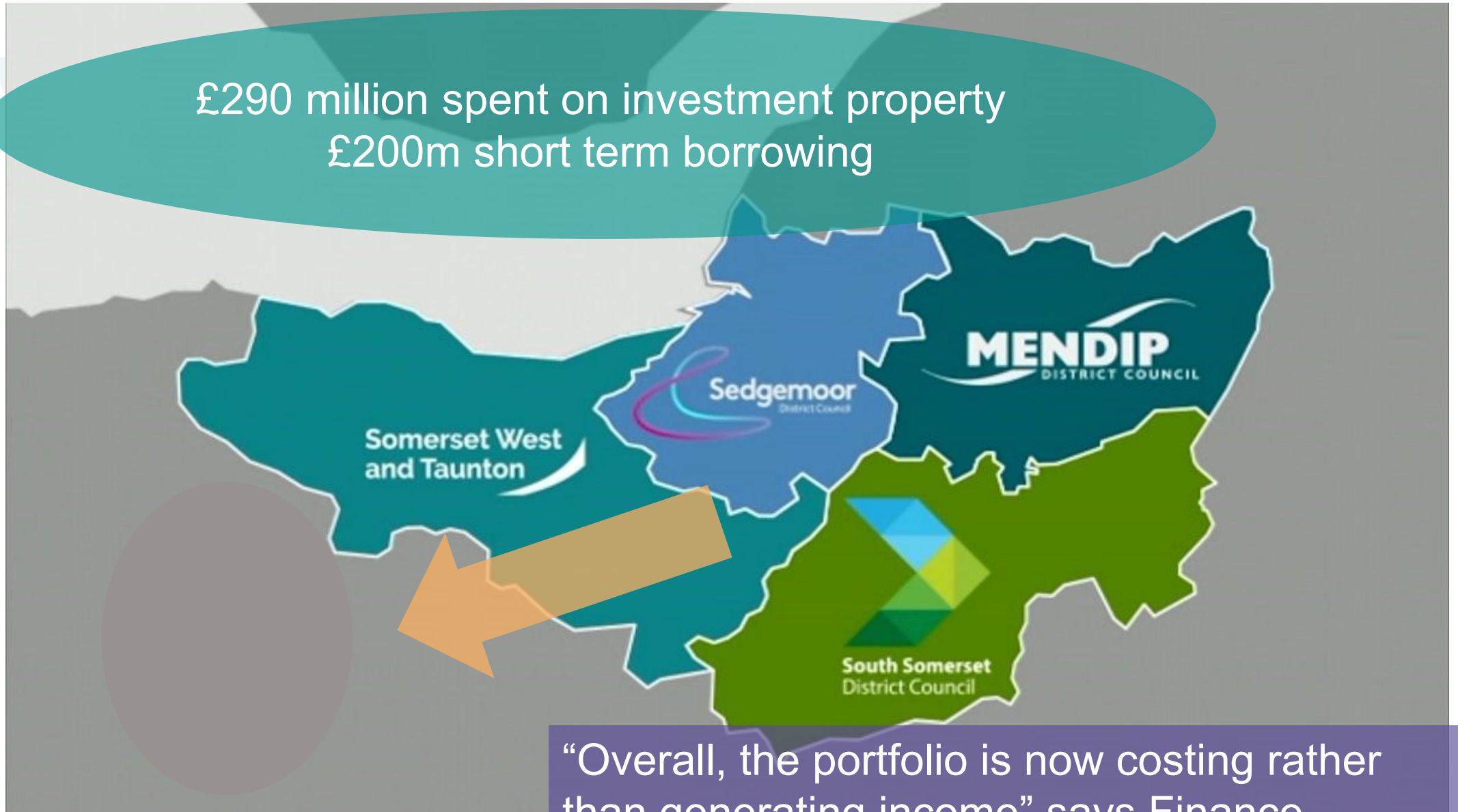
“It is “good practice” that 70% of maintenance budgets are earmarked for planned improvements and 30% reactive, but added that in many cases it is the opposite way around”

“Council’s aren’t able to adopt long-term estate management plans, exposing them to excess risk”

“Planning ahead isn't a luxury, it is essential. It is like financial planning, except in property terms, and we're not doing it”



£290 million spent on investment property
£200m short term borrowing



“Overall, the portfolio is now costing rather than generating income” says Finance Director

Spelthorne

- £1bn commercial property investment programme
- £160m net reduction in value of portfolio 2022/23
- DLUHC commissioned CIPFA to undertake review in March
- 99.1% rent collection
- Investment income retained (52.6m)



Housing development ambitions dashed



3 Rivers
DEVELOPMENTS

“Established to deliver high quality housing in Mid Devon and throughout the South West”

Debt of
£21.3m



Housing development ambitions dashed



3 Rivers
DEVELOPMENTS

“Established to deliver high quality housing in Mid Devon and throughout the South West”



Digital Property Market Steering Group

The Vision

“We want everyone involved in buying, leasing and selling land and property to experience a secure and modern market that is transparent, customer-friendly and business-friendly at all stages.

Through collaboration, innovation and a focus on emerging digital technologies we will build on existing progress across the home buying and selling system to get a better result for the customer: simpler, faster, more certain and less stressful.”



Anyone for chess?



£2,500 available for the installation of 1 chess board and seats for 4 people

Funding available



LA's who received funding under the Levelling Up Parks Fund (LUPF)

Eligibility



25 September 2023

EOI submission deadline



It is hoped the investment in the game will allow more people to play, connect, tackle loneliness, and develop problem solving skills.

BETA This is a new service – your [feedback](#) will help us to improve it.

[Home](#) [Browse grants](#) [About us](#)



Grants Management Function

Find a grant

Find a grant is a service that allows you to search government grants.

You can use this service to:

- access government grant funding
- search and filter to find a grant that matches your needs
- find out if you are eligible to apply for a grant
- find out how to apply for a grant

Find government grants and check if you are eligible to apply.

[Search grants](#)

[Browse all grants](#)

Manage notifications

See all the grant updates you have signed up for. You can unsubscribe here too.

[Manage notifications and saved searches](#)

Sign in and apply

See your grant applications or start a new one.

[Sign in and apply](#)

Tell us how you think our service can improve [through our feedback form](#).



GPA ESG Report

“This is the GPA’s first ESG report. The report highlights our commitment to ESG and reinforces the importance we place on ESG matters.

In this report we have set out our priority ESG topics, what we are already doing against those topics, and more importantly, our plan going forward. We recognise ESG is a journey and we hope to build on our current activities to become an ESG leader in our sector”.

Steven Boyd
Chief Executive Officer

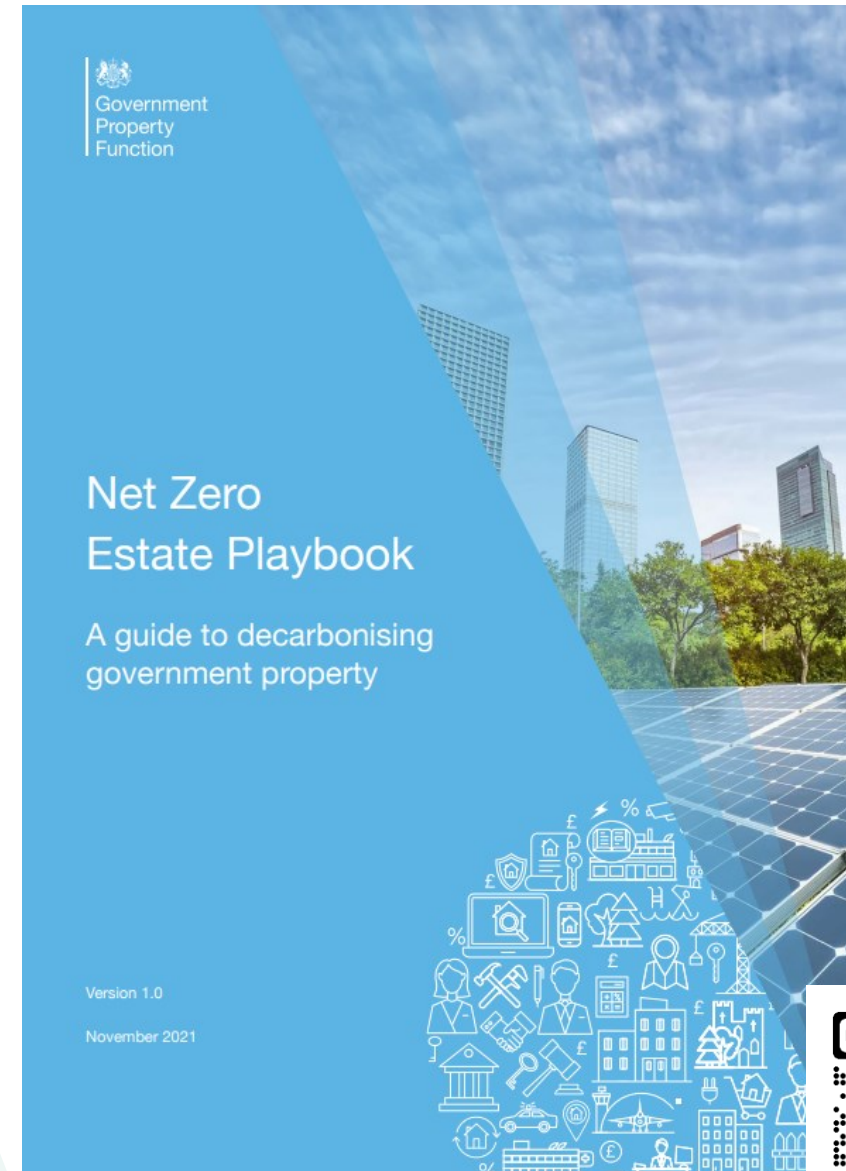
The Government Property Agency’s Environmental, Social and Governance (ESG) Report

April 2023

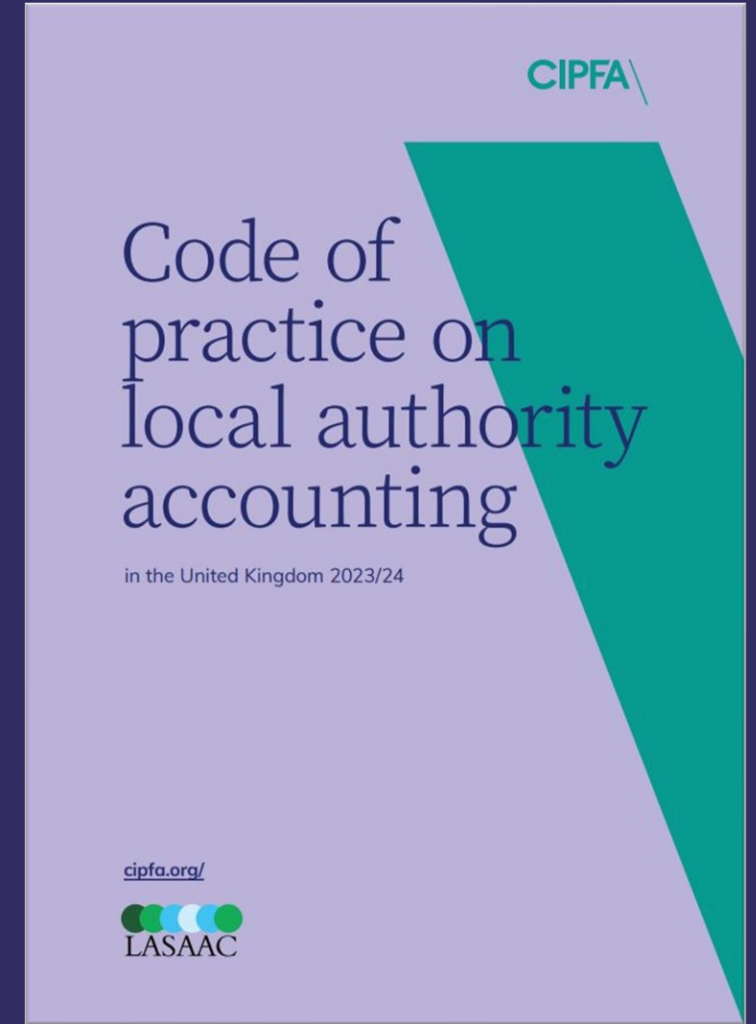
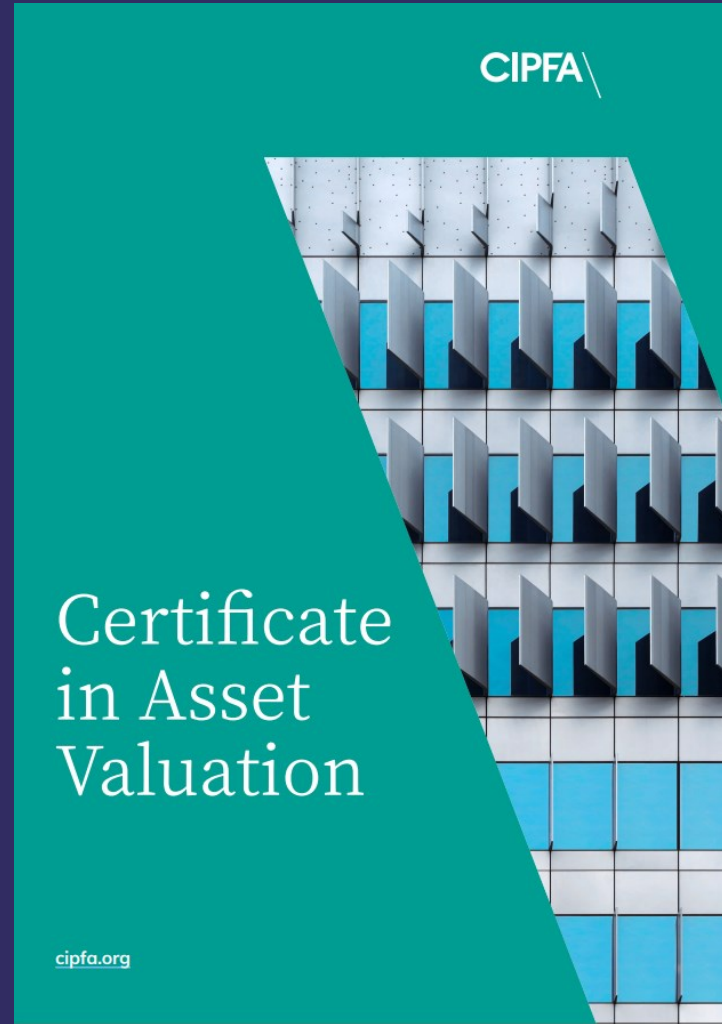


Net Zero Estate Playbook

- Sets out key policies and guidance for property teams to help in the transition of public buildings and estates to Net Zero
- Published by Cabinet Office
- 21st November 2021
- Will be evolved and improved as policy develops and technology improves



VALUATION





Certificate in Asset Valuation

Now taking bookings for
Winter 2023 course

Module 1 - Rules of the Game
21 November

Module 2 - The Valuation process
28 November

Module 3 - Focus on valuation
5 December

Module 4 - Focus on Finance
12 December





Asset Valuation – avoiding the pitfalls

CIPFA Property Training Network event

Dates

09 November 2023

14 November 2023

15 November 2023

Location

Webinar

The Chartered Institute of
Public Finance & Accountancy

<https://www.cipfa.org/training/p/ptn-capital-valuations-avoiding-the-pitfalls-20231109-london>



IFRS 16 Leases

IFRS 16
Lease Accounting



“One of my great ambitions before I die is to fly in an aircraft that is on an airline’s balance sheet...”

Sir David Tweedie - April 2008

Useful Reference

RICS Practice Information

IFRS 16: Principles for UK real estate professionals

Accounting for leases on the balance sheet

March 2022



Useful reference

CIPFA Bulletin 14 – Closure of the 2022/23 Financial Statements

Published March 2023

Appendix 2: Project Plan for Implementing IFRS 16 Leases

The Chartered Institute of Public Finance & Accountants
cipfa.org

CIPFA Bulletin 14

March 2023

CIPFA issues this bulletin to provide requirements of the United Kingdom (SeRCOP) and urgent accounting intended to be the formal statement.

Please address CIPFA members at technical.enquiries@cipfa.org

The Chartered Institute of Public Finance & Accountants provides guidance throughout the accountancy firm effectively and accountancy firms are the foundation of performance in clear advice and finance by strong governance.

Appendix 2

Appendix 2: Project plan for implementing IFRS 16 Leases

Action	Description	Dates
1	<p>Establish a project team</p> <p>Establish a project team to implement IFRS 16 reporting to the CFO and other relevant groupings (eg the Audit Committee) on progress on the plan. This should include:</p> <ul style="list-style-type: none"> relevant members of the finance team (including capital finance and those preparing the financial statements) property managers within the authority, including the assistance from experts in measurement of property, plant and equipment IT managers to assist with systems assessment key services holding major leases prioritising contract managers. <p>Note that there may need to be a sub-group of the project team dealing with the financial reporting implications.</p>	April 2023
2	<p>Establish the governance for the project team</p> <p>Ensure that the governance for the project team is clearly established with appropriate reporting arrangements to the CFO and as necessary to local authority management (Cabinet) and the Audit Committee.</p>	April 2023
3	<p>Undertake a readiness assessment for implementation of IFRS 16</p> <p>Project team to undertake a readiness assessment for implementing IFRS 16. This might require revisiting an earlier project plan. Key questions the readiness assessment might undertake are:</p> <ol style="list-style-type: none"> Is the authority able to locate all its leases or contract documentation that might contain leases? What systems will it need to manage the leases and the information contained therein to implement the standard? (This will include contract management systems, asset management systems and changes to the financial reporting systems.) An assessment of the accounting requirements, what this will mean for the financial statements and the prudential framework including the capital strategy. Note that this will not just include finance staff but should be considered across directorates. 	Complete by end of April 2023



IFRS 16 Leases – A valuer’s perspective

CIPFA Property Training Network event

Date

10 October 2023

Starts: 10.00

Ends: 16.00

Location

Webinar





Public Sector Asset Management

Now taking bookings for
Winter 2024 course

- Module 1 Strategic Asset Management, Introduction and Organisation
- Module 2 Development of Documentation and Asset Management Challenge
- Module 3 Business Case Development and Option Appraisal
- Module 4 Capital Projects and Maintenance
- Module 5 Data and Performance
- Module 6 Operational vs Non-Operational Property
- Module 7 Asset Management Today



CIPFA Property is one of the UK's leading public asset management partners, with a unique heritage in public finance and local government stretching back over 125 years. We are trusted in helping deliver efficient asset management for the public sector.



Email: property@cipfa.org

