



IFRS13 – LATEST CHANGES IN THE WORLD OF LOCAL AUTHORITY ASSET VALUATION, PART TWO



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CIPFA Property: www.cipfa.org/services/property

Chris and Susan from CIPFA complete their detailed guidance for valuation practitioners for local authority accounting purposes, who say: “the requirements are so significant and far reaching that any accountants that postpone thinking about them is likely to get themselves into a pickle.”

In the last issue of Terrier we published the first part of a two-part article on the adoption of IFRS13 by the CIPFA Code, and the impact on the valuation of local authority property assets. Those of you that read the first part of this article will recall that while the CIPFA Code fully adopts IFRS13, it does so only for certain classes of property asset, namely Investment Property; Non-Current Assets Held for Sale; and Surplus Assets. We looked at the main changes brought about by IFRS13 in

terms of valuation basis and the new definition of fair value.

In this second and final part of the article we move on to look at the areas of accounting disclosures, valuation hierarchy and valuation inputs.

The adoption of IFRS13 in the 2015/16 CIPFA Code introduces some new terminology and some new requirements. While these are accounting requirements there is no avoiding the fact that this is likely to change the way local authority valuers think about and record their asset valuations.

Although disclosures aren’t required until financial year end – in other words when the statement of accounts is being compiled – the requirements are

so significant and far reaching that any accountants that postpone thinking about them is likely to get themselves into a pickle.

Equally any valuers that find themselves in a situation where their accountants have not thought through the disclosure requirements of IFRS13 and how they intend to manage the process, are likely to find themselves having to spend a lot of time at the end of the valuation programme undertaking further work. This might even include undertaking fresh valuations.

So the simple point to be made is that local authorities – both accountants and valuers - need to be thinking about IFRS13 disclosures now.

There are a number of accounting disclosure requirements. We are not going to recite all of them in this article, but we are going to run through the key ones that will impact on the life of the local authority asset valuer. These disclosure requirements introduce the local authority asset valuer to new terminology such as *valuation techniques*, *valuation input hierarchy* as well as *observable inputs* and *unobservable inputs*.

What are valuation techniques?

Although IFRS13 adopts the term *valuation techniques* there is nothing terribly new in this that should cause any concern to the experienced asset valuer. IFRS13 talks in terms of 3 'widely used' valuation techniques namely: market; cost; and income. The term is nothing more than the valuation method adopted by the valuer.

Of course those still with a copy of *Modern Methods of Valuation* on their bookshelf will be more familiar with 5 methods of valuation, rather than 3. But there is no actual conflict between these valuation techniques and the more familiar 'valuation methods' and in fact IFRS13 does say that the authority should use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

What is a valuation hierarchy?

IFRS13 introduces the concept of the *valuation input hierarchy*. Valuation inputs are essentially the information, data and knowledge that the valuers use to arrive at their opinion of value. As most valuers will know, the source of such information, data or knowledge can vary and also differ in terms of quality and reliability. The valuation input hierarchy seeks to categorise those inputs and as the level on valuation inputs are required, in certain specified circumstances, to be disclosed in the statement of accounts, then this creates a whole new way of thinking for local authority asset valuers and will reshape how information is used and how the valuation narrative is recorded.

The valuation input hierarchy comprises 3 separate levels, as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for items identical to the asset being measured
- Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are directly or indirectly observable
- Level 3 inputs are unobservable inputs.

IFRS13 states that the distinction between the levels in the hierarchy is simply to inform readers of the accounts about the nature of inputs, and classification at level 3 does not imply that the valuation is of lower standard. The hierarchy is not a measure of valuation quality, and classification at level 3 does not imply that the asset is less liquid than others.

What are observable inputs and unobservable inputs?

IFRS13 requires that in selecting the appropriate valuation techniques, *unobservable inputs* shall be used to the extent that relevant *observable inputs* are not available. It goes on to say that the valuer should be looking to maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It is the nature of the valuation inputs (whether observable or unobservable) that determine which level the valuation will sit in the valuation inputs hierarchy.

Observable inputs are those inputs "... developed using market data, such as publicly available information about actual transactions..., that reflect the assumptions that market participants would use..."

Unobservable inputs are those inputs "...for which data are not available and that are developed using the best information available about the assumptions that market participants would use..."

IFRS13 does not provide a great deal more by way of explanation that the

above definitions, and so if you are new to IFRS13 then you might find it tricky to get your head around what this actually means. Our interpretation, which we accept might not necessarily be shared by all, is that an observable input is an input or adjustment that can be observed in the market, as opposed to an input or adjustment that is based on the judgement of the valuer, which we would regard as being an unobservable input.

By way of an example, the valuer in considering comparable evidence in order to bring that comparable on level terms with the asset being valued, will make many adjustments and allowances. If these adjustments can be evidenced, such as a different rate per sq m based on the difference in size of the comparable to the asset being valued, then this would seem to be an observable input. One might well take a similar position on other more common adjustments around user clause, maintenance liabilities, alienation clauses and the like where the valuer is making an adjustment based on evidence that can be observed in the market.

In other words, where other valuers would make similar adjustments, meaning that potential purchasers in the market would also make those adjustments, these are likely to be observable inputs.

The key difference between an observable input and an unobservable input is that the former is evidence based. So if for example the asset valuer is inclined to make an adjustment or use a piece of information which cannot be verified or evidenced by reference to the market this would be an unobservable input. Being an unobservable input does not mean that the input or adjustment should not be made, nor that the end valuation is in any way of lesser quality, but it does have implications for reporting the valuations in the statement of accounts, and in particular the accounting disclosures.

So what are the key accounting disclosures that valuers should be aware of?

Set out below are some of the more significant disclosure requirements under IFRS13. But these are by no means all of the disclosures and we would recommend a thorough review of the CIPFA Code. We would also suggest that it might be wise to read through and seek to understand the relevant sections of IFRS13 itself, if you can get hold of a copy.

Disclosure requirement 1

This requires that the authority shall disclose information that helps users of its financial statements assess both of the following:

- For assets and liabilities that are measured at fair value on a recurring or non-recurring basis, the valuation techniques and inputs used to develop those measurements
- For recurring fair value measurements using significant unobservable input (Level 3) the effect of the measurements on surplus or deficit for the Provision of Services or Other Comprehensive Income and Expenditure for the period.

Commentary: This is a general disclosure requirement that provides the high level expectations, below which some of the other disclosure requirements sit. What is clear is that somewhere the range of valuation techniques used will need to be disclosed in the statement of accounts, and where you have used level 3 (unobservable) inputs the accountants will need to discuss with you what the implications of that are.

Disclosure requirement 2 states that in order to meet disclosure requirement 1 the authority shall consider: the level of detail necessary to satisfy the disclosure requirements; how much emphasis to place on each of the various requirements; how much aggregation or disaggregation to undertake; and, whether users of financial statements need additional information to evaluate the quantitative information disclosed.

Disclosure requirement 3

In order to meet disclosure requirement 1 an authority shall disclose after initial recognition in the Balance Sheet, at a minimum, the following information for each class of asset and liabilities measured at fair value:

- For recurring and non-recurring assets the fair value measurements (its value) and for non-recurring assets the reasons for the measurements
- Level of fair value hierarchy within which the fair value measurements are categorised in their entirety.
- The amounts of any transfers between Level 1 and Level 2 of fair value hierarchy, the reasons for those transfers and the authority's policy for determining when transfers between levels are deemed to have occurred
- For Level 2 & Level 3 fair value hierarchy a description of the valuations technique(s) and the inputs used in the fair value measurement. If there has been a change to technique or the use of an additional technique then need to disclose that change and the reasons for making it
- For Level 3 then need to provide quantitative information about the significant unobservable inputs used in the fair value measurement
- For Level 3 measurement, a description of the valuation processes used by the authority (including, for example, how an authority decides its valuation policies and procedures and analyses changes in fair value measurements from period to period)
- For level 3 a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other un-

observable inputs used in the fair value measurement, an authority shall also provide a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value. To comply, this narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed when complying with bullet point 5 above

- If the highest and best use of an asset differs from its current use, an authority shall disclose that fact and why it is being used in a manner that differs from its highest and best use.

Commentary: This set of disclosure requirements provide more detail on the expectations in disclosure requirement 1 above. You need to record the hierarchy within which each asset valuation falls, so that these can be grouped together into (probably) tabular format in the statement of accounts, and if assets have moved between levels in the hierarchy, why this is.

Alongside this you will need to be recording the various valuation techniques used and if these have changed since the last valuation, why this was.

Where you have asset valuations within level 3 of the hierarchy you will need to provide fairly comprehensive information around this.

Finally (and this is more of an asset management issue than a valuation issue) where you have valued an asset at highest and best use and this value differs from the actual use to which the asset is being put (see examples of this in part one of this article in 2015 Spring Terrier) then the statement of accounts needs to state this and the reasons for it.

Summary

There is quite a bit in IFRS13 for the local authority asset valuers to get their heads around, not least some of the new terminology and what that terminology means. As well as being

new to the valuers, the language and requirements are going to be equally new to many local authority accountants. So the 2 professions will need to work together to seek to understand the implications of IFRS13, and what this means in practice for you and your asset valuation programme in 2015/2016.

There is a danger that accountants will view the changes as relating to disclosures and as a result could be reluctant to engage with valuers until it is too late. The changes mean that valuers have to think differently about their valuations, the valuation inputs used, how these should be categorised within the valuation input hierarchy as well as potential changes to the way

assets are grouped together as a result of the new fair value definition.

In order to make the valuation programme as efficient as possible and to avoid duplication of effort and lots of extra work right at the end of the financial year, it is important that work starts on this now.

We would also recommend that early dialogue starts with your auditor on the implications of IFRS13, how you are going to implement the changes, and the new accounting and valuation policies and procedures you are going to adopt. Because IFRS13 has been in place in other sectors since January 2013 some auditors may already have experience and may have certain

expectations on how they anticipate the changes being implemented. One thing is for certain, as this is a new accounting standard, auditor attention is likely to be high and there will be plenty of potential slips and trips that can be avoided with proper planning.

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LEGAL SNIPPETS

Below are extracts from Mills and Reeve "Property Matters" which are of relevance to public sector property professionals. My thanks to Mills and Reeve for letting me reproduce them.

Mills and Reeve Property Matters www.property-matters-law.co.uk

When you need a bit more time... consider a reversionary lease

Consider a commercial lease that will expire in 2017. The tenant's business is thriving. It already knows that it will need the premises for a further period.

The landlord is content with its tenant. The tenant has a track record of reliable rent payments and has complied with lease covenants. The landlord is mindful that it may be costly to re-let the premises in 2017. There may be a void period between tenants where the landlord would lose out on rent and may be liable for business rates.

Why not vary the existing lease to extend the term? This would trigger an implied surrender and re-grant of the lease, with unintended tax, land registration and other consequences for both parties.

The solution may be to complete a reversionary lease now, for a further term commencing in 2017 immediately following expiry of the existing lease. The reversionary lease will usually be on the same terms, other than the rent. The parties may agree the rent for the further term now. Alternatively they can include a rent review on the first day of the new term in 2017 to fix an appropriate market rent at that point.

On expiry of the existing lease the parties' relationship will move seamlessly to be governed by the reversionary lease. This will leave them free to pursue their respective business interests rather than deal with the uncertainties of a lease renewal.

Rights of Way: Court rules that the right to close gates can be an easement

Disputes over rights of way are common and often make their way to the courts. In the case of *Bradley v Heslin* (2014) the court was asked to decide whether a party using a right of way over a shared driveway could also close the gates across it that had been put up by its predecessor as a security measure. The gates were on the neighbour's land but nonetheless the court ruled that the right to close the gates existed and that this right had the status of a formal easement in law.

This confirms the legal position that the courts will continue to recognise new types of easements. Examples have included:

- a right to hang a clothes line
- a right to have a fence repaired
- and even a right to create a nuisance by noise.

In the case of the right to close gates the decision seems to have been based on either the fact that this right was linked to the existing right of way or that the original agreement and expenditure relating to the erection of the gates meant the right should continue. It should be noted that the right was allowed only if it did not substantially interfere with the property on which the gates had been erected.

Renewal leases, interim rents and the cautionary use of "subject to contract"

A recent case *Boots UK Ltd v Goldpine Estates Ltd* (2014) highlights the distinction between assessments for

interim rent under the Landlord and Tenant Act 1954 and provides a useful reminder that the phrase "subject to contract" should be used with caution.

In this case, Boots occupied a retail unit under a protected lease. They sought to renew their lease and the landlord did not oppose the application. Nonetheless, Boots applied to the court for a new lease in order to protect its position.

The court proceedings were then stayed so that the parties could negotiate terms. The terms were eventually agreed but not signed. The parties expressed the terms to be "subject to contract and without prejudice". The court was informed of this and that the only outstanding issue between the parties related to interim rent.

However, the county court found that as the terms remained subject to contract the court could determine the lease terms notwithstanding they had already been negotiated between the parties. In addition the court ordered an assessment of interim rent under section 24D of the 1954 Act, meaning the court could set the rent on a year by year basis.

On appeal from the county court, it was found that the parties had agreed terms and the court ordered the landlord to grant a new lease on those terms and directed an assessment of the interim rent under section 24C of the 1954 Act, meaning the eventual agreed rent for the new lease would be backdated.

On further appeal the court of appeal agreed with the original decision that the parties had not agreed terms. The correspondence between the parties' solicitors showed that the terms were

not agreed for the purposes of the 1954 Act, and that they knew that they might not be binding. Therefore, the court had an absolute discretion in determining the terms of the new lease.

On interim rent, the court of appeal agreed with the appeal judge that assessment under section 24C applied as the landlord had not opposed a new lease. An assessment under Section 24D applies where a landlord has opposed the lease renewal and the county court judge was wrong to initially direct such an assessment when this was not the case.

The case is a helpful reminder on 2 issues:

1. A contract can be created if the parties' conduct demonstrates that a contract is in place and they may be bound notwithstanding the use of "subject to contract".
2. The distinction between the methods for assessing interim rent. A Section 24D assessment of rent (when the lease renewal is opposed) has a cushioning effect and tends to produce a rent that is below the rent ultimately payable under the new tenancy. Under section 24C (when the landlord agrees the renewal), the general rule is that the interim rent will be the rent payable under the new tenancy: this provides an incentive for landlords to only oppose renewal with good reason.

Structural works to leasehold property – protecting the landlord

Tenants will often want to carry out works to a property when they move in so that it is fit for their occupation. But what if a tenant wants to make alterations to something other than the demised property, - for example to the structure?

Unless the lease provides the tenant with the right to carry out structural or external alterations, the landlord is not obliged to agree to them, and doesn't

have to be reasonable in its refusal. If a tenant wants to make alterations to something outside of the demised area, the situation is the same.

But what if a landlord is relaxed about agreeing to the proposed changes – what sort of things does it need to consider?

Along with ensuring that the works won't have a negative impact on rent review - and that no other consents are required (either under the lease or in respect of planning) - a landlord should be considering the basis on which it is agreeing to the alterations.

Any consent should contain a reinstatement provision, requiring the tenant to put the property and structure back in the condition it was in before the works were carried out. Without this, a landlord will be left picking up the tab to return the property to a lettable condition, and any repairs to the structure – something no landlord will want!

In addition, a landlord may want an added level of protection so that it can be certain that the works are completed to an acceptable standard, and also reinstated upon the tenant departing. This can be achieved by:

- a) the landlord taking responsibility for the works, with the tenant paying for them; and/or
- b) the tenant paying a bond to the landlord to cover the cost of such works being satisfactorily completed, and reinstated on expiry of the lease.

Landlords should bear in mind that, in such circumstances, the onus is on the tenant to satisfy the landlord's requirements. Should the tenant fail to do so, the landlord can just say no!

New laws to help save £21 billion a year pub industry

In January 2015 the government announced proposals to bring forward new planning laws to secure the future of public houses. Planning laws will be changed to ensure pubs cannot be demolished or have their use converted

without securing planning permission.

Currently public houses can be registered as an asset of community value (ACV) by local interest groups. When an ACV is put up for sale there is a 6 month period in which the local community can bid to purchase the property.

Despite this right to bid (sometimes referred to as a right to buy), communities may still lose their public house because of current planning laws. At the moment ACVs are subject to permitted development rights. This means that the change of use or demolition of a pub could have automatic approval and does not require planning permission.

However the government intends to introduce legislation which removes these permitted development rights for pubs listed as an ACV. Consequently any change of use or demolition of public houses will require a planning application and permission. This will close a loophole that previously allowed owners to automatically change use, for example from a public house to a retail shop.

DCLG has issued a press release on this issue. MP Kris Hopkins made clear that "communities should be given the right to consider planning applications when changes are proposed to the use of their listed locals." The new laws would mean members of a local community can offer their opinion on planning applications. In addition planning authorities could properly consider the application in light of local policy.

More than 600 public houses have already been listed as ACVs and the change in planning law will help to bolster protection afforded to the industry. The news arrives shortly after the unveiling of a code of practice for tied leases in pubs. Together these represent a significant move designed to protect public house properties. New secondary legislation is expected shortly to effect these changes.



This history has been produced by Richard Allen, who will be standing down from his position of Branch Secretary at the end of the year. Richard joined ACES in 1997, was Branch Chair in 2001/03, ACES National President in 2004/05 and has been Branch Secretary since 2007.

AT THE HEART OF MANAGING PUBLIC PROPERTY FOR THE PUBLIC GOOD SINCE 1987: A HISTORY OF THE ACES HEART OF ENGLAND BRANCH

Richard Allen

Formation

No minutes have been kept from the early years but it has been established that the first meeting to discuss forming a branch took place in 1987. It was hosted by and held in the office of Philip Mason, the then Assistant Director of Technical Services (Land) at Nottingham City Council. Among those present at the meeting were Hugh Davis (Milton Keynes), Peter Seddon (Oxfordshire), Tony Schrier (Northamptonshire) and Bob Entwistle (Wellingborough). It was decided to appoint a Branch Chairman, Secretary and Treasurer. The Chairman would serve for 2 years with a Chairman designate to serve as Vice Chairman for the years prior to and after holding office. The branch subscription was £5 and in the early years was collected by the Branch Treasurer.

Meetings

From its formation, the aim of the branch has been to hold regular meetings to network, share best

practice, exchange views and provide mutual professional support. The geographical size and diverse make-up of the branch membership determined that meetings be hosted by different members and move around the branch area. The area includes the largest city local authority in the country and ranges through metropolitan and county authorities down to districts, some with just a handful of properties. Meetings have been held in obvious buildings such as county, city and town halls. But they have also been held in museums (Wellingborough) theatres (Nottingham Theatre Royal, Dunstable Grove, Wellingborough Castle), business centres (Nottingham Lenton, Derby Friargate Studios, Derbyshire, Markham Vale Environmental Centre, Coventry, Staffordshire Forest of Mercia Innovation Centre, Oakham Enterprise Park), homeless hostel (Derby Milestone House), football stadium (Wolverhampton Wanderers), recently opened new local authority offices (Nottingham Loxley House, Hinckley Hub) or refurbished offices (Leicestershire County Hall,

Worcestershire County Hall), and a range of community centres (West Bromwich the 'Public', Wolverhampton Blakenhall Community Centre). These meetings have often included a presentation on and tour of the venues.

Other meeting locations have included Luton, Bedford, Milton Keynes, Kettering, Mansfield, Matlock, Burton, Redditch, Telford, Oxford and Chicksands. Perhaps the most remote location, being on the very edge of the branch boundary, and yet one of the best attended, was Ross on Wye in the late 1990s. The best attended meetings generally have been those held more centrally and particularly in Birmingham. In 2009 Jones Lang LaSalle hosted a meeting in its Birmingham office which attracted 20 members.

Initially it was general practice to first meet for a buffet lunch and informal chat at the host venue, followed by the formal business meeting in the afternoon. These meetings were held

4 times per year. To justify the time and distance some members have to travel, in 2004 it was decided to move to all day meetings with topical presentations and/or visits of interest in the morning and a general meeting in the afternoon. Since 2012 the number of meetings has also been reduced to 3 a year.

Members from what is now the Eastern branch area joined the Heart of England Branch until 1992 when their own branch was formed. One of the first meetings was held in Lincoln and the first secretary was from Peterborough, both now in the Eastern Branch area.

Themes and topics

In the early years meeting topics and issues were valuation, regeneration and general estate management. At the start of the 1990s the rating revaluation, CCT and best value featured strongly, to be succeeded by asset management which was the main topic and challenge to members between the mid-1990s and 2008. Since 2008 the implications of the recession and public sector cutbacks for property services and the market have featured most prominently.

Standard items on the agenda at branch meetings for the last dozen years have been 'asset management' and 'property and valuation' matters. Under asset management there have been discussions on performance indicators, single capital pot, role of the corporate property officer, asset management systems, incentives to release property for disposal, use of asset rents, area asset management plans, comprehensive performance assessments, RICS guide to local authority asset management, the 'Quirk' review and community asset transfer, peer reviews, corporate landlord, benchmarking, comprehensive spending review, localism agenda, estate office structures, shared disposal and occupation policies, total place, performance management, raising the profile of property and achieving budget savings through property strategies.

There has been a myriad of discussions

under the 'property and valuation matters' heading which have included outsourcing right to buy valuations and fees paid for service, asset valuations for financial accounting, rating of leisure centres, UPRN, legionella and asbestos surveys and logbooks, development agreements for city centre retail development schemes, housing stock transfer, disposals at less than best consideration, fire risk assessments, travellers sites, leasehold reform act, service charges, voluntary land registration, securing development through a development agreement, disposals of public open space, renewal of substation leases, restrictive covenant releases, commercial lease code, energy performance certificates, 3G masts, asset impairment, wind farms, DRC spreadsheets, whole life costing, peer reviews, framework agreement for estates services, community right to buy, RICS valuers accreditation scheme, land auction pilots, asset valuation priorities and programmes, recession and market downturn, 'Portas' high street review, mobile phone masts, transfer of schools to academies, support for economic development and small and medium enterprises, conditional break clauses in leases, implication for property of VAT changes and the specific valuation of over-sailing rights, ground leases, highway depots, land for affordable housing, free schools and scrap yards, and setting up of 'promotional agreements' to maximise planning potential and maximise development value, Openness of Government Regulations 2014 and RICS auditing of asset valuations.

Presentations

There have been many presentations over the years on a wide range of topics from branch members, local government and the private sector. In chronological order these have included the Role of the DVS, Birmingham Eastside and Bullring Shopping Centre, Production of AMPs, Wolverhampton Property Partnership, Freedom of Information Act and Prudential Borrowing, Birmingham City Accommodation Strategy, Creating value from local government property, GIS and its application

to service property, Planning and development of a customer service centre, Community Asset Transfer of the Lenton Community Centre, Development of elderly person villages, Markham Vale regeneration Project, Putting value in place - local authority property investment, Administration of regeneration projects, Derby City Centre Regeneration, Shared services, Making the most of the property portfolio during a recession, Birmingham Transformation Programme, Negotiating property deals in the electricity industry, Public markets for the public good, Regeneration of West Bromwich town centre, Benefits of mediation, Establishment of the Leamington Justice Centre, Benefits of membership of the British Council for Offices, Regeneration of Kettering, Capital and Asset Pathfinder Programme, Leicestershire 'Workwell' Office Strategy, Viability appraisals and assessing s106 payments and affordable housing requirements, Sandwell TNRP Review, Nottingham City Council Workplace Strategy, Joint venture models to unlock value, Tools for economic growth, Introduction of CIL and implications for s106 obligations, Better use of property in Worcestershire, Corporate real estate management in the public sector, Regeneration of Blakenhall Gardens area of Wolverhampton, Regional growth and unlocking the potential, Setting up and moving to a new joint service centre, RICS Professional ethics, Public sector collaboration through the 'One Public Estate' initiative, Regeneration through collaboration, Oakham Enterprise Park, Growth and development in Bedford and Collaborative asset management through property partnerships.

Guidelines

Led by Tony Wood from Wolverhampton City Council, in 2002 the branch produced 'Guidelines for Minor Disposals'. As a project, the branch also produced, with input from members of the Eastern, South West and South East Branches, the 'ACES Guidelines for a local authority property assets disposal strategy' which was featured in 2009 Summer Terrier.

Publications

The branch has been a regular subscriber to the Terrier with the speakers usually submitting a resume of their branch meeting presentations to this journal. This high level of support has on many an occasion been achieved by the Secretary changing a 'powerpoint' presentation into a word document that would then be developed into an article for final editing by the speaker - who would get the credit?! [Ed - I know who's done all the work!].

ACES Presidents and Council

The national President has visited a branch meeting most years. Four branch members have honoured the branch by serving as national President; Ian MacDonald, Leicestershire (1991-92), Derek Rowell, Bedford (1995-96), John Arnold, Oxford (1997-98) and Richard Allen (2004-05). A number of members have played significant roles on ACES Council, none more so than Malcolm Williams, who was Branch Chair in 1993-95 and is also a past president of COPROP.

National Conferences

On 4 occasions the branch has hosted a national conference; Coventry (1989), Nottingham (1994), Worcester (2002), Birmingham (2008) as well as Presidential Conferences in Oxford (1998) and Nottingham (2005).

ACES Award for Excellence

Two authorities have won the ACES Award for Excellence. In 2001 Malcolm Newman, of Birmingham City Council won for his 'Excellence in property management' and in 2008 Adrian Stringer of Wolverhampton City Council for his 'Ward Street Regeneration Area Project'. Adrian also gave a presentation on his winning topic at the national ACES Spring Conference in Glasgow the following year.

Membership and attendance

Membership has fluctuated over the years from over 50 in the mid-1990s to just over 30 at the end of the noughties.

The average attendance at branch meetings since 2001 (there are no records prior to this date) is around 16 with the highest recorded being 24 at Dunstable in 2001 and lowest 9 at Sandwell in 2007.

Branch Officers

Since its formation the branch has been led by 14 Chairs:

1987-1989 Philip Mason, Nottingham City Council

1989-1991 Hugh Davis, Milton Keynes Borough Council

1991-1993 Bob Entwistle, Wellingborough Borough Council

1993-1995 Malcolm Williams, Worcestershire County Council

1995-1997 Peter Manley, Sandwell Metropolitan Borough Council

1997-1999 Lee Dawson, Wycombe District Council

1999-2001 Peter Murch, South Bedfordshire District Council

2001-2003 Richard Allen, Nottingham City Council

2003-2005 Tony Wood, Wolverhampton City Council

2005-2007 Peter Hirst, Derbyshire County Council

2007-2009 Ray Ashton, East Staffordshire Borough Council/Derby City Council

2009-2011 Steve Meynell, Derby City Council

2011-2013 Peter Burt, Central Bedfordshire Council

2013-2015 David Willetts, Sandwell Metropolitan Council.

Metropolitan - Sandwell

County - Worcestershire, Derbyshire, Central Bedfordshire

Unitary - Nottingham (2), Derby, Milton Keynes, Wolverhampton

District - Wellingborough, Wycombe, South Bedfordshire, East Staffordshire.

There have been 5 secretaries:

1987-1990 Ian Wilson, Peterborough City Council

1990-1994 Roy Samuels, Shropshire County Council

1994-2002 Derek Wilson, Northampton Borough Council

2002-2007 Judith Bayes, Northampton Borough Council

2007 to date Richard Allen, Nottingham City Council and retired.

And 5 Treasurers:

1987-1992 Peter Seddon, Oxfordshire County Council

1992-1997 Dale Reynolds, Aylesbury Vale District Council

1997-2005 Peter Manley, Sandwell Metropolitan Borough Council

2005-2008 Carol Bramley, Leicestershire County Council

2008 to date Richard Allen.

Note: As it has not been possible to locate any of the early minutes, the post holders and dates prior to 1998 are based on information provided by original members and so the accuracy cannot be guaranteed.

The Future

For the foreseeable future the principal focus for ACES will be supporting its members to drive a better performance from the public estate, deliver efficiency savings and

contribute to the growth agenda. But as ever increasing demands are placed on its members to achieve more for less, the need for support from ACES, the only professional property body that is exclusively dedicated to public property, has never been greater. To play its role, the branch has recently adopted a mission statement: **To promote and support the corporate role of branch members, as both strategic asset and general public sector property managers, to achieve the highest standards of performance; through the provision of professional**

development and the sharing of best practise through networking, holding regular meetings and exchanging views. It has also produced an Action Plan to deliver this mission statement, promote the benefits of ACES and to increase attendance at branch meetings and national conferences. The challenge now is for its members fully to support these initiatives. And in doing so secure a positive role and future for the branch.

Ed – Many thanks Richard for this detailed resume. It's only when an ACES member sets down all the areas of professional expertise that you realise just how satisfying a public sector surveyor's career can be. It also illustrates the value of attending branch meetings as well as the annual Presidential Conference. And of course, the quality of the Terrier, for which I thank ACES members' contributions and those from the private sector. Keep them coming...

THE SUFFOLK SCRIBBLER

The importance of maintaining contacts

The background to this important sale was fully described in "Sales: Due Diligence" published in 2009 Autumn Terrier. The property involved was a major office building with accommodation on 3 floors, built in 1937. Original building plans and plans of a major 1960s extension were to hand with a copy of the planning consent and news reports on both the original build and the later work. And I had a lot of information on all those interesting little details than enliven sales particulars.

I knew the building of course but nonetheless took the opportunity to inspect the property formally with the building surveyor who had looked after it for many years, then with the head caretaker, and with the benefit of hindsight I remembered that twice when inspecting the basement I asked, "What's that in there?" and was told "Oh that's the electricity substation room." On the outside of this space there was an array of electricity meters that proved the point. "Can I look inside?" "No, it's full of dangerous electric equipment, and we don't have a key."

It was only when a sale had been agreed that it became apparent that the "electricity substation room" was in fact an operational substation in the freehold ownership of EDF! My

previous paper identified above sets out the details of how this occurred. Upon asking EDF how we might regularise the position so that our sale could continue without delay and its operation could be safeguarded, the respondent said that they usually appointed a private consultant to advise on how to proceed.

When a consultant was named, he proved to be a former railway colleague with whom I had maintained contact over the years and so we were able to come to a mutually agreeable solution without wasting time investigating blind alleys.

Hippocalypse Now!

I have always admired the art of newspaper headline writing and the above caught my attention during the month of June 2015. You might remember the floods that occurred in Russia during that month that allowed most of the animals in some quite large zoo to escape. One of the tabloids had as its front page just a photograph of a very large and grumpy looking hippo being coaxed back into captivity with the headline Hippocalypse Now!

Perhaps it was this that caused the Times to recall some similar headlines of earlier years:

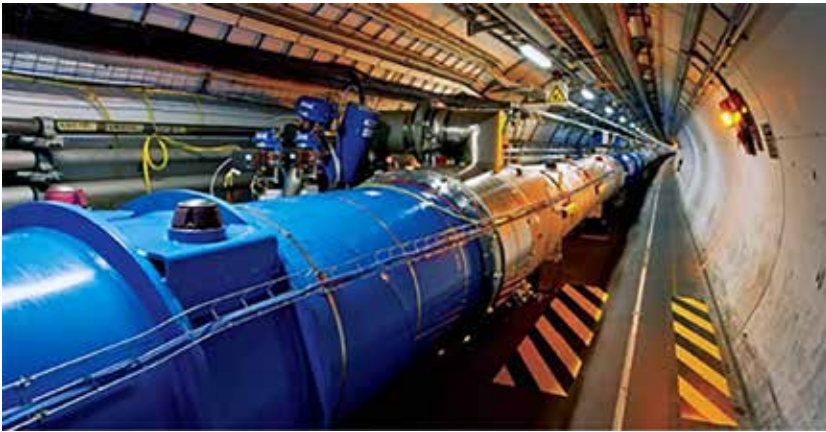
- Headless Body found in Topless Bar

- Nut Screws Washer and Bolts concerning a psychiatric patient who took advantage of a laundrywoman before fleeing
- Missing baby found in Sandwich; it's a town in Massachusetts
- One-armed man applauds the generosity of strangers
- City bus on fire – passengers alight. This comes from the Guardian (the now defunct West Wales Guardian) and is thought to be a skilful exaggeration of a mildly dramatic local story.

Here is another one that must date back to 1940. It concerns an isolated World War 2 incident where an action by the French army managed to block, even if only for a short time, the then unstoppable advance of the German army. This event was reported under the headline "French Push Bottles up Germans".

The newly enlarged Large Hadron Collider

As was suggested in my original piece "Higgs boson made interesting" (2012 Autumn Terrier) having decided that the Large Hadron Collider (LHC) may have (or presumably may not have) detected the Higgs boson, CERN (European Organisation for Nuclear Research) announced its intention



to shut down the LHC for a 2-year upgrade.

In 2015 it was announced that the upgrade had been completed and the LHC had now resumed experiments. No information is available on the nature and extent of the upgrades but it is probably safe to assume that these involved some sort of extension, a conservatory, double glazing and plenty of decking. Now that these are complete, it is stated that the LHC (or more accurately the ELHC, the enlarged Large Hadron Collider) is to run non-stop for the next 3 years, leading the search for those “missing” particles that are most likely to account for “dark matter”.

Now I reckon that the latter phrase is code for something far more prosaic. When I was young my Christmas stocking always contained a bar of Fry’s Chocolate Cream, rich dark chocolate with a fondant cream icing, hidden among the Brazil nuts and tangerines. This, I think, is the dark matter being searched for. And I haven’t seen this confection on the shelves for the last 30-40 years.

So, for the past few months I have been conducting my own search in the hopes that this might possibly assist CERN. Until a few weeks ago, all I had been able to discover was that Fry’s went out of business years ago. Then I saw the product advertised on a flyer from Farmfoods, a frozen foods supermarket. However when I got there I could find no trace of it at all, but an assistant did offer the suggestion that they had been unable to source any due to excessive world-wide demand.

So near and yet so far!

Then by chance I spotted some bars very well hidden in Waitrose. In aisle 6, left hand side, the first and bottom shelf from the check-outs to be precise. I’d better tell CERN!

More sic transit gloria mundi

In the last issue I explained the background to my entry into local government in 1970 as follows:

Back in the late 60s and early 70s I was beginning to feel that my time with British Railways in London had run its course so when an opportunity with East Suffolk County Council at Ipswich (ESCC), close to where I actually lived, was advertised I jumped at the chance. So on 2 April 1970 I was interviewed for the job but didn’t get it as they were looking for someone with compensation experience. However they were impressed with my landlord and tenant experience, which they could also use and so I was hired on that basis, subject to approval being forthcoming for an establishment increase. I duly started work as a Junior Valuer at county hall on 18 May 1970.

This explanation, however, overlooked one other vital detail, i.e. my experience with British Railways (BR). ESCC was not afraid to offer professional services to other local authorities and had for some time been acting for Woodbridge Urban District Council (WUDC) in a number of matters including a possible purchase of the disused goods shed and yard situated just outside the town centre. This was needed to provide a site for a swimming pool and sports centre and some desperately needed additional car parking.

Unfortunately despite the valiant efforts of ESCC staff, to date all approaches made over many, many months had failed to illicit any response at all from BR. On my first day my new boss was careful to mark my card on this one with the words that to get some negotiations going could be very helpful for ESCC/WUDC relations and my future.

The BR Woodbridge estate was administered from a district office in Norwich and the District Estate Surveyor was an old friend. I picked up the phone and spoke to him and explained the problem and that I was now acting for WUDC and could we discuss terms? He agreed to meet me the following week and suggested the best hotel in the town as a possible venue so he could buy me lunch. I now remember little of the negotiations that followed, other than they were completed quickly and to everyone’s satisfaction.

ESCC’s standing was greatly enhanced as a result and picked up much professional work from WUDC and other similar authorities in the county. And to complete where I started, another example of the importance of maintaining contacts.



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