ACES Terrier

The Association of Chief Estates Surveyors & Property Managers in the Public Sector Volume 25 Issue 4 Autumn 2020/21

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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 Winter Terrier. And it certainly feels like winter!

I'm pleased to take you into the new year with another bumper issue full of a wide range of topics. First and foremost, we have a report on the extremely successful 2020 On-line Conference (webinars of all 9 sessions can be viewed on the ACES' website), and the virtual address from our new President, Simon Hughes of Norfolk County Council, followed by a round-up of property case law. Let's hope that Simon gets to have at least part of his year in a more 'normal' way.

I'm quite excited to feature a set of articles and case studies on how the public sector can help buck the dominance of the major housebuilders through stewardship and partnerships, including modern methods of construction. Such initiatives stretch to protecting vulnerable high streets.

There are also a range of articles covering the professional aspects of our work, so hopefully something for all members and your work colleagues. It can be downloaded from the ACES' website www.aces.org.uk/library/

As at the moment ACES' Terrier is only available electronically, our publisher, Marcus Macaulay, has stepped up on making it more interactive. And so have I – there are 2 links to films of a drone trip across the Landschaftspark, and how to manufacture and erect on site a modular home in 4 minutes!

While every reasonable effort has been made to ensure the accuracy of the information and content provided in this document at the date of publication, no representation is made as to its correctness or completeness and no responsibility or liability is assumed for errors or omissions.

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Cover photo: Simon Hughes, President of ACES.
Photo supplied by Simon

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PRESIDENT'S KEYNOTE ADDRESS
On-line, 13 November 2020

Simon Hughes president@aces.org.uk

Peter introduced Simon as a "consummate professional". Having been seen to wear the presidential chain of office in Manchester 2 days before, Peter virtually passed on the silverware to Simon in Norwich, courtesy of DHL, with a request that the membership give him the support he has received over the past year.

Thank you, Peter, and thank you to all of you at ACES who have joined us today, especially our sponsors. I think we have all spent enough time over the last few months in various Zoom and Teams meetings, so I will keep my keynote address brief.

Various former presidents have said that delivering this speech is both the best and worst part of their presidency – so while we don't have the grandeur of Glasgow City Hall or Fieldfisher's offices this year, it does mean that I don't have to deliver the speech after several glasses of wine.

I would just like to start by extending some thanks to a number of key people in ACES, particularly Peter for his presidential year, which as he mentioned, has been at best unusual. I think the disappointment of not being able to meet for the annual conference in Manchester has quickly subsided with the excellent virtual conference – helping ACES to reach our widest audience ever. Peter has dealt with this year in his stoic manner and within the ACES executive, we have been very aware that it has been a challenging time to keep the organisation running. So on behalf of the membership I would like formally to say thank you and 'virtually' pass on a hamper of some of the finest British food - from Norfolk naturally; actually some products are from Norfolk County Council's farms. It will be heading your way in time for Christmas, Peter.

I would also like to thank Trevor for his ongoing support, as well as all of those ACES members, particularly those who have retired, for their contribution. We do of course need to thank Betty for her ongoing commitment to producing ACES' Terrier, which in the spirit of the times, has moved from a physical publication to a fantastic new virtual magazine.

I would of course like to thank my colleagues from ACES Eastern Branch for their ongoing support, not least in planning the 2021 conference. Despite the received wisdom, Norfolk is not an insular place and I would like to thank my employer Norfolk County Council for encouraging staff to participate in groups like ACES, to help learn and spread best practice. And I would like to thank them for their support during my presidential year.

Peter covered in his annual report the excellent work that public sector property teams have done in supporting the national response over the last 8 months or so. I would also like to thank our private sector colleagues and our supply chains for their support as well. We have seen the breakdown of many organisational barriers from my side of the fence, from property teams in health, blue light services, local and central government. We saw people across all sectors working towards a common aim, something we want to build on. ACES is well placed to lead on this agenda and Neil Webster, ACES' Business & Marketing Manager, is set to broaden the membership further.

So, looking forward – I was always wary of the various opinion pieces on how Covid was going to bring around or support every type of change imaginable. It has, however, accelerated the pace of existing trends and none of us quite know the end state. Aside from the economic and political uncertainties Covid has brought, we would expect to see greater arguments for devolution (and the associated restructures), the 'levelling up' agenda, as well as changes to the Public Works Loan Board and the planning system. The public sector has so far been shielded from the worst economic impacts, but it does not feel like a quiet year ahead. Again, ACES is well placed to support in the development of whatever the policy responses are – leveraging strategic and commercial expertise, alongside practical knowledge of delivery across the country.

Although 2020 has of course been the year where the many councils, partners and government bodies that make up ACES, turned their hands quickly to deliver:

- Pop up hospitals
- Temporary mortuaries
- Food distribution hubs
- And now testing and vaccination sites.

In some really testing circumstances, we did of course also keep our critical front line staff safe in our buildings; we kept our disposal pipelines flowing; our housing companies continued to build much needed homes; we developed new community facilities, libraries, and schools; we worked on plans to regenerate our high streets; and of course kept our auditors happy by doing our valuations!

So it's been a busy year and as the soup of business continuity acronyms start to fade away, it looks like a really interesting 2021 for those working in property. If nothing else, we are probably all going to be re-writing our asset management plans and wondering what to do with all that vacant office space.

I do hope to visit all the branches - hopefully in person - over the next year. But we are looking at continuing some

of the national web-based seminars and learning and of course, I look forward to seeing you in person at the National Conference, hosted by Eastern Branch at the Bull Conference Centre in Peterborough on 23/24 September 2021. Eastern Branch is keen to encourage graduates and trainee surveyors and there will be some announcements in the new year around how we can support branches to send people to the conference.

Thanks again and I hope that we all have restful Christmas break.

Authority	Subject	Summary
Surrey Heartlands Health and Care Partnership	Partnership working	The team set up a temporary Covid rehabilitation hospital in just over a month – taking an 82-acre area and transforming it from a derelict and overgrown site to a working hospital
Manchester City Council, New East Manchester Ltd	Regeneration	Transformation of a blighted site to create a quality place with long-standing benefits to the surrounding community: 21 family homes and a new permanent base for Oasis, to help vulnerable and 'forgotten' groups
Essex Police, Fire and Crime Commissioner, Fire and Rescue Authority	Data and property management	Scorecards which provide a simple but effective means of how ECFRS can obtain important information about each of the properties, to establish goals and benchmarks for the portfolio
Greater Lincolnshire One Public Estate Programme	Partnership working	NHS partners to re-align the priorities to support C-19 set-up and facilitation of local NHS testing facilities and local mortuary sites, in tight timescales. Further projects in workplace sharing and property review
Rhondda Cynon Taf County Borough Council	Fast property delivery	Creation of a Covid field hospital, operated as an office base by 3 council departments and c500 people. The project showed working together at speed

ACES Award for Excellence 2020

Thank you to everyone who submitted an entry into the Award for Excellence 2020. I would like to thank Chris Rhodes, Senior Vice President, and Sara Cameron, Eastern Branch Secretary, who helped with the judging.

There was a wide variety of applicants – covering all of our work from regeneration, to data, to valuation, and it was as ever as difficult to pick the runner up and winner.

Physical regeneration covers a wide number of activities, but the panel felt that this applicant really demonstrated tenacity and drive in delivering a difficult scheme, with fantastic social outcomes. The Highly Commended award goes to Gillian Boyle of Manchester City Council. Unfortunately, we cannot hand you the certificate but would welcome you on stage (virtually).

Partnership working was a theme of most of the applications, but this one did stand out. Taking a derelict 82-acre site and delivering a working hospital in a month, as a Covid recovery ward with 300 beds, accommodation for 50 staff and a new mortuary facility – rightly drew ministerial plaudits – as the first NHS Seacole centre. The deserved winner is Surrey Heartlands and Health Care partnership.

President's Award

Instigated in the previous year, the President's Award was initiated to recognise individuals or one of the 10 regional branches for 'going the extra mile'. In this strange year of 2019/20, Peter felt that there could have been many recipients. However, on the principle that for ACES, the performance of the branches makes for a stronger organisation, the Executive of Eastern Branch was acknowledged as worthy winners of the President's Award. The branch has been exceptional in supporting its members through Covid, holding virtual meetings and discussion sessions almost every fortnight since lockdown.

RESPONSE TO THE PRESIDENT'S KEYNOTE SPEECH

Roger Moore RMoore@lsh.co.uk

Roger is a Director in Lambert Smith Hampton's Chelmsford office, and spends his time dealing with compulsory purchase work and land acquisition, principally on behalf of local authority and public sector clients. For the 8 years prior to 2017 he was, first, Head of Strategic Asset Management at Essex County Council, and then similarly for LGSS, the shared service organisation supporting Cambridgeshire and Northamptonshire County Councils. Roger returned to LSH in 2017 to concentrate on compensation work, helping to co-ordinate LSH's national CPO resources. He is currently supporting LSH's contracts for HS2. He is the ACES Compulsory Purchase and Compensation Coordinator, as well as being a longstanding member of the Compulsory Purchase Association.

Thank you, Mr President, for your address, and for asking me to make this short response on behalf of ACES.

As you say Mr President, it has been the most unusual of times: of Covid, of working in isolation at home, and of Zooms and Teams. Not having the after-dinner atmosphere or audience feedback makes this an eerily quiet event for me…… although, as Simon knows that I'm generally to be found watching Colchester United play at the Community Stadium, he probably thought I was well prepared for it!

What is also eerie for me, is the way that ACES presidents are starting to look younger - it must be my age, but slightly worrying to see someone I was recruiting a few years ago now making it to the august office of President of ACES. On reflection, of course, it seems to me an excellent indication of both the quality of the individual, and of the organisation, for Simon to be taking on this role at a time when innovation and change is so much at the forefront of the public sector property agenda.

When I first met Simon, he was in the key regeneration role at Basildon Borough Council, and that element of his experience is bound to serve him well, as the public sector seeks to meet the challenges of Covid. 'New ways of working' is a phrase that I'm sure we've all been hearing for many years, but never has there been such an imperative as the present.

We recruited Simon as Head of Estates at Essex County Council in 2011, where together with colleagues at the council, he helped to implement significant organisational change through the iterations of the council's property strategy.

Although I then moved on to Cambridgeshire and Northamptonshire County Councils, I stayed in touch with Simon through ACES and the One Public Estate Programme, and was impressed with how he continued to mature into senior roles at Essex council, and in particular, his skilled handling of politicians and service colleagues, skills which I'm sure will serve him well in his Presidency.

It was no surprise, therefore, to see him move into the senior property role at Norfolk County Council, and to witness the enthusiasm, dedication and continued focus on innovation that he has brought to that role.

I am absolutely without doubt that 2021 will continue to be a challenging space for property in the public sector, requiring innovative thinking, action and collaboration, but I am equally certain that Simon will provide ACES with excellent leadership in these areas in his Presidential year (once all the court cases are over of course).

I cannot propose a toast this year, but instead wish Simon and ACES continued success.

ACES ANNUAL GENERAL MEETING

Notes of the AGM held virtually on 13 November 2020

Trevor Bishop, ACES Secretary secretary@aces.org.uk

The 2020 Annual General Meeting, held online, was joined by up to 80 ACES members. The Secretary reported 23 apologies for absence. The minutes of the AGM held in Glasgow on 15 November 2019 were approved as a correct record.

Annual report of Council

The President, Peter Gregory, and Secretary presented a comprehensive report on the work of Council and the Association for the year 2019/20 which was approved by members. The Secretary thanked all the liaison officers and branch representatives for their reports and for their valuable contribution to a successful year for the Association.

The President summarised his last 12 months, in what was an unusual and unexpected year, and took the opportunity to hope for the resumption of face-to-face meetings in 2021, but running alongside the use of technology for supplementing meetings and other business of the Association. The President also thanked several officers and members for their enormous efforts and support during a difficult year.

Financial matters

The Honorary Treasurer, Willie Martin, presented his report containing the accounts for the period ending 30 June 2020, with recommendations for subscriptions for the coming year.

It was agreed to adopt the accounts as presented and to maintain the annual subscriptions level at £125 for full members, £80 for additional members and associate members, and retain the current £40 for retired members. It was further agreed to retain Wortham Jaques as the auditors for the coming year.

Annual Conference 2020

The President reported on the Annual Conference 2020. He noted that it was a big disappointment not to hold a live event after the planning that had taken place, but felt it important to provide members with the learning opportunity afforded by Conference, in a safe and suitable format. While there was a risk in using untested technology, the President felt it went reasonably well. He passed on his thanks to all that helped him in putting the virtual conference together, including the sponsors and professional speakers, without whom the event could not have been delivered.

The President added that the software used for the webinar presentations was now available for free use by the Association for 12 months and branches were invited to make use of this.

Business Plan

The Senior Vice President, Simon Hughes, presented a monitoring report on matters contained in the Business Plan. A number of targets had been achieved and the report highlighted key tasks to be addressed in 2021. The Senior Vice President commented on the key role that had been played by the public sector in the current crisis and ACES, particularly through the branches, provided an important role in fast tracking information and good practice to members dealing with Covid-related issues.

Review of renumerated officers

Council approved the review of the remuneration rate to paid officers of ACES and the renewal of the Secretary's contract with some minor changes to his duties. The meeting ratified the decisions made by Council.

Review of Business & Marketing Manager role

A review of the Business & Marketing Manager role had taken place. The 3-year appointment commenced in 2018 and ACES Council had recommended a review after 2 years. The review report detailed the actions and initiatives that had been carried out by the B&MM and commented on the key outcomes achieved. The recommendation to continue with the post for a further 12 months was approved and the renewal options for the B&MM role were delegated to Council.

Rebuild of ACES' website

The Secretary provided an update on progress with the rebuild of the ACES website. With thanks to Paul Over for his help and support, the Secretary reported on the successful launch of the new website on 1 July 2020. This introduced a new design with improved functionality and new features, notably automation of some administration such as invoicing, online payments for subscriptions and events, self-help such as posting of job adverts, and greater flexibility in tailoring the website in response to key external issues. The

Secretary reported that future maintenance and development of the website was now being arranged and members were invited to suggest improvements they would like to see.

MHCLG/ACES Working Party

It was agreed that the following members serve on the Working Party for 2020/21: Neil Webster (principal lead), Simon Hughes, and Heather McManus.

Consultations

The Senior Vice President reported on a number of consultations throughout the year. It was a quiet year in the circumstances, but important for ACES to continue with this function. A new consultation page had been added to the website where details of current, and responses to past, consultations could be found. Consultations will continue to be sent to all members to avoid exclusions and enable the capture of valuable member experience and knowledge.

Officers of the Association

The following were approved as officers of the Association for 2020/21:

President	Simon Hughes
Senior Vice President	Chris Rhodes
Junior Vice President	Helen Stubbs
Immediate Past President	Peter Gregory
Secretary	Trevor Bishop
Treasurer	Willie Martin
Editor	Betty Albon
Business & Marketing Manager	Neil Webster
Hon Auditor	Wortham Jaques

Liaison officers

The following were approved as liaison officers for 2020/21:

Compensation	Roger Moore
Valuation	Chris Brain
Rating & Taxation	Tony Bamford
Housing	Rachel Kneale
Strategic Asset Management	Lee Dawson & Jeremy Pilgrim
Commercial Asset Management	Andy Kehoe
Agricultural Asset Management	Rachel Howes
RICS	Sam Partridge & Daniella Barrow
MHCLG/ACES	Neil Webster
Post Graduate Courses	Malcolm Williams
Health	Neil Webster
Regeneration	Paul Brooks
Branch Liaison	Keith Jewsbury
Covid-19	Tony Bamford

Council membership

Following an online voting process, Tim Foster and Keith Jewsbury were elected to serve on Council for 2020/21 representing Past and Honorary members of the Association. Tom Fleming, Neil McManus and Daniella Barrow were approved as members of Council for 2020/21.

Fellowship award

A nomination had been received to confer the designation of Fellow of the Association on Antony Phillips of Fieldfisher solicitors. Jeremy Pilgrim presented the nomination, which was seconded by Chris Rhodes and detailed the service and support that Antony had given to the Association over many years. The recommendation to make Antony Phillips a Fellow of ACES was approved.

Any other business

A small number of operational matters were raised via the chat facility with regard to future virtual meetings and responded to accordingly.

The meeting closed and was followed by the conferring of ACES Fellowship on Antony Phillips, a presentation on topical legal matters by Fieldfisher solicitors [Ed – see Antony and Fieldfisher colleagues' Caselaw Round-up for 2020 in this issue of ACES'Terrier], the formal (virtual) handover of the presidential chain of office to the ACES President for 2020/21, Simon Hughes, and the announcement of the winners of the ACES Award for Excellence and the President's Award 2020. The Award for Excellence was won by Surrey Heartlands Health & Care Partnership and the Highly Commended certificate went to New East Manchester and Manchester City Council Corporate Property/Development Team. The President's Award was won by the Executive Committee of the ACES Eastern Branch [Ed – further details of the Award submissions are contained in Simon's Keynote address in this issue of ACES'Terrier].

ACES Council
22 January 2021
Virtual Meeting

ACES Council
23 April 2021
Guildhall, London
(subject to C-19 restrictions)

ACES Council
16 July 2021
Birmingham

Annual Conference
23/24 September 2021
Peterborough

Annual Meeting
12 November 2021
Cardiff City Hall

ACES MEMBERSHIP

Trevor Bishop MRICS, ACES Secretary secretary@aces.org.uk

I list below the changes in membership between 1 October 2020 and 31 December 2020.

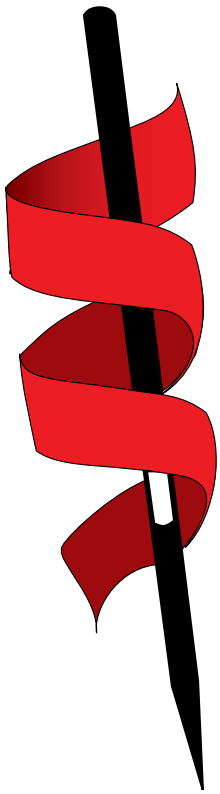
New members approved

There were 11 new applications approved during the period:

First Name	Surname	Organisation	Branch Ref
Andrew	Moir	Aberdeenshire Council	S
Dave	Beament	Associate Member	E
David	Jones	Arcadis UK LLP	NE
Michael	Hardman	Hyndburn Borough Council	NW
Stephen	Hartrick	London Brough of Haringey	L
Toks	Osibogun	London Borough of Wandsworth	L
David	Pugsley	Rhondda, Cynon, Taff Council	W
Simon	Seymour-Marsh	Surrey & Borders NHS Foundation Trust	SE
Simon	Croft	Valuation Office Agency	NE
Clare	Johnson	Valuation Office Agency	HoE
Scott	Hughes	West Lothian Council	S

Members transferred during the period.

No member transferred during the period.



'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 **for further information.**

Resignations

The following 15 members resigned during the period:

First Name	Surname	Organisation	Branch Ref
Nigel	White	ACES Associate Member	L
Keith	Beamer	ACES Retired Member	NW
Simon	Campkin	BCP Council	SW
Joanne	Duxbury	Bolton Metropolitan Borough Council	NW
Colin	Packman	Cabinet Office	HoE
Ian	Carruthers	DVS Property Services	NW
Peter	Holmes	London Borough of Islington	L
Andy	Algar	London Borough of Wandsworth	L
Marcia	Gillings	London Borough of Wandsworth	L
Ian	Evans-Fisher	Place Partnership Limited	HE
Hilary	Reid	Rhondda, Cynon, Taff Council	W
Howard	Lock	Royal Borough of Greenwich	L
Adrian	Smallwood	Three Rivers District Council	E
John	Murray	Valuation Office Agency	NE
Ross	Macdonald	West Lothian Council	S

Membership

Summary of current membership at 31 December 2020:

Total Membership	
Status	Number
Full	223
Additional	62
Honorary	33
Associate	24
Retired	44
Total	386

Fellowships

At the national AGM on 13 November 2020, Antony Phillips of Fieldfisher was made a Fellow of the Association, recognising the service and support that Antony had given to the Association over many years.

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

ACES

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ACES Editor: Betty Albon editor@aces.org.uk

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NATIONAL CONFERENCE REPORT

Public property in recovery

Betty Albon, ACES' Editor editor@aces.org.uk

This report is a summary of the presentations made at ACES On-line Conference 2020. The conference consisted of 9 sessions held between 3-11 November. Most sessions recorded between 200 and 300 virtual delegates – a fantastic conference result.

President's opening remarks

Peter Gregory, President of ACES, welcomed listeners to the ACES On-line Conference 2020. He referred to 2020 – the year of C-19: an annus horribilis, in which we have seen a series of unprecedented events, momentous shifts in so many areas of life, many of which will be permanent, and disastrous economic and social outcomes.

When considered against that backdrop, the role of the public sector asset manager does not seem that important but the message I would give now is that every little counts; that if we are doing our jobs right and doing them well, we will be doing all we can to tackle today's priorities and make a positive contribution to the needs of our communities.

Covid has massively impacted upon some areas of our work and has otherwise influenced most. Despite the dominating context, this conference is not about Covid, it is about our role in delivering all the priorities of our organisations and our communities. It is about taking a step back to review the position we are in and considering where and how we can make a difference, do things differently, improve outcomes, and challenge ourselves and each other.

To do that we have sought to provide

you with a range of excellent speakers and subjects fit to meet the challenges of the times.

We are very grateful to our event sponsors and partners – Pugh & Co, Avison Young, BNP Paribas, Norse Group, Carter Jonas, without whom this conference would not be taking place.

Session 1: Public sector property in a post-Covid world

Carter Jonas

Setting the scene: The future for the public sector – our world, our economy, our resources, Alexandra Houghton and Daniel Francis

Alexandra is a Partner, Head of Consultancy & Strategy and Daniel is Head of Research at Carter Jonas. They use their company's research and their knowledge and experience of the markets to identify and explore the challenges facing public sector property managers.

The Session 1 sponsor is Carter Jonas

Daniel outlined through a series of graphs and histograms the statistics of the current recession, which he noted was of no comparison with either of the recessions of the early 90s and 2008; the recovery time is likely to be 1-2 years.

Some facts:

- There was a -25% reduction in GDP in April 2020, reduced to -10% by August
- Unemployment is due to reach 7.3% by the end of 2020
- There are mixed occupier market trends: distribution space has expanded considerably; there is resilience in the research and development/laboratory sector; office vacancy will rise, with modest rent reduction, shorter leases, more tenant-only break options
- Capital values have decreased 4.3% since March, but there is a significant weight of money available to invest
- The retail sector has seen mixed fortunes, with a 33% increase in internet sales in May 2020; high streets have suffered, while opportunities for local, convenience, pet goods and DIY have expanded.

There will be an acceleration in structural change due to 6 drivers:

- The major risks, volatility and uncertainties of Brexit
- Planning and environment – the changes in the Use Classes Order will give opportunities, but they may be tempered by covenants in leases; there is huge potential change through the Planning White Paper proposals
- Working practices
- Demographics and the growth of household projections
- Infrastructure, particularly HS2 and electric vehicles
- The Environmental, Social, Governance (ESG) agenda.

Alexandra outlined the current challenges for the public sector, particularly concerning the economy, housing, and climate: 300 local authorities have declared a climate emergency, many committing to zero-neutral by 2030.

There has been a shift in attitudes to risk. Local authorities have been investing to provide income for frontline services. There is now a dilemma – how commercial should councils be? Is there an ethical decision to be made about rent collecting when central government has prevented some tenants from trading?

"The definition of insanity is doing the same thing over and over again and expecting a different result." (Einstein). We must think differently and consider public/private partnerships where land is retained rather than sold; alternative investment opportunities, eg bonds; adapt leases to turnover rents; develop electric vehicle charging points at forecourts, workplaces and residential outlets, which could generate £10,000-£100,000 p.a.; regeneration opportunities, particularly if rental and land values are reduced due to C-19 and consequently making regeneration more viable.

In conclusion, it is the responsibility of central and local government and the private sector to work together to help deliver change.

Keynote speech: The public sector asset manager as recovery agent, Jackie Sadek

Jackie is the Chief Operating Officer, UK Regeneration. Jackie presents a personal view on the circumstances confronting the public sector asset manager and considers how we should rise to the challenges and the opportunities. Her message is reinforced in a separate article in this issue of ACES' Terrier.

Local authorities have been beleaguered: they are reeling from long-term austerity and now they have to face C-19. Additional major changes loom on the horizon – local government reorganisation; planning legislation; climate change – just where should we prioritise?

Jackie firmly believes that the key lies in localism and the platform for rebuilding the economy will be by the public sector 'sweating its assets', particularly in the spheres of high street regeneration and housing supply. She referred to the latest Grimsey Review [featured in Session

5] – councils are the 'custodians of place' and must step in to acquire distressed town centre sites, in the context of proper thought-out plans.

There are alternative options to relying on the Public Works Loan Board. Local authorities must not under-estimate the value of their strong covenant – we must exploit it; there are many private sector developers who would welcome joint ventures.

Jackie advocates a shift to the stewardship model, particularly as strategic land promoters, by master planning large sites, but releasing parcels as small sites. There are a lot of companies who would be interested in working in this way – not least of which is UK Regeneration – which is trying at Biggleswade to build with the community at the heart of the development. Jackie, as an "unashamed market disruptor" is actively seeking new sites. Jackie and Peter Bill develop these ideas in their recently published book, 'Broken Homes'.

Jackie emphasised that councils seize the moment and "steward your place" in the spheres of urban regeneration and housing: "this is your time – grab this opportunity."

Session 2: Recovery through regeneration

AVISON YOUNG

Gillian Boyle of Manchester City Council introduced this session.

The future of our urban centres: Planning for and delivering innovative urban change, Martyn Saunders and Nicola Rigby

Martyn is a Director within the Planning and Regeneration team and Nicola is a Principal, North West Development and regeneration lead at Avison Young. They reflect on immediate and long-term influences of change in our urban centres, and map out robust approaches to planning for and delivering this change with the best possible place, community and commercial outcomes.

The Session 2 sponsor is Avison Young.

Martin began by saying that the world has changed immeasurably: 5 years of change has been concentrated into 5 months. Some of those 'megachanges':

- 'Generation Alpha', where IT is natural. These people have no loyalty to high streets for acquiring goods
- Lifestyle – consumers are 'brand savvy'
- Economy – consumption is driven by environmental and social awareness, particularly online; online activities now include e-sport.

Avison Young's research on the performance of core cities, using a basket of indicators, does indicate that some cities are recovering faster than others, such as Leeds. While London city centre is struggling, outer London is performing better – in fact better than pre-C-19.

Nicola identified themes to shape how planning and urban development should be approached, focussing on a long-term proactive strategy:

- The resurgence of local and neighbourhood centres. There will be a shift, rather than the death of retail, and a change in visits to the high street. Initiatives such as 'Eat out to help out' have been massively successful, showing that consumers still value their high streets
- Independent retailers have benefitted from setting up 'click & collect' services, matched by the 'resounding social conscience' of consumers to support them. This trend is set to continue
- Changes to planning legislation and the Use Classes Order will lead to diversification of uses in the high street, and the erosion of retail space; there will be an expansion of residential use in urban centres, but councils have a role to play in ensuring quality schemes

There has never been so much data – and real time data – for going forward, eg trip analysis, desire lines, footfall trends, air quality. In the current situation, this can be used to identify safe walking routes around city centres.

Councils must 'deliver a difference' through environmental, social and corporate governance (ESG). These are the 3 central factors to measure sustainability and societal impact on all decisions. Local authorities need to apply these tenets to construction and investment. However, real changes will only take place when the money market requires ESG. These are polarised times – the 'haves' and the 'have-nots'. Councils have a responsibility to help those communities which need help the most, and adopting ESG will facilitate policies and connect communities.

Martyn and Nicola concluded that councils must act differently: there is no such thing as 'business as usual'. The role that public assets and the public sector covenant can play should not be underestimated. We should embrace flexibility and agility, coupled with clear community engagement. Finance and investment will follow, particularly among private finance suppliers who are looking to do more than achieve monetary outcomes.

Growth challenges and opportunities, John Searle

John is the Director of Economy, Rochdale Borough Council. He sets out the need for and challenges of economic development at a local and regional level, and presents Rochdale's ambitious Growth Plan.

Rochdale Borough Council has 5 town centres – Rochdale, Middleton, Heywood, Littleborough and Castleton. It is an area of relatively low skills and high unemployment, and he realised 2 years ago that Rochdale was poor on strategy by which to set the foundations of growth.

Overall, Rochdale sits within the Greater Manchester Spatial Framework (GMSF). Rochdale's ambitious 10-year Growth Plan is designed to take more than its fair share of development identified in the GMSF, with an ambition to build 1 million sq m of employment space and to create 20,000 new jobs, 12,000 homes, and to transform the environment and transport infrastructure to link the centres. A set of working documents now prioritise where development will take place. Some examples:

- Rochdale town centre master plan. A £400m development plan has been adopted to supplement £250m already achieved, using public and private sector investment
- Rochdale Riverside 2 – predominantly residential development to support the phase 1 retail and residential, plus a hotel, to assist in changing the perception of Rochdale as a destination. The council acquired commercial property and development land close to the railway station and will build a 'space efficient neighbourhood'
- Rochdale Fire Station Museum – a redundant fire station gifted to the council is now part museum/part space for co-working
- Rochdale Town Hall - £15m regeneration of this Grade 1 Listed Building
- Rochdale Advanced Manufacturing Park – Kingsway Business Park is to be developed to encourage advanced manufacturing such as robotics, and to establish an institute for this. While the land could be sold for distribution, the council wants to deliver good quality jobs
- Tram-Train Pathfinder – to link Heywood with Greater Manchester by a battery-operated transport system
- Middleton Metrolink
- Proposed Slattocks railway station, Castleton - improvements to rapid transit, Manchester-Leeds
- Housing proposals on brownfield and greenfield sites to attract managing directors as well as employees.

Rochdale has a viability issue, particularly in regeneration projects. The council has invested £51m in commercial property to generate £4.2m income to help support services. Direct involvement in development schemes is designed to generate additional income, eg through business rates, and to encourage private investment.

Session 3 Decisive action in an environmental emergency

Giles Cooper of Carlisle City Council introduced this session.

From asset stewardship to climate stewardship: The changing role of the public sector property manager, Marina Robertson and Alex Gee

Marina is Senior Director, Consulting, Norse Group and Alex is Operations Director, NPS. As the drive to achieving net carbon zero intensifies, they examine the impact and the responsibility of managing public sector property in a climate-focused environment.

The Session 3 sponsor is the Norse Group.

Marina and Alex put forward a proposition – we must change from being property stewards to climate stewards. Their case study of their joint venture with

Peterborough City Council, and also working closely with Cambridgeshire, identified some key focuses. Both local authorities have in place national, regional and local strategies upon which to base actions.

There is a focus on an energy strategy: assets and development schemes must be capable of being net zero; this governs the decisions to keep, sell or consider further. Leased buildings must meet energy standards, whether the council is landlord or tenant. All implementation is predicated on there being sufficient budget allocated, and this requires financial modelling and influencing the supply chain, innovation and applying the latest technologies, eg for retrofits, and data analysis.

Alex believes that surveyors need to upskill in the energy sphere and financial modelling techniques. A culture change would help disciplines work together, rather than in silos, so energy is at the heart of thinking: Peterborough only has 10 years to achieve net zero. And after that, investment must continue to stay net zero.

How can change be managed? Marina identified both limiting and supporting hypotheses such as overcoming your own resistance (anxiety, apathy) against opening up to people and speaking the same language, eg, the Carbon Literacy Project in Manchester is aimed at encouraging awareness. To achieve the goals, change must be inclusive and multi-generational – we need courage to make a difference in this climate change emergency.

Environmental challenges for effective asset management, Sarah Davies

Sarah is Northern Powerhouse Strategic Lead, Environment Agency. She considers how environmental challenges affect asset viability, and ways to reflect risks and hazards in asset decision-making.

The Environment Agency (EA) has roles as a regulator; contaminated land treatment; water quality; manage flooding; conservation and ecology. It is facing the same challenges as local authorities in property management. Environmental challenges can be identified:

- Short term – flooding, air quality, contamination, environmental health
- Mid term – waste crime, carbon budget, pollution, resource availability
- Long term – climate change, sustainable consumption.

The EA cannot do things alone. It needs to work closely with partners and meet societal needs. People need to connect global issues to local decision-making and realise that everything is interconnected – at building and location levels.

Sarah described the concept of 'natural capital accounting', where values of social, environment and finance are linked, and from the perspectives of all stakeholders (occupiers, owners, managers). There needs to be an understanding of green, blue and air infrastructure in all decision-making, not just a concentration on financial aspects. There should be 'ethical prioritisation' and awareness of the impact of environmental challenges in property investment – overall, be aware of the costs of disruption in environmental matters - but the risks of not taking action are more costly.

Existing tools such as business continuity planning can be put to good use in decision-making. Collaboration is vital in issues such as pollution and flooding: share issues and results with partners, particularly nature-based and green solutions.

Session 4: The property market: A tool for recovery

Pugh
Part of Eddisons

Cath Conroy of the Local Government Association introduced this session.

The disposal of public sector assets, Edward Feather

Edward of Pughs Auctions provides a commentary on the 2020 public sector disposals market and considers results and market trends, as well as setting out what vendors might expect from their disposal programmes.

The Session 4 sponsor is Pugh & Co.

The Property Auction team sold £54m in 560 lots in the last 12 months. The normal 14 auctions a year have since April been online, achieving £27m of sales. A 75% success rate, indicates that there are active buyers in the market.

The advantages of auction as a disposal method – it meets s123 Local Government Act requirements; the auctioneer has discretion to refuse bids, and sell using an approved bidders list, both in the room and online; lots can be sold including conditions, eg schedule of works, overage clauses, restrictive covenants; freehold or tenanted. The normal completion after auction is 28 days, but this can be varied to meet seller requirements. Some sale examples:

- A former care home was purchased by a special needs school provider to include community uses, raising over £1m
- A former hall and 30 acres of grounds was sold for a substantial sum and is now used by Yorkshire

Camps for excursions for school children

- A small office was sold to Stockport Women's Centre charity
- 2.2 acres of land in Lancashire without planning permission was sold for over £600,000
- Former dilapidated school in Doncaster with 1.9 acres of land was also sold for over £600,000, attracting 220 online bids
- 'oddballs' eg bits of open space without development potential have raised up to £16,000.

Compulsory purchase in the age of Covid, Jonathan Stott

Jonathan, Managing Director of Gateley Hamer, speaking on behalf of the Compulsory Purchase Association, explores how compulsory purchase powers can help local authorities to achieve development objectives in the post-Covid era.

Compulsory purchase powers can facilitate regeneration schemes and ensure that development in the public interest is not frustrated. CPO delivers certainty in time and cost, avoiding a landowner holding a council to ransom. Intervention by councils is likely to increase as they become more proactive post-Covid: the reuse of vacated commercial and residential properties, and involvement in new housebuilding. The government has indicated that it expects local authorities to use "all tools available" to rejuvenate ailing locations.

The process of CPO involves identifying property requirements; establishing the enabling Act, whether for planning or housing purposes; seeking Cabinet resolution; develop the case; prepare the Statement of Reasons, map and schedule; make the CPO application to the Secretary of State (S/S). Often the threat of CPO is sufficient to bring a recalcitrant party to the table. There follows an objection period of 4 weeks; preparation of Statement of Reasons and expert evidence; public inquiry; inspector's report and recommendation to the S/S; announcement by S/S of decision. Timeframes so far range between 15-27 months and the acquiring authority (AA) then has 3 years to implement the CPO.

Jonathan directed delegates to the 'Guidance on compulsory purchase and the Crichel Down Rules' (update July 2019). The AA has to prove:

- That there is a compelling case in the public interest – any of social, economic or environmental benefits
- That reasonable efforts have been taken to acquire by agreement
- There are clear proposals for the land and necessary resources are available to deliver within a reasonable timeframe, and
- There are no planning impediments to implementation.

During these C-19 times, there are practical issues to identifying owners on site, conducting negotiations, undertaking inspections and holding inquiries. There may be issues in relocating dispossessed people. Much of the process is now conducted on-line, including the inquiries. Because of the potential additional difficulties, AAs could ease the process by making advance payments promptly and paying the agents' fees. Above all, be pragmatic and communicate, to maintain trust.

Session 5: Professional perspectives

This session was introduced by Georgia Cayton of Thameside Metropolitan Borough Council.

Valuation and the C19 Pandemic, Donna Best

Donna is a Property Adviser at CIPFA. Valuation has become more demanding than ever. Donna explores some of the key challenges currently being encountered by local authority valuers.

"What a time to be a valuer!". Donna did not think there had been a trickier time, and advised delegates on:

- Inspections – RICS advice (October 2020): inspection is not required if valuers feel they have enough information; agree this with the Chief Finance Officer (CFO), specify the restrictions in the terms of engagement, set out assumptions in the valuation report
- Valuation date – valuations must be accurate as of 31 March 2021. There is a risk that valuations undertaken from 1 April 2020 may not be relevant. Agree a way forward with your CFO and auditors, possibly to revisit valuations in a market review, or change the valuation date to 31 December?
- Evidence – a lack of evidence and market activity may be more of a problem in 2021. RICS is encouraging valuers to use their professional judgement; keep as much evidence as possible
- Material valuation uncertainty – make proper disclosures; check the latest RICS advice
- IFRS 16 Leases – do not

underestimate the workload to put all leases on the balance sheet. The assumption that a cost model can be used may fall foul of the many 'quirky' leases some councils hold (eg irregular rent reviews) [**Note – IFRS 16 is deferred until April 2022**]

- RICS Red Book update – Global Standards 2020 will commence in January 2021. The main changes are VPGA1 (s5 Performance Standards is new); VPGA8 (additions to environment/sustainability)
- External audit – serious problems have been reported eg revalue whole portfolio; apply indices; auditors instructing their own valuers to revalue, then charge to the authority. Donna suggests resisting all these, but make your valuations easy to understand, with commentaries, to give auditors confidence; log all correspondence; communicate with your client and auditor and prepare a plan.

Build Back Better: C-19 Supplement for town centres, Bill Grimsey and Neil Schneider

Bill is a retired retailer and led the publications of The Grimsey Review One (2013), Two (2018) and Three (2020). Neil was Chief Executive of Stockton on Tees Borough Council until 2019, and now coaches, mentors, and delivers leadership programmes.

Bill and Neil present the findings of the Grimsey Report 3 into the health of our town centres, setting out their conclusions that change and recovery are possible, with a shift in power from central government to local communities.

Bill suggested that delegates visit www.vanishinghighstreet.com to download the documents he refers to, particularly "Build Back Better – Covid 19 Supplement". Local authorities are the custodians of place, moreso in current times. The recommendations below have been facilitated by C-19.

- There has been a massive shift throughout the country towards localism. People will visit towns where people feel a responsibility for their own place. Councils must capitalise on this and support individuals
- Chief executives and officers must become more commercial to promote place and lead recovery: "localism on steroids" to shift power from central government to local communities
- Rebuild your town centres without cars: councils need to curate towns with less cars in mind; embrace technology, increase green spaces, emphasise community.

Neil gave a case study of Stockton on Tees, a council which suffered through the decades, from being a big traditional and thriving market centre, to a failing high street, destroyed through the relocation of major retailers first to inward-facing shopping malls, and then relocation to out of town retail parks.

The catalyst for the council's major interventions policy, "Vision for Stockton", was the loss of Marks & Spencer from the city centre. The council reacted by creating a central open space/events centre, to attract people back through its 90+ events a year, a reinvigorated market, improved leisure centres and libraries.

One of the main principles is to "de-clone" the town and attract individual entrepreneurs to repurposed historic buildings, eg Enterprise Arcade, where 14 independent traders occupy on simple licences; the sustainable transport hub for indoor cycle parking; conversion of the vacated McDonald's to a solicitors' office. The latest project nearing completion is the restoration of the Globe Theatre; a controversial proposal is the central Hampton by Hilton Hotel.

The most dramatic intervention is the purchase by the council of Stockton's 2 covered shopping malls. Using prudential borrowing, proposals are to demolish the inward-facing Castleton Centre, relocate tenants back to the high street, and create a leisure park fronting the River Tees.

Neil believes the council is only 20% through its journey to make Stockton special!

Traveller injunctions, Peter Maynard

Peter is Head of Strategic Housing, Rochdale Borough Council. He describes the council's use of injunctions to manage unauthorised encampments.

Rochdale Council has a fixed site of 33 pitches and a 12-caravan temporary stopping site, but suffered from difficult to manage unauthorised encampments. Peter directed delegates to the various powers under the Criminal Justice and Public Order Act 1994, and the DCLG 'Dealing with illegal and unauthorised encampments'.

Costs to the council were considerable – cleaning costs alone for 28 incidents in 2015 were £25,400; 69 incidents in 2017, £87,900, which prompted the Leader of the council to vow: "no more unauthorised encampments". Various solutions were considered but dismissed, including local byelaws and Public Spaces Protection Orders.

A solution formed itself when in 2015, Harlow Council was granted a traveller injunction by the High Court, against named offenders and 'persons unknown' at known hotspots and other sites around the town. Following this lead, Rochdale Council achieved a similar injunction on 19 February 2018. Its case had involved submitting witness statements, case studies, an Equality Impact Assessment, and naming 82 individuals.

Enforcement is through the council's intervention team, which gets to any unauthorised site within 2 hours, serves an

injunction on each caravan, and liaises with the police who enforce the removal. Health checks are carried out on all the travellers. The council will tolerate an overnight stay if it is late and property owners' interests are not compromised. As a result, there were only 21, 5 and 3 incidents in 2018-20, at costs of £342, £0 and £0 for clean-up. There are still travellers passing through, such as heading towards Appleby Fair, but they move on.

However, it looks as if things are to change. Following the Canada Goose case where the retailer tried unsuccessfully to use 'persons unknown' to have removed animal rights protesters, the judge was subsequently influenced to not accept the application at Enfield for a borough-wide injunction. He has also called in Harlow and Rochdale's previous grants. Although representations will be made to Justice Nicklin, this avenue of protection against encampments might be closed.

Session 6: Right people, right place, right time

Peter Gregory introduced this session.

21st Century public servant, Professor Catherine Needham

Catherine is Professor of Public Policy and Public Management at the Health Services Management Centre, University of Birmingham. She explores the characteristics of the public sector employee for the 2020s, including the developing impact of C-19 on the workplace. Catherine also wrote on aspects of the "21st Century Public Service" research in 2020 Summer Terrier.

Catherine outlined the research project, which had been carried out over the years of 'perma-austerity', which was reflected in the gloom and despair of many public sector employees, and a shrinking workforce. In parallel, citizens' expectations were changing and demanded more involvement, and changes in communication. Things were exacerbated by C-19.

Going forward, the role of the 'municipal entrepreneur' will be key, to inter-weave resources. While there will still be a role for the core 'hard' skills, there must be a move to developing 'soft' interpersonal skills across the board, to energise and communicate across the organisation; there will be much more fluidity across the public, private and third sectors; staff need to be encouraged to do this.

However, core services are called for through C-19, but they cannot be silo-driven: holistic thinking in a systems approach is necessary. We cannot rely on single leaders, rather staff who are experimental and not bound by local government constraints; more compassion and fewer boundaries between public and private selves.

The next step is to address the '21st century councillors' – leaders are still important in all aspects of local government, but they must trust staff and trust other organisations. Above all, endurance is required through this.

Public sector staffing resources and recruitment, Matt Lewis

Matt is UK&I Director, Hays Public Services. He outlines his current project, working in partnership with ACES to address the current difficulties experienced by ACES members in attracting and retaining professional staff.

We are in a new area of work and recruitment. Some observations and recommendations:

- The market – live vacancies nationally peaked at 850,000 in summer 2019; 350,000 by summer 2020, but an increase to 500,000 by September 2020. By then, redundancies were high in leisure and tourism, massively skewed to 16-24-year olds. The main recruiters are in health and social care, but construction and property sectors are also recruiting
- Challenges to overcome – the private sector is much more adept at reaching the target audience. The professional specialists in the public sector use limited tools, and have poor articulation about the values of the public sector surveyor's role
- The new era – there is competition for talent, additionally now in public sector property companies as well as private ones. The public sector needs to lock into the market of "passive seekers" – those who are not actively looking to change jobs, but who are willing to move after you have engaged with them
- The risks of not changing – permanent jobs remain unfilled: advertising the same roles in the same places achieves nothing; expensive interim cover persists; too many demands on staff retained
- Recruitment today – be a "move motivator": attract those 'passive seekers' with something of interest; you must 'find and engage' either through your own (but different) resources, or use recruiters and social media. Potential employees want a different lifestyle of local/home work and employers are questioning the proportion of time staff will be wanted at head offices. A recent Hays Insight Survey indicated that most important factors are job security, a good work-health balance, and work support; 42% of respondees want to work at an organisation with a strong and positive purpose – an opportunity for the public sector to grasp.

Matt's top 10 tips:

1. Be flexible and realistic in expectations (essential…..desirable)
2. Get the pay right and promote benefits (support, flexibility, project and vision-based)
3. Hold a mirror to yourself – understand your authenticity
4. What is your 'Employer Value Proposition' (benefits, training, holidays, opportunities: value added)?

5. Multi-channel presence – promote your vacancy in the careers portal, job board, social media, branding (everything to attract 'passive seeker' engagement)
6. Use accessible and inclusive language and imagery
7. Test the application process (efficient and a positive experience)
8. Balanced process – with CVs, interviews, assessment (minimalist but effective: 'quick and slick')
9. Get key people involved early; sell 'what's in it for you'
10. Speed of decision, interview to offer to onboard (don't fall at the final hurdle from tortuous process).

Session 7: What next? Public sector property investments

This session was introduced by Stuart Knight, Knight Property Consulting Limited who also chaired the panel debate which followed the opening presentation.

The role of commercial property investments for local authorities: Generating new income in response to austerity, Ben Foster

Ben is a Master's student, University of Northumbria. He describes his dissertation research, which explores the role commercial property investment has played in helping local authorities in the North East of England generate additional income.

There has been a 56% reduction in grant funding to local authorities since 2010, which has stimulated £6.6bn of investment in non-operational assets. Ben's research is to evaluate this investment in response to austerity measures, and for what purposes, particularly in the 3 councils of Northumberland County, North Tyneside and Newcastle City, all of whom had adopted 'low risk' strategies:

- Northumberland – assets are held through Advance Northumberland, a company owned by the county council. The £250m portfolio generates £17.5m; £35m has been invested in 4 town centre regeneration projects
- North Tyneside – the council has little interest to invest and its priorities are in key operational facilities
- Newcastle City – the council has invested £92m into 3 city centre Advance Development Zones and is concentrating on regeneration and funding core services
- Other regions – the questionnaire research found that 75% of local authorities were investing for regeneration; in the south east, 26% of all investment was outside council boundaries, while 50% of respondents felt that investment should be in line with the proposed changes to the terms of the Public Works Loan Board; social and economic benefits should be included in the criteria for acquisition.

Some of the barriers to investment:

- Degree of risk members are willing to take – they need to balance risk to taxpayers against maintenance of services
- Lack of political stability with changes in leadership and the need to train lead members in commercial skills
- Reduction in staff numbers –teams are being asked to do more with capacity reduced over the last decade; increase of buying in expertise
- Lack of commercial skills – teams lack market skills; some recent appointments have been from private sector backgrounds.

Approaches for mitigating risks include developing risk management strategies, rigorous due diligence, and good governance practices.

Panel debate: Public sector investments: Is this the end of the road? Mark Frampton, Don Peebles, Paul Brooks

Panel members were Mark Frampton, National Investment Team, Avison Young; Don Peebles, Head of CIPFA Property & Technical UK, and Paul Brooks, Executive Head of Regeneration, Rushmoor Borough Council and ACES' Council member.

The Panel explored the differing views on property investments, the impact of C-19, recession and the changing regulatory framework.

In their brief introductions, Mark sees a continuation of investment to bridge the gap between income needs and alternative resources. Local authorities need to have strategy, governance and processes in place; they need to diversify in the market to develop a risk spectrum and profile of investments, but not with the outcomes of driving up market prices and competing against each other. Paul concurred that investment is about managing risk and knowing when to get advice, but disputed that local authorities are competing against each other. He wondered why high profile energy and housing companies - which not necessarily undertook the same degree of due diligence – did not receive the same bad press. His district council is under pressure because of its reliance on the aviation industry and this challenge must be addressed.

Don's role on the panel is to give the accounting viewpoint. Councils are bound by the Financial Framework and Codes of Practice. However, flexibility in borrowing and acquiring has been possible since 2004, including buying investment assets, but those powers are for improving the wellbeing of taxpayers and do not allow buying purely for income. Members should question strategies which do not directly support their taxpayers.

Some discussion points:

- Are ground rents predominantly for income-generation? They can also have a purpose for town centre regeneration
- Buying a diverse portfolio including outside local authority boundaries can lead to a safer risk profile in those areas with limited opportunities
- Other opportunities to generate income, eg bonds
- The added value of public sector investment for social and community benefits (not a factor for private investors)
- The potential role of consortia of local authorities to establish critical mass and broaden the asset base
- The role of trading companies to manage investments, against the disbenefits of transparency and conflicting objectives
- Income Compensation Scheme for lost sales, fees and charges as a result of C-19 [see www.gov.uk site for details].

Session 8: ACES: A 2020 look at local challenges

Peter Gregory introduced this session, which comprised 5 insights presented by ACES' members and public sector colleagues into experiences of facing up to the challenges of 2020 and beyond.

NNDR and asset valuations: The impact of Covid, Steve Little

Steve is Principal Estates Surveyor, Lancashire County Council. He explores the impact that the C-19 pandemic has had on business rates and asset valuations.

NNDR - Steve advised delegates of recent changes – SI2020 320 (26 March); SI1200 (5 November) and the working from home directives. Until March there had only been 159,000 appeals against the 2017 List; between March and June, there were an additional 145,000 Check Challenge Appeal cases lodged, the obvious scope around the physical state of hereditaments. He posed the question of a limited evidence base for the 2023 List, which will have an Antecedent Valuation Date of 1 April 2021. Additionally, there are likely to be fundamental changes to how some properties are occupied, eg the trend to permanent home working resulting in hereditaments being assessed as smaller units.

Asset valuations – some of the same C-19 outcomes will affect occupancy, use and valuation of assets. Will space be surplus, redundant, or just used differently? Comparable evidence of these trends will be crucial.

Returning to the workplace: What will it look like? Philip Haslam

Philip is Strategic Asset Manager, Wigan Borough Council. Based on Wigan's experience, Phil asks how local authorities have adapted to home working and what role offices play in the delivery of services in a C-19 world'.

"Be positive, be accountable, be courageous". This is the message for 'The Deal 2030' to return to the workplace. Wigan BC had made a major push 2012-15 to become an agile workforce, reducing from 20 to 5 administrative buildings, including £5m refurbishment of Wigan Town Hall, thereby increasing its capacity from 200 to 600+ staff.

March 2020 saw the closure of the corporate estate. Initial network capacity issues gave priority to front-line services, sometimes using staff's own IT equipment. A policy of returning to the workplace was adopted from September – 2 teams of 10 staff per day for 1 day a week, using 20 workstations. In reality, the pattern has been for staff to come in in the morning for meetings and access to materials, then return home. The expectation is that post C-19, this pattern will persist, while mindful of long-term effects on mental health, on household pressures, and the impact of a 1,000-strong public sector workforce no longer supporting the town centre.

Assessing the impact of C-19 will take time – eg savings on time and travel costs, maintenance and FM of buildings. Meanwhile, property and HR staff are reimagining the workplace post-C-19, with emphasis on collaborative, 'sofa' and breakout space, meeting rooms (with video conferencing), and quiet areas. Fixed seats will be bookable; touch down areas will not.

Phil closed by posing a question: are we now more or less connected?

Carbon neutrality, Andy Kehoe and Ralph Kemp

Andy, Head of Asset Management and Ralph, Head of Environmental Services, Cheshire East Council provide an outline of their council's approach to carbon reduction.

A priority for the newly-formed council in 2009 was a rationalisation of policies of the 4 component councils - particularly finance-led energy management and service improvements, where carbon reduction was paramount – "doing ok" was Andy's conclusion. However, the local impact of climate change was putting 3,000 properties at risk of flooding, and affecting the most vulnerable people. So in fact, not really doing ok.

The council therefore adopted in May 2020 its Carbon Neutral Plan, with a target of 2025. There are 4 thrusts to the plan:

- Behaviour change – electrically-driven small fleet; demonstration hydrogen dual fuel for HGVs and refuse freighters
- Reduced council demand – LED street lighting; retrofit buildings to increase insulation
- Increased low carbon energy supply – district heating; solar; renewable energy tariff; switched to total renewable energy by 1 April 2020
- Enhanced environment – tree planting and bog restoration, working with the LEP to assess all trees and plant new on landfill sites, parks, etc.

C-19 should be seen as an opportunity to grasp the benefits of disruption, manage climate change factors better, and change the culture. The target in the 5-Year Action Plan was to reduce travel by 17% and this is now likely to be exceeded.

Meeting this challenging target requires whole-council effort. There is a Carbon Steering Group and Board; KPIs have been established for key areas and are monitored; ongoing development of a financial carbon matrix and scoring mechanism; all reports to include a carbon score box.

Integrated Health and Social Care Neighbourhood Teams, Steven Cooper

Steven is Integration Manager, Rochdale Borough Council and CCG Estates Lead. He describes the council and Clinical Commissioning Group's (CCG) project to set up Integrated Health and Social Care Neighbourhood Teams (INT), part of the government's One Public Estate Programme (OPE).

This OPE project initially involved an asset review to assess accommodation needs for the new disaggregated teams, stakeholder core requirements, and realistic funding schemes through combined budgets, and releasing surplus properties. It is linked into the Greater Manchester Combined Authority strategies, whose aim is to deliver jobs and housing.

Creating INTs involve a whole range of services and organisations, including the Northern Care Alliance, the NHS, GPs and social care staff. The initial asset review included scoring 140 buildings. One case study – Middleton INT at Brook House, opened in June 2020, required a flexible lease structure and is now 75% occupied by health and social care teams. Physical improvements include installing solar panels and reorganising internal space to facilitate integrated working, confidential meeting areas and video conferencing. Partners include the council, Pennine Acute Hospital, Salford Royal Foundation and Pennine Care Foundation Trusts, and Link4Life. Five more INT sites are due to open by 2023.

Steven concluded with some lessons learnt – a communication strategy is essential to maintain momentum; establish a realistic budget; share responsibility; give credit for successes; do not underestimate cultural changes, although in reality, this was easier than anticipated.

Ashton Market: A 21st Century market offer, Luke Murfin

Luke is Market and Events Manager, Tameside Borough Council. Tameside's markets team won the 2020 Municipal Journal Award for Innovation in Property and Asset Management, sponsored by ACES and UK Regeneration. Luke describes the project to diversify the offer of its traditional markets, to capture the interest and support of the local community.

The decline of Ashton-under-Lyme's town centre had been of concern to the council, together with poor health performance. A strategic vision was developed to regenerate the area through investment, rationalisation and increasing the public service offer. The market project offered a catalyst, with proposals to create a new market square, new stalls, and new facilities

in the market hall. Some notable initiatives:

- Thameside Wellbeing Corner – an empty corner of the market hall where free blood pressure tests were available and confidential advice facilities concerning mental health and alcohol issues. Footfall is 10 times higher than at GP locations
- Kids' Cookery Club – meets monthly to teach nutrition to children up to the age of 12; over 90% of the cooking ingredients are sourced from market traders
- Going Green – promoting the green agenda in the market community eg reduce single use plastic, compostable bags, free refill of water bottles
- Youth initiatives – close liaison with Thameside College; first National Youth Market in June 2019, with 50 young traders
- Market Gallery – space in the market hall to showcase local artists, opened 2019. Bookings are full for the next 2 years.

More events are planned for 2021, in close liaison with the college and residents. The market has stayed open for essential businesses through C-19, using 'click and collect' instigated by the traders. Some traders are doing better than formerly.

Session 9: Providing homes for all

BNP PARIBAS REAL ESTATE

Rachel Kneale of West Lancashire Borough Council introduced this session

Meeting housing demand: How can new models of tenure, delivery and construction deliver homes for all, David Couch

David is Senior Director, Development and Residential Consulting, BNP Paribas. How can housing delivery be accelerated and how can the public sector play a greater role? David explores how innovation in tenure, delivery and construction help provide homes for all.

The Session 9 sponsor is BNP Paribas.

The government's exhortation to "Build, build, build" is only the latest of similar responses after major challenges of 2 world wars and now C-19. There are fundamental issues – who will build 300,000 houses a year? Market units or rent? Traditional or modern methods of construction (MMC)? Household growth is forecast to grow from 28m to 31.5m by 2039. The private sector almost consistently builds about 150,000 units a year. Average house prices have also risen steeply, so there is both a massive stock and affordability gap.

The current tenure make-up is 37% rent, public and private. Affordable rents have replaced social rents (decreased 84% since 2010); only 6,300 social rent homes were built in 2019. The government is to launch its First Homes policy, whereby 25% of all new housing is to be affordable.

The spectrum of housing is changing: specialist student, later living, build to rent units are part of the market, the latter being very attractive at the moment as a safe investment class. Methods of construction are also broadening, such as MMC, which covers modular and volumetric, but which only accounted for 2.5% of all units in 2017/18 (4-6,000 units).

The public sector must be more proactive, to help bridge the gap to achieve 300,000 units a year: councils can no longer 'sweat the small stuff', but need to be more flexible and expansive, working with Homes England, and all the new entrants to the market, including builders (eg Urban Splash), build to rent funds (eg Legal & General), overseas (eg Far East Consortium), green wave eco-friendly developers (eg Citu), self build, as well as continuing to exploit small sites. The UK is way behind Europe in self build - it is at 60% in Austria.

Delivering new and replacement council housing, John Read

John is Valuation and Estates Manager, East Riding of Yorkshire Council. He sets out the council's work to replenish its social housing stock, a project that was the winner of the 2019 ACES Award for Excellence.

The East Riding of Yorkshire is largely rural, comprising 3 towns and numerous villages. Its age profile is elderly, with 26.2% over 65 (national average is 18.4%), which influences the sort of council housing needed. The council has been losing rented stock to right to buy sales for many years, particularly now that discount rates have been increased by government. The current stock is around 11,000 units, and the council's target has been to maintain that number through its Housing Strategy,

which sets out a range of mechanisms to achieve at least status quo.

The council has a holistic approach: its Housing Programme Board includes asset managers, legal, valuation, estates, maintenance, building services and architecture, and meets monthly to progress projects. Initiatives include:

- S106 agreements – this is the most effective way; the council has established relationships which sometimes require competitive bidding
- Purchase and repair – maximum cost, following survey, £120,000, with renovation costs of about £13,000
- Long-term empty homes – purchased by agreement or CPO; some retained as council stock and some refurbished and sold
- New build – using the council's own small sites, including on smallholdings under the rural exceptions policy, amenity land (benefits of new houses exceeds amenity use)
- Development agreements – the council may buy sites then agree a construction contract
- Working with existing providers – eg the stock of a RSL from the north west was purchased
- Land disposals – the council covenants in sales on an agreed percentage of affordable units.

The council has added almost 1,000 units to its stock in the last 10 years. The target is 100 units p.a. using all the tools available, and assisted by Homes England funding.

President's closing remarks

Peter closed the conference hoping that virtual delegates had found the conference worthwhile and could apply the content to their own work situations. He thanked all who had made the conference possible, including the sponsors, who had committed to the 'normal' conference and continued to support ACES when it became on-line; 29 speakers, and 6 session chairs; his North West Branch colleagues, particularly the unstinting support of Keith Jewsbury and Trevor Bishop; and Andy Carter of BeAmbitious driving the technology.

Lastly, thanks to all the delegates. There was a record 2,455 session registrations. A total of 546 people registered, many from ACES members and their member organisations, but also across the wider public sector, including central government, Ministry of Defence, NHS and police authorities. We hope that some delegates will be joining ACES, following this successful conference.

ACES' Conference 2021
To be held on 23/24 September at the Bull Conference Centre, Peterborough, to be hosted by Simon Hughes and Eastern Branch.

ACES CONFERENCE OBSERVATIONS

Ann Bishop

It seems a little odd to be writing about a National Conference that didn't, physically, happen this year. Being at the hub of ACES things, however, I know just how much hard work and extra planning went into the online version that was forced on the conference team during this awful pandemic that we are all living through.

ACES President, Peter Gregory, NW Branch stalwart Keith Jewsbury, the national Secretary, Trevor Bishop, and many others, set about creating a veritable masterpiece of well organised days in the professional webinars, for the delegates to take part. The speakers who had been expertly assembled by the President, did a commendable job in informing and updating delegates on numerous current hot topics. From what I picked up, special praise should be given to the NW branch members who chaired the sessions and admirably kept the show on the road through the occasional technical glitch.

And finally, as with live conferences, such an event could not have gone ahead without the valuable support of ACES sponsors and other supporters and partners – Avison Young, BNP Paribas Real Estate, Carter Jonas, Norse Group, and Pugh & Co.

In the absence of tripping out for the usual sight-seeing under the conference social programme, I was able to hear the webinar sessions taking place from the comfort of my cosy corner in my lounge with our dog, who was waiting patiently for "dad" to be ready to go for walks with us. That was another advantage of the hour-long sessions spread over a number of days – plenty of time to get outdoors and do the nice things.

The work leading up to the event felt even more lengthy and stressful than a normal physical conference would have been. The new website was suffering from some technical problems and of course communication at this time was often difficult due to so many people being online, working from home, etc and causing things to slow down considerably and frustratingly at times. Despite all the difficulties the end result was a real success, and it appears that the event had many more participants than perhaps expected.

It looks set for the continued use of the "virtual format" into 2021, but by September next year I think the social mob will be desperate to meet again face to face.

OBITUARY
PETER SCARLETT

The sudden death of Peter on Christmas Eve from a massive heart attack has come as a huge shock to family, friends and colleagues. It was totally unexpected as he had no symptoms and was feeling fitter than he had for a while, having recently retired.

Peter obtained his degree in estate management from Southbank Poly in 1990 and then worked for Hunters in London and BAA plc at Heathrow from 1992-2006. He was involved with land acquisition for Heathrow express and terminal 5, as well as overseeing a workplace transformation project of BAA's HQ building at Heathrow – as far back as 1994. This obviously gave him a taste for undertaking the same thing at Dorset in more recent years.

The family relocated to the Somerset/Dorset borders in 2001 and Peter started work at Dorset County Council in 2006. He became the Estate and Assets Service Manager until his retirement in May 2020. He was then hoping to continue some consultancy work. Peter was well respected by his team and senior officers and members within the council. Peter's leaving speeches were legendary, and even drew members of staff who did not actually know the person leaving!

Peter has been the pillar of the South West Branch for many years and held every position on the committee over that time, including Chair. A colleague's comment: "Our gentle giant of the branch, with his calm and measured manner and advice, will be greatly missed."

Thanks to his wife Sharon for providing an insight into a well-respected man:

"He was 59 and so looking forward to his retirement but it was not to be. He was a real gentleman and so kind, but with a fun sense of humour and great fun at a party. He was a keen skier and tennis player and also involved in village life as a church warden and treasurer for the church and tennis club. He was a wonderful husband to me and father to Lucy and Harry (now 26 and 23). At least he got to see them as young adults, and the one positive thing re Covid is we spent a lot of time together this year as a family and that is a bonus."

A memorial is planned for later in the year *"when life is more normal and we can sing and celebrate his wonderful life."* Sharon will let ACES members have details.

OBITUARY
JOHN COOK 1933-2020

John Cook, who has died aged 87, was the last President of the County Land Agents and Valuers Association (CLAVA) before it merged with ALAVES, to form LAVA (then later, ACES) in 1986.

Born and educated in west Norfolk, he was professionally trained in estate management at the Royal Agricultural College, Cirencester, from 1953 to 1956. He was first employed by Gloucestershire County Council from 1956 to 1958, followed by service with the County Councils of Lancashire and Surrey, and Birmingham City Council, before being appointed County Land Agent and Valuer to Durham County Council in 1974.

John was then able to join CLAVA, and very much enjoyed his membership until he retired in 1988. During that period he was for several years the Public Relations Officer, getting as much publicity as possible for the Association, including articles in the County Councils Association Gazette. He was also an advisor to the Land and Buildings Committee of the County Councils Association.

He was elected Vice President of CLAVA in 1985 and President in 1986.

Up to his year as President, there had been several unsuccessful proposals to amalgamate CLAVA and ALAVES. Together with Gordon Smith, President of ALAVES, they were asked to put forward further proposals for the amalgamation of the 2 associations. These were eventually accepted, and LAVA was formed. This meant that local government estates officers and valuers could speak with one voice and have more influence upon both local and central government.

On a day to day basis, John always tried to encourage his staff and colleagues in the advancement of their careers in the world of property. He was much liked by all of his contemporaries for his kindness, integrity, patience and good humour.

Their son David predeceased him and his wife Joan and daughter Jacqueline together with 4 grandchildren survive him.

Kenwyn Brown

OBITUARY
ROGER MESSENGER

It is with great sadness that I write of the unexpected death of Roger Messenger. The news came as a shock to his colleagues at Wilks Head & Eve.

Roger had been with the practice for over 40 years and had worked his way up through the ranks, before finally taking on the role of Senior Partner 18 months ago. He was a highly experienced rating practitioner, who had been President of the IRRV on 2 occasions, 2001/02 and 2011/12, and also President of the Rating Surveyors Association. Roger was a member of the Institute of Arbitrators, was a Registered Valuer, and was at the time of his death, Chairman of TEGoVA, an organisation of approximately 70,000 valuers across Europe.

Roger also had over 36 years' experience in the rating of public sector property and has been at the forefront of central negotiations with the Valuation Office Agency at every revaluation since 1990, in respect of a number of classes of property. He has made numerous appearances at Valuation Tribunal and giving expert evidence at Upper Chamber.

Roger was a truly special person, whom I call friend rather than colleague, and whom I've known personally for around 30 years. Wilks undertook my council's rating work when I was at St Edmundsbury, after I'd experienced a bruising morning at Valuation Tribunal concerning the rating of car parks in the 1990 list. I swore never to get involved in specialist valuation again. He was my after-dinner speaker at the National Conference in Bury St Edmunds when I was ACES President in 2006. I well recall what Roger talked about – he had recently had his own lockdown in USA (before the rest of us knew that feeling). Roger was stuck because of a volcanic eruption in Iceland and all flights were grounded due to ash in the atmosphere. He spoke about being stranded with no money, and had a rather tortuous and fraught journey back some days later!

Roger, and Wilks, have always been great supporters of ACES. He dealt with his expertise in a massively professional way, but always presented - written and verbal – in regular Terrier articles and at ACES' conferences - with a wry sense of humour. He spoke at the 2019 Isle of Wight Conference, and last wrote in 2020 Autumn Terrier, where he advised on the question of evidence for all valuation requirements in the context of C-19: "we will all need to work on the basis we might often be in error, but never in doubt…."

He will be greatly missed by colleagues, friends and acquaintances, together with everyone at Wilks Head & Eve. Our thoughts and sympathies are with his wife, Lynne and family.

Antony is a Solicitor and Partner at Fieldfisher and heads the firm's Real Estate Practice. He is an expert in contentious real estate issues, including dilapidations claims, rent reviews and other landlord and tenant disputes, real property disputes (including covenants, easements and boundaries), contentious planning issues; property related insolvency issues and secured lending disputes. He has a particular focus on public sector work.

Antony is a Solicitor Advocate (Higher Courts Civil) with wide experience as an advocate in the High Court and County Courts. He is also an Associate of the Institute of Arbitrators and a trained CEDR representative in Mediations. He is a past Chair of the Property Litigation Association; a past Chair of the Dilapidations Forum of the RICS; and has sat on the RICS Boundaries and Party Walls Working Group. Antony has lectured and written widely in Estates Gazette, Property Week, ACES' Terrier, and The Times (property and legal sections). He became a Fellow of ACES at its Annual Meeting on 13 November 2020

CASELAW ROUND-UP Fieldfisher's annual property case round-up 2020

Antony Phillips antony.phillips@fieldfisher.com

This virtual presentation by Antony and colleagues from the Fieldfisher property litigation team summarised the big property caselaw highlights of the year, in a range of areas of interest to public sector surveyors.

The virtual presentations

Once again, the Fieldfisher team of **Antony Phillips** (antony.phillips@fieldfisher.com), **Owen Talfan Davies** (owen.talfan.davies@fieldfisher.com), **Lesley Webber OBE** (lesley.webber@fieldfisher.com), **Dan Banks** (daniel.banks@fieldfisher.com), **Hannah Ingham** (hannah.ingham@fieldfisher.com) and **Jamie Mangan** (jamie.mangan@fieldfisher.com) gave their annual property-related case round-up. This was their digest of cases that have gone through the courts during the previous 12 months and, given the unprecedented times, they also provided ACES with a summary of the impact of C-19 on the remedies available to landlords.

The topics covered by the Courts this year included: frustration, break options, modifying or discharging restrictive covenants, relief from forfeiture, rent cesser clauses, business interruption insurance and corporate voluntary arrangements (CVAs).

Covid round-up

The following is a summary of the impact of C-19 on the remedies available to landlords during the current time:

Forfeiture: there is a moratorium against forfeiture of commercial leases for non-payment of rent, now extended until 31 March 2021.

Company wind ups: while statutory demands can still be served, there is a moratorium against winding-up companies until 31 March 2021. Bankruptcy petitions (i.e. against individuals) are still available.

Possession proceedings/enforcement of possession orders: the general moratorium against these was lifted on 20 September 2020, but the remedy remains subject to exemptions resulting from the pandemic, and to a notice procedure.

Assured Shorthold Tenancies: generally require 6 months' notice to quit (the extended notice period will continue until 31 March 2021).

However, the following remedies are still available:

Commercial rent arrears recovery: 276 days' rent (from 29 Sept 2020) must be due before this remedy can be used by a landlord, increasing to 366 days (from 25 Dec 2020).

Court proceedings: proceedings can still be issued, but the enforcement options are limited due to the COVID restrictions.

Rent deposits: subject to the terms of the rent deposit deed in question, a landlord can still withdraw monies from a rent deposit to cover arrears. However, its ability then to get the rent deposit amounts topped up is limited by the C-19 restrictions.

Guarantors: guarantors can still be pursued, but are subject to the same C-19 restrictions that affect a landlord's ability to recover from its tenant.

Frustration

If successfully argued, the impact of frustration is that the frustrating event has the effect of bringing the contract to an end.

Dayah and Mannan v The Partners of Bushloe Street Surgery and Wigston Central Surgery [2020] EWHC 1375 (QB) (High Court

In this case, there were 3 doctors' surgeries occupying adjacent premises and sharing running costs under 2 contracts. One surgery had its registration cancelled for a period and stopped paying its share of the outgoings. The surgery that remained open claimed the share from the closed surgeries. The closed surgeries argued that the contract between them was frustrated on the basis that it was impossible for them to continue operating because they no longer had the requisite registration.

The Court held that a key element for frustration is that there should be no default by either party – in other words, the contract must be incapable of being performed due to a 'no fault' reason. In addition, the event must not have been foreseen (or be foreseeable) by the parties at the time that they entered into the contract. However, in this case the closed surgery had continued to receive some funds from the Clinical Commissioning Group and the event that had occurred had been foreseen by the parties as it was mentioned in the contracts.

On that basis, the claim failed.

Readers are referred to the frustration case that Fieldfisher covered last year, Canary Wharf (BP4) T1 Ltd and others v European Medicines Agency [2019] EWHC 335 (Ch). In that case, the party claiming frustration also failed.

These cases demonstrate that frustration is a difficult argument to make out, given the effect that it has on the contract.

Break options

For each of the last few years there has been at least one break option case. The common components of a break clause are that there is a specific break date, strict notice provisions, a requisite period of notice, and specific service requirements. Then, if the notice is served correctly, there are often conditions that the tenant must comply with in order to break – these often include compliance with covenants and giving vacant possession. Given that such conditions are applied strictly by the Courts, and as landlords often want to retain their tenants (particularly during challenging economic times), the exercise of break options are frequently challenged by landlords.

Capital Park Leeds PLC v Global Radio Services Ltd 2020 EWHC 2750

The facts of the case were that the lease expired in 2025, but the tenant had the option to break at 2017 on 6 months' notice as long as it gave vacant possession at the break date. The tenant served the break notice, following which the landlord served a schedule of dilapidations on the tenant. In response to the schedule, the tenant started stripping out the premises to prepare to give vacant possession back to the landlord. However, when it looked like there might be a settlement with the landlord, the tenant stopped work. The break date came and went and the landlord challenged the break on the basis that the tenant had not given vacant possession as it had stripped out landlord's fixtures.

The Court considered what constituted vacant possession. In order to do so, it looked at the lease definition of the "Premises", which expressly included landlord's fixtures and fittings. It was common ground that 17 of the original features were missing.

The Court held that it was not enough to satisfy the requirement for vacant possession to give back the premises free of people and chattels. The landlord is entitled to take over the premises and enjoy immediate and exclusive possession and use without any physical impediment. By handing back a "dysfunctional, unoccupiable shell", the tenant had failed to give vacant possession. Accordingly, the tenant had not successfully broken the lease.

This case shows, once again, how strictly the Courts will apply conditions attached to a break option and, consequently, how careful (and well-advised) a tenant needs to be when seeking to operate a lease break.

Modifying or discharging restrictive covenants

A freeholder or long leaseholder (i.e. holding a lease of 40 or more years with at least 25 unexpired) may apply to the Upper Tribunal under s84 Law of Property Act 1925 to have a restrictive covenant affecting that property interest either discharged or modified. This year, there were two s84 cases, one of which went all the way to the Supreme Court.

Berkeley Square Investments Ltd v Berkeley Square Holdings Ltd [2019] UKUT 384 (LC); [2019] PLSCS 236 (Upper Tribunal)

This case related to Berkeley Square premises held on a long lease which permitted office use only. The tenant wanted to convert the premises into a private club, and obtained planning permission and licence to do so. The landlord objected to such use as being contrary to the terms of the lease. The tenant applied to the Upper Tribunal to modify the restrictive covenant.

In support of its application, the tenant argued that there was no demand for offices of this type (Grade 1 listed) in this location (obsolescence – ground (a)). It also contended that the planning permission and licence obtained demonstrated a reasonable alternative user (ground (aa)). Finally, the tenant evidenced that a higher rent was achievable by the landlord with the benefit of private members use (as opposed to office use) (ground (c)).

The landlord's principal argument was that the interests of estate management required a balanced portfolio (and it did not want another private club in the vicinity).

The Tribunal held that the tenant succeeded on both grounds (aa) and (c), - i.e. reasonable user and no injury to the landlord. As such, the covenant was modified to allow private club user.

Alexander Devine Children's Cancer Trust v Housing Solutions Ltd [2020] UKSC 45

The second case, which went to the Supreme Court, related to a hospice for terminally ill children adjacent to a site that was subject to a covenant restricting its use to an open space for the parking of vehicles only (i.e. no building permitted). The owner of the neighbouring land wanted to build 13 affordable houses on the site, and began work despite the covenant. The hospice sought to enforce the covenant to secure the privacy of its own gardens for the children and their families. The developer applied to modify the covenant for public interest reasons under ground s84(1)(aa) (reasonable user).

At first instance, the Tribunal held that the public interest was served by affordable housing being built and, on that basis, modified the covenant to allow the development (subject to compensation for loss of amenity being paid to the hospice and the developer erecting screening to preserve some privacy).

The case then went to the Court of Appeal which overturned the decision on the basis (at least in part) of the behaviour

of the developer. It held that the behaviour of the developer precluded it from relying on a public interest ground.

The Supreme Court upheld the Court of Appeal decision, but for different reasons. It held that the behaviour of the developer was irrelevant. However, the public interest argument that succeeded at first instance was not sustainable because the developer could have relocated affordable housing development elsewhere on the site (but chose not to).

These cases demonstrate that s84 is very much 'alive and kicking', and should be borne in mind by a party that is subject to a restrictive covenant where one or more of the statutory grounds apply.

Relief from forfeiture – reasonable promptitude

Almost all commercial (and many residential) leases contain forfeiture clauses that allow a landlord to forfeit (i.e. bring to an end) a lease where the tenant is in breach of covenant. In the case of non-payment of rent, no notice pursuant to s146 Law of Property Act 1925 need be served before forfeiting. However, a tenant may apply for relief from forfeiture and ask for the lease to be restored. In most cases, the court has a discretion as to whether or not to grant relief. The next case relates to the exercise of that discretion.

Keshwala v Bhalsod [2020] EWHC 2372 (QB) (High Court)

The lease in this case was of a shop with flat above. In September 2018, the landlord forfeited by peaceable re-entry for non-payment of £500 of rent. The tenant then applied for relief from forfeiture, but only in January 2019 (by which time the shop and flat had been re-let (as separate leases) by the landlord).

At first instance, the Court held that the application for relief be dismissed due to the unexplained delay between the forfeiture and the application for relief. The Court exercised its discretion against the tenant.

On appeal, the Court said that relief should be granted (absent of some 'exceptional reason' not to do so), provided the tenant applies for relief within the 6-month statutory window for this. In this case, the issue was whether the delay amounted to an exceptional reason for refusing relief. The Court held that the starting point was that an application for relief within 6 months will generally be reasonable and, in those circumstances, the Court should grant relief. It also held that the re-letting of premises was not, in itself, a bar to relief.

The Court held that there was no reason to depart from the general rule in this case and relief was granted. The tenant took a reversionary lease (thereby dealing with the fact that there had been a re-letting).

This case demonstrates that forfeiture will not be the answer for landlords in all cases. Even if the landlord does get the property back (which it will not always want, particularly in a challenging market), there is then a long period of uncertainty during which a landlord will generally not want to re-let the premises in case an application for relief is made. For a tenant, the best advice is to make an early application for relief (assuming it wants the lease back) and not to take the risk of the Court exercising its discretion against it.

Business interruption insurance

There are rarely cases on business interruption insurance, but these are exceptional times. This test case rehearsed 2 widely debated issues, namely: whether tenants' business interruption insurance pays out where premises are closed due to C-19 or where staff were required to work from home; and whether a rent cesser clause takes effect in such circumstances.

Financial Conduct Authority v Arch Insurance (UK) Ltd and others [2020] EWHC 2448 (Comm) (High Court)

This case looked at some specimen insurance clauses in relation to complete closure of the insured business for where a business closed completely (e.g. leisure, retail etc) or where workers stayed at home (e.g. offices, surgeries etc). The Court considered whether the insurer should pay out to the insured in these circumstances.

The Court held that many such provisions do 'bite' where a business closes completely, but such provisions are unlikely to do so where workers are required to stay at home (i.e. the office/surgery type scenario).

Given the huge impact that this has on the insurance industry, the insurers are appealing this High Court decision which, given its importance, will leap-frog straight to the Supreme Court. So watch this space!

Corporate voluntary arrangements

Given the challenging times presented by C-19, CVAs are becoming very common. They are, essentially, arrangements between a company and its creditors that are designed to try and protect the company from administration or liquidation. As landlords are often major creditors of companies (particularly of retailers), how the proposed CVA deals with on-going lease obligations is an important factor and often leads to CVA proposals being contentious (depending on how they propose to treat landlords).

Discovery (Northampton) Ltd and others v Debenhams Retail Limited and others [2019] EWHC 2441 (Ch)

In this case, the CVA had a material impact on Debenhams' leases by reducing rents payable, preventing forfeiture and releasing the tenants' dilapidations liability. Consequently, landlords of Debenhams challenged the CVA on numerous grounds, including the manner in which it purported to prevent landlords from forfeiting the leases.

The Court held that a CVA can validly compromise landlords' claims for future rent. It also held that CVAs can treat different landlords (and other suppliers) in different ways (depending on how important a particular property or other supply is to the business). CVAs can also legitimately be used by companies in financial distress to restructure burdensome leasehold estates. However, the landlord's right to forfeit a lease cannot be compromised by a CVA.

There have been several consequences of the Debenhams case, impacting on how landlords approach CVAs. Some of the key points are that companies must preserve forfeiture within a CVA, but will seek other means of limiting the rights of the landlord. The key take-away from the Debenhams case is that tenants now need to be careful how they draft CVAs, to ensure that they do not offend the principle of the landlord's right to forfeit highlighted by this case. For their part, landlords should scrutinise CVAs very carefully not only to highlight any legal issues, but also (to the extent that their voting rights allow) to seek to ensure that they are not unduly prejudiced by the CVA terms.

Rent cesser clauses

Finally, at the moment, many tenants are seeking to run rent cesser arguments. Clauses that allow tenants to stop (temporarily) from paying rent typically state:

"In the event of damage or destruction to

the premises caused by an insured risk which renders the Premises unfit for occupation and use and/or inaccessible then the rent shall be suspended."

Such provisions generally require **'damage'** or **'destruction'** of the premises (rather than an inability to use for some other reason), so they will not usually allow the tenant to cease paying rent. However, as this is a contractual provision, each lease will turn on its own wording. So the precise terms of such provisions should be considered in each case.

Please note that the law is up to date as at the date of ACES' Annual Meeting, 13 November 2020, and only a brief summary is provided and should therefore not be relied upon in isolation. However, for any questions, an update on the law on any point or any detailed advice, please contact the Fieldfisher team at the contact details above or through the website: https://www.fieldfisher.com/en/services/real-estate/real-estate-litigation

Jackie is a former Government Adviser and is now Chief Operating Officer of UK Regeneration, which is bringing forward a Garden Community in Bedfordshire, with consent for 1,500 homes in the first instance. She is co-author, with Peter Bill, of 'Broken Homes' an analysis of the housing crisis, published by Troubadour. Available through all usual outlets or direct from the publisher https://bit.ly/35n3q9z

CONFERENCE KEYNOTE SPEECH A call for action and "Broken Homes"

Jackie Sadek jackie.sadek@ukregeneration.org.uk

Jackie gave a rousing keynote speech at ACES' 2020 On-line Conference and agreed in this article to reinforce her views about the critical role the public sector must play, and to give a summery of her recent book, co-authored with Peter Bill: 'Broken Homes'. This article sets the scene for the case study initiatives that follow.

Keynote speech

It was a great honour to address the opening session of the ACES Conference on 3 November. And my heartfelt congratulations to President Peter Gregory and his able team for running such an ambitious event virtually. Such a success! It was a total credit to you as a membership organisation. But I can't pretend that I didn't find it a little nerve wracking; I like to think I am a firm fixture in the "ACES family", and I have addressed ACES' Conferences before, of course. But it is a little daunting to "connect" with 300 of your closest friends via a computer screen.

And my central message was also a little daunting - if very simple - and inextricably bound up with the pandemic: this is YOUR time.

Now I have always believed that ACES' members have a unique role to play in building local economies, from the ground up. But I find myself believing that now more than ever. In a post pandemic (please Dear God) world, in order to dig ourselves out of the worst recession any of us are likely to have ever known, we will really need to turn our hand to the "build build build" agenda. And your local authority employers will have so much clearing up to do on the rest of the frontline, that they will struggle to focus on anything to do with the built environment, or with future growth. So this is simply THE moment for chief estates surveyors to put together pro-growth place-based business plans, predicated on utilising your local authority assets as the platform. And this applies particularly to those of you - I understand about 70% of your number - who have sites that would be suitable for housing.

And central government needs you. Our economy needs you. The British people

need you. It is a hard fact that, once the pandemic subsides, the housing crisis will still be with us. After all, it's been several decades in the making. We will still have a crisis of quantity (although perhaps only in some parts of the country), a crisis of affordability (pretty much everywhere), and a crisis of quality (ditto). And, of course, housing projects stimulate local economies generally.

Her Majesty's Government has kept the housing market open throughout the pandemic, as far as was possible, with estate agents continuing to operate in both the second and third lockdowns, further extension of the Help to Buy scheme, and the staging of a stamp duty holiday. No surprises there. If the economy is indeed to shrink by more than a third, then it is wholly right and proper that the powers-that-be reboot any stimulus policies they have in the cupboard; everyone must do all they can. But the hard fact remains that the various limbs of Whitehall are mainly restricted to orchestrating demand side measures. And we are in desperate need of things to stimulate the supply side.

This is where you ACES' members now come into your own. You are senior officers in organisations which must, perforce, take a long-term view, and are the rightful custodians of place. Your first step (Grandma and Eggs alert klaxon, forgive me) is to persuade your Leader to let you work something up. One thing I can predict with confidence is that there will be massive government intervention into stimulating the economy as we come out of this. And the government is going to get much more transactional. Your politicians will know this. They will know that they stand to be rewarded for putting their hands up for appropriate growth in your patch. Your job now is to develop the platform using your assets (or indeed anyone else's, if they'll let you) for your lead elected member and enabling teams to ask for fiscal support from HM Treasury, and elsewhere, to bring forward housing sites.

And this is much needed. At the time of writing, the Estates Gazette (EG) was publishing figures that the number of residential planning applications had slumped by 43% over the past 2 years, as businesses pull back from new development amid market uncertainty and planning challenges. There were 34,321 residential planning applications in 2020, down from 60,393 in 2018. The total number of homes proposed fell by 39% to just 637,792, signaling a severe drop in market activity.

Local authorities are well placed to be a central plank of the response, and to play a key part in the effort to "build build build". I predict that there will be a new band of partnerships emerging, whether it is local authorities directly with housebuilders, or in partnership with Homes England, or in partnership with private sector master developers, or even local authorities brokering deals with third parties, perhaps on government-owned land or with local landowning families - or any permutation or combination therein. New partnerships will emerge on strategic sites. And, framed correctly, they could provide a powerful boost to the local economy by people working together in partnership to rebuild. It could be Brave New World stuff. It could be a series of very local place-based Marshall Plans. All indications are that government will seek actively to support those places that have stopped fighting among themselves, and have moved decisively as a team to steer their own economic development and community regeneration.

Your best friends in all of this are of course Homes England. During the pandemic, Homes England decisively stepped up as a "master developer" in its own right, creating development opportunities and providing a pipeline of sites for housebuilders of all sizes. They started by acquiring 19 sites in the previous financial year worth £180m, with capacity for 5,000 new homes across the country. But they have an appetite for more. They are sending a clear signal of how government intends it's housing agency to take a long-term view of housing demand, in the context of the C-19 recovery programme. And it is Homes England's core business to bolster your own capability with its resources and expertise. Other potential allies are the likes of Legal &General and Aviva, all of whom have teams that can help and are seeking to deploy patient capital.

"Broken Homes"

Peter Bill (who some of you - ahem - more mature readers will remember was Editor of EG, and prior to that, Building Magazine) and I have just published a book 'Broken Homes' about the housing crisis. While writing it, we interviewed former Conservative and Labour housing ministers, Downing Street advisors, planners, architects, housebuilders, councillors and social housing experts. In it, we try to explain how both the private and public sectors really operate. The forces that shape and form large-scale developments are demonstrated by way of detailed financial examples. A set of reforms to provide homes fit for everyone in the 21st century is proposed. What emerges is a bit of a bleak picture of a faulty system which fails to deliver decent homes for all. We end up asking: doesn't everyone deserve better?

Sadly we don't have any "silver bullets". But one very significant, albeit partial, solution - we believe - is the emergence of the "Stewarded Model" on strategic sites, in partnerships just as I describe. Local authorities could well be the public sector steward "master developer", managing the master plan and the interstitial spaces, allowing the volume house builders to do what they do best, way further down the supply chain, with their formulaic business models, which only really work for serviced plots for 200 homes at a time.

In our book, we describe the models pursued by the likes of Urban & Civic, Harworth Estates, and Grosvenor, and now unashamedly being emulated by my own company, UK Regeneration. That model could be your model. We private sector players may be few in number, but we take our inspiration from the early custodians of place, way before we even had council housing; going back in history to seek for good models of high quality, popular and locally affordable homes, many of which were provided by the private sector; "model villages" built to house workers in places like Port Sunlight, Bourneville, New Lanark and Saltaire. Another touchstone is the old estates built by the likes of Guinness and Peabody.

There is nothing new under the sun. It has all been done before. And local authorities stand uniquely well placed to bring forward such sites. Long termism and resilience will be the order of the day.

So who else is there in your manor that can show this leadership in the pursuit of the public interest? My message to you is clear: there is plenty of room in this market for people who wish to step up and play fair, for those who want to do the right thing for their towns or cities. And that could be you.

A housebuilder-turned-journalist and a government advisor-turned-housebuilder dissect Britain's broken housing market. Peter Bill and Jackie Sadek talk to former Conservative and Labour housing ministers, Downing Street advisors, planners, architects, housebuilders, councillors and social housing experts. What emerges is a picture of a faulty system which fails to deliver decent homes for all. Lax space standards allow houses no bigger than nineteenth-century slums. Doesn't everyone deserve better?

Politicians blithely assert that improving the planning system will produce more homes, in turn reducing prices. Nonsense. This is a 'factoid' – a false assumption. *Broken Homes* critiques decades of failed attempts by the state to boost supply. How both the private and public sectors really operate is explained. The forces that shape and form large scale developments are demonstrated by way of detailed financial examples. A set of reforms to provide homes fit for everyone in the twenty-first century is proposed.

Peter Bill spent a decade working for a major housebuilder before turning to journalism. Peter is a former editor of Building magazine and Estates Gazette and the author of *Planet Property*.

Jackie Sadek spent decades as a regeneration specialist, before entering government as a special advisor to senior ministers. Jackie is now developing 1,500 homes in Bedfordshire.

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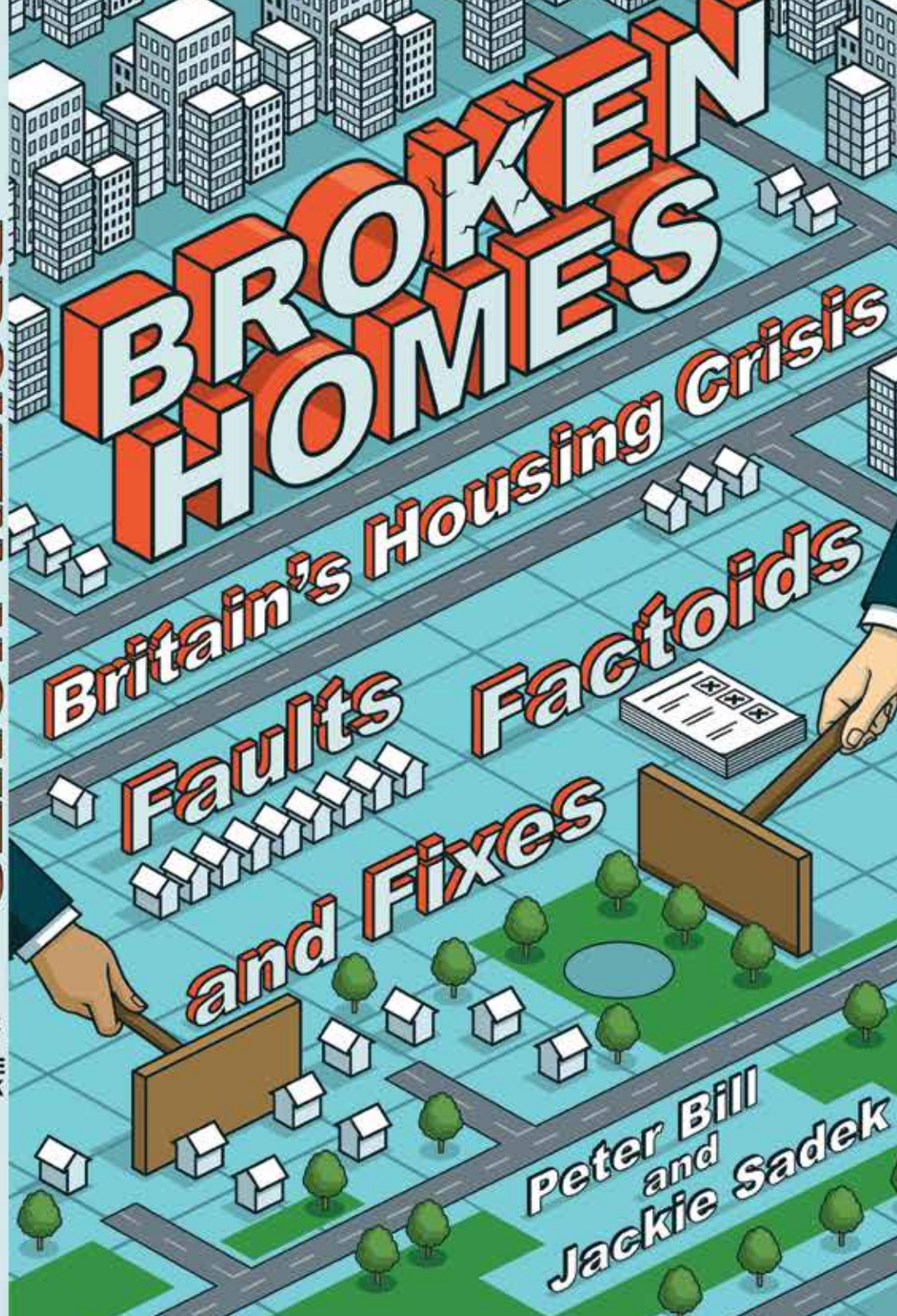
BROKEN HOMES

PETER BILL & JACKIE SADEK



Christine is a partner in the real estate practice at national law firm, Mills & Reeve LLP. Her work involves a wide range of property matters, specialising in development schemes.

THE MASTER DEVELOPER

The long-term vision of the master developer

Christine de Ferrars Green Christine.deFerrarsGreen@Mills-Reeve.com

In this introduction to housing initiatives featured in this issue of ACES' Terrier, Christine talks about master developer-led residential developments, what makes such projects different from many housing developments, some of the advantages of them, and the place for patient capital in stewarding such projects, and the need for good stewardship of the completed development for the long-term future. This featured in the Mills & Reeve LLP "Real Estate Law blogs" series www.property-matters-law-co.uk

The master developer as a landowner, often working with a development manager, owns a large site that is planned for comprehensive development. Typically, a project will be built out in phases over a number of years by different developers, following a masterplan approved under an overarching planning consent. The master developer holds the long-term vision for the development of a community of thousands of residents in new homes, set in character neighbourhoods and having a full range of community facilities, built for them to live well.

A key part of the master developer approach is to deliver all the main infrastructure, and to oversee compliance with the site-wide planning consent conditions and obligations. Fully serviced land parcels are sold to housebuilders, which need to be concerned only with the planning requirements for their parcel. Making sure the parcels interconnect seamlessly and development happens to a timeline that satisfies the overarching planning consent requires careful practical, technical and legal management.

Building beautiful is all part of the master developer's vision. A masterplan for the whole project is accompanied by a design guide. Using this, a range of brands and a mix of house types and tenures can be delivered by housebuilders working to design and build their products to blend across the wider site, offering choice for new residents. High quality design from one land parcel to the next helps to maintain values for the landowner and the housing developers alike.

Green infrastructure is an integral element. Design will often be led by the existing natural landscape and the history of the site. Green open spaces provide attractive places as the setting for new homes and for residents to enjoy leisure time. It is also a space for nature. Biodiversity net gain objectives have been delivered for many years in large sites, and much can be learned from past projects in best practice going forward, as this becomes a requirement of new development.

All this requires patient capital investment as the time taken from site acquisition, planning, initial infrastructure delivery, and first income producing land sales and development will be many years; and it will be some more before the net payment out by investors moves along the hockey-stick shape of development investment finance, from the hook to the long upward line of new money in.

One last point to mention is the legacy of development. This includes long-term management of the public realm, green spaces and shared facilities. In a master developer-led project, there will be a single management organisation working to a plan, funded in a way that assures a sustainable, in-perpetuity income stream. Usually all residents will be required to make a contribution to a management charge and to abide by estate regulations, which are written to make sure that the initial quality of the development is preserved.

Neil is co-founder and director of TOWN, a developer and custom-build enabler set up in 2014 to build good homes in proper streets and neighbourhoods. Neil is a visiting fellow within the School of Architecture, Planning and Landscape at Newcastle University, an academician of the Academy of Urbanism and a Fellow of the RSA.

COMMUNITY-LED HOUSING
Marmalade Lane, Cambridge

Neil Murphy hello@wearetown.co.uk

Neil describes in detail how an alternative to volume housebuilding can be achieved by a partnership between a local authority and custom builder, involving the community from the earliest stages. The scheme, submitted jointly by Greater Cambridge Shared Planning Service and TOWN won the Royal Town Planning Institute's Silver Jubilee Cup for Planning Excellence, and it was Project of the Year Winner of the residential category of the RICS Social Impact Awards 2020.

Introduction

This article aims to aid public sector decision-makers' understanding of how innovative housing projects like Marmalade Lane, completed in December 2018, can be procured and realised. It summarises the key features of Marmalade Lane, explaining the procurement process and highlighting the way public-sector decision-making shaped the outcomes, then identifies 9 key lessons – success factors and potential improvements – for future projects.

Key features

Marmalade Lane exemplifies several aspects of housing delivery promoted by government policy:

Custom-build - With 42 dwellings, Marmalade Lane is one of the largest completed group custom-build developments in the country. Residents were able to customise their homes internally and from a menu of options, and residents worked with the professional team to co-design the shared spaces.

Community-led housing - The largest intergenerational cohousing community in Britain, Marmalade Lane has a wide mix of homes, a common house and a shared garden. The co-productive approach to design has helped create a strong community from the outset that has had a positive impact on the wider Orchard Park community.

Modern Methods of Construction - Marmalade Lane uses 2 forms of MMC, with closed timber panels used to construct the terraces and cross-laminated timber used for the apartments building and common house. Both perform to high environmental standards, with mechanical ventilation and heat recovery systems and renewable energy from air source heat pumps throughout.

Design quality - Cited as good practice in the final report of the Building Better, Building Beautiful Commission and the National Design Guide, Marmalade Lane won a 2019 RIBA National Award, the Richard Fielden Award at the 2019 Housing Design Awards, and was the overall winner at the 2020 RTPI Awards for Planning Excellence.

Common House

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SME developers - Marmalade Lane was built by a partnership of new-entrant TOWN, a small, newly formed UK developer and Trivselhus, the UK arm of a Swedish timber housebuilder. TOWN led the project, while Trivselhus provided 100% equity funding and its closed-timber panel construction method was used for most of the superstructure.

What is cohousing?

Cohousing communities are intentional communities, created and run by their residents. It is a way of resolving the isolation many people experience today, recreating the neighbourly support of the past. Initial group members contribute to the design of the cohousing community and where possible the design is used to encourage social interaction.

Each household has a self-contained, private home as well as sharing the community space, providing a balance between privacy and community. Residents manage their community, share activities, and regularly eat together.

Owing to inherited constraints, Marmalade Lane was commissioned as an all market sale development, but cohousing can include affordable housing, ideally with a local lettings policy and the ability to identify residents early on, so they can be part of the design process and the formation of the community before occupation.

Cohousing communities have adapted well to C-19 and have been able to support each other and adapt how they use their shared spaces and maintain their social connections.

Procurement process

Origins (2011 – 2012)

Plot K1, owned by Cambridge City Council, was allocated for market sale housing within the masterplan for the Orchard Park urban extension to north Cambridge; the initial intention was to sell the site to a volume housebuilder. The 2008 financial crisis led to the sale falling through, giving the council room to explore alternative and more innovative ways to bring the site forward for development.

Cambridge City Council officers and councillors had been inspired by the self-build approach following a visit to see Vauban in Freiburg, Germany, and so when Plot K1 became available, it was agreed to explore its feasibility for a community-led development. It was accepted from the


Home working in Common House

outset that any development would need to produce a reasonable capital receipt as the site had been designated and valued for market sale, but the council added driving up environmental standards and creating an exemplar for more sustainable homes and communities as additional policy objectives to govern any development, and the receipt it would produce. The potential for cohousing to add to the social capital in Orchard Park – then known as a relatively transient area – led to the council preferring a cohousing approach.

The early buy-in of senior officers and elected members was important to embedding and maintaining support for the project as the conventional market recovered.

Feasibility and the brief (2013 – 2014)

The council agreed to reserve K1 for a cohousing project on the condition that the newly-formed group, K1 Cohousing, could establish a committed membership of at least one third of the proposed households (at that time, 37 market sale units), with their commitment evidenced by payment of a membership fee.

The city council, together with South Cambridgeshire District Council as the local planning authority (and a 'vanguard' authority for custom and self-build housing), supported the group's application for grant funding to engage a project manager, set up a legal entity, develop a client brief, and submit an outline planning application to establish the principle of cohousing for the site. In total £85,000 was received from the then Homes and Communities Agency for this stage of the project, forerunning the type of support later provided to groups through the Community Housing Fund. The slowness of the early stages is largely due to its innovative approach and the need to access grant funding for each stage.

Procuring a developer (December 2014 – July 2015)

The chosen procurement route was via conditional sale of the land to a developer through a 2-stage competitive process, which enabled the council to receive best consideration for its asset through a market-driven process, while ensuring its policy objectives were delivered. Developers were initially invited to submit expressions of interest, then invited to bid. There was no financial pre-qualification other than bidders being asked to confirm that they could meet a minimum acceptable land price.

The process – which, as a land sale, fell outside of OJEU procurement requirements – required bidders to submit a detailed design that responded to the client brief, set out the process by which they would work with the group to develop the detailed design, and describe their proposed approach to construction, sale and handover, warranties and post-completion quality assurance.

The approach and tender scoring methodology were developed jointly by the group and the council. Using the 'Quality Threshold' approach, the 2 stages were assessed as follows:

- Stage One was marked 100% on quality, and allowed the council and group to shortlist 3 suitable developers purely on the merits of their approach
- Stage Two was marked 40% on quality and 60% on price, placing greater weighting to the financial offer, given that the shortlist of developers had effectively been pre-approved by the group for the quality of their proposals.

Between stages one and two, the group and the council held workshops with shortlisted developers and their design teams, allowing feedback and debate on draft design proposals. Through this process, a partnership between TOWN and Trivselhus was selected in summer 2015 to purchase and develop the site.

Sale contract and risk management

The contract for the land sale was designed to establish a framework for collaboration between Cambridge City Council, as landowner, the developer, and K1 Cohousing Group. It also sought to pass development risk to the developer, while maintaining appropriate controls for the council, and protections for the cohousing group.

The land sale agreement was a 3-party agreement between i) the council as vendor, ii) a TOWN/Trivselhus SPV as purchaser, and iii) K1 Cohousing, which was to be transferred the common parts on completion of the final unit sale.

Food bank

The agreement contained mechanisms for the council to ensure that the quality and vision of the project was maintained. For example, the sale was conditional on detailed planning permission being obtained, in accordance with the scheme that the developer had proposed as part of its successful tender; material variations required the council's reasonable approval; and the terms of the leases and freehold title covenants were to be agreed with the council.

The sale contract required the developer to offer properties to group members in accordance with an agreed pricing schedule that had been put forward by the developer and agreed by the cohousing group. The pricing schedule included agreed discounts for purchasers who committed early, to reflect the reduced sales risk. Where homes remained unsold, and after a defined time period, the developer was entitled to market homes in the open market. In all cases, purchasers were required to be or become members of K1 Cohousing.

The land price payable by the developer to the council was deferred and payable on a plot-by-plot basis from the proceeds of sale of completed dwellings, with a longstop date 3 years from completion of the contract. To secure its deferred payment, the council had first charge over the land.

Codesign and development

An intensive codesign process was adopted, which allowed a full planning application to be submitted in just 5 months after developer selection. The codesign process was organised around 4 workstreams: i) housing types and customisation, ii) common areas, iii) landscape and iv) energy/sustainability. For each workstream, there was a series of workshops that involved TOWN and its professional team working with future residents, often in evenings, to develop ideas and resolve questions posed by the design process.

Examples of the outcomes of this process working include:

- refinement of the menu-based customisation approach, through which the space and living accommodation requirements of a diverse mix of households were accommodated within relatively few 'shell' type and configuration options, balancing the range of options with the need for efficient procurement and 'buildability'
- detailed planning of the internal and external shared spaces; and
- the energy strategy, where members' commitment to avoiding the use of fossil fuels led to the use of air source heat pumps rather than a mix of PV panels and gas boilers.

Naturally this process raised issues and challenges that required dialogue, compromise and collaboration, for example, where the winning bid proposal was in conflict with the client brief, where further needs or constraints were identified, or where cost savings needed to be identified. A formal mechanism for resolving differences between the developer and group was not prescribed, but the alignment of interests between the parties meant a pragmatic, give-and-take approach was adopted. This was based on an understanding that revenues and costs had to be kept in balance in pursuit of the overall vision, and a commitment to transparency around costs on the part of the developer. This ensured a relationship based on trust, whereby the developer and group could work together to solve problems.

Property sales

Early purchases were off-plan and involved a price discount (up to 9%) for early exchange. Apartments were sold with 999-year leases and the houses were sold freehold, but with detailed covenants to make them behave in a similar way to the leaseholds. There is no ground rent, but all households contribute to a service charge to maintain the shared areas. With residents' managing the site, the service charge works out at around £40 per household, with more payable by the leasehold units for buildings insurance and towards a sinking fund. An upfront payment was made by each purchaser to provide reserves to equip and furnish the shared areas. To help maintain the cohousing ethos, there are restrictions on letting out the properties and when a home-owner wants to sell their property, it needs to be offered first for an 8-week period to the cohousing community to find a buyer.


Image by kind permission of Tom Pilston

9 Lessons: What to replicate and what to change

Firstly, 6 things to take from the Marmalade Lane procurement experience:

1. Visionary and determined public sector enabling - Marmalade Lane would not have happened without the support and persistence of Cambridge City Council. The cohousing project took longer to realise than initially expected, in large part due to the stop-start nature of the process of applying for and obtaining grant funding. However, due to the combination of political buy-in and day-to-day leadership from key officers, the council stuck with its commitment to innovate.
2. A balanced approach to best value - The delivery of Marmalade Lane was possible because the council took an approach to its s123 Local Government Act 1972 duty that used the leeway that exists for public bodies to factor non-financial and policy considerations into deciding what represents best consideration. Many local authorities either do not understand the flexibility available to them to use land disposals to create social value, or use a narrow interpretation of best consideration to justify maximising financial return. Public bodies should actively be encouraged to make purposeful disposals that allow similar projects to happen.
3. Simple but sophisticated procurement route - The route of offering the site to market with a distinctive and demanding brief, secured through the land contract, avoided the complications and pre-qualifications of OJEU procurement, had the desired effect of encouraging new entrants to bid, and ensured the council complied with its obligation to obtain best consideration for its land. The stated willingness to defer land payments on a 'build-now-pay-later' basis was key to attracting SME developers with ample creativity but limited capital.
4. Quality then price - The 2-stage process which focused wholly on quality before introducing price was highly effective for a project in which innovation and risk-taking in design were crucial. The inclusion of design workshops between the 2 stages provided an important opportunity for dialogue with the cohousing group, and allowed bidders to anticipate where cost savings might be made to allow the price offer to be maximised.
5. Early involvement and deep collaboration with future residents - Bringing people together early and involving them deeply, though demanding on the developer's time, was a good way both of establishing genuine commitment and aligning the interests of landowner, developer and residents. This includes tapping into the knowledge and ideas of future residents and helping them to understand issues, such as risk and cost in development.
6. Upfront, less is sometimes more - The setting up of the legal entity for the cohousing group, developing a detailed client brief, and seeking detailed outline planning permission consumed a lot of time and resources and that, along with the interactive process of seeking grant-funding to support this activity, consumed time and resources without much tangible progress being made. Recruiting a development partner earlier in the process using the same procurement method (eg. after designating a site for cohousing in a wider master plan or in a local plan) could have reduced the time and scope of this prior work significantly without compromising outcomes.

And 3 things to try differently:

7. Make the client brief demanding, not detailed - If you design a good process, based on trust and collaboration but with clear controls, a detailed brief with lots of upfront safeguards isn't necessary. Focus on the key outcomes and objectives and let the developer and its team do the work, but also recognise the important community building aspect of developing the client brief.
8. Community-led doesn't have to be community-instigated - Although a core group of committed residents is key to the success of any group development project, the formation of a group doesn't have to precede finding a site – a community can be recruited and built around the opportunity offered by a site, as is common in 'building group' projects in continental Europe. Indeed, in many ways it was the availability of site K1 that allowed momentum and membership to be built around what became Marmalade Lane.
9. Community-led housing as a catalyst - Marmalade Lane is built on one of the last parcels in Orchard Park and only happened because of the temporary collapse of the volume housebuilding market in the financial crisis. But the effect of the project on building social capital, in an area where it was widely seen to be lacking, testifies to the unique value of community-led housing: committed residents put down roots, get active and help establish a culture of caring about a place. As such, the power of such projects early, rather than late, in the growth of new communities is there to be exploited.

The lessons of Marmalade Lane are not limited to cohousing or community-led housing. With growing expectation on public bodies to use their assets to drive innovation and take an enlightened and nuanced view of 'best consideration', and many councils frustrated that large-scale regeneration and growth projects they enable in their areas don't produce the outcomes they promise, Marmalade Lane offers a model for a relatively modest intervention to set a powerful example.

AFFORDABLE MODULAR HOUSING

Case study Swan Housing Association

Geoff Pearce CommunicationsTeam@swan.org.uk

Since joining Swan Housing Association at the beginning of 2014, Geoff has overseen the growth of Swan's regeneration and development programme, progressing long-standing major regeneration projects at Blackwall Reach and Beechwood Village and leading on many new regeneration projects such as Purfleet Town Centre, the Queensway estate in Southend on Sea and the Laindon Centre. In that time, Swan's in-house construction service has grown exponentially and includes opening Swan's own modular housing factories in Basildon, Essex. In 2020, Geoff was made Deputy Chief Executive, taking on additional responsibilities, including property services and strategic planning across the organisation.

Following a presentation to ACES Eastern Branch concerning the Southend Queensway project, Swan agreed to write a specific article about the development of its modular housing. Geoff outlines the housing association's work – don't miss the video showing a house built in 4 minutes!

An early player

Swan Housing Association has been ahead of the curve in the property industry, having introduced modern methods of construction (MMC) back in 2017 and opening their own modular housing factory, to build customisable cross laminated timber volumetric homes. Today Swan, which manages over 11,500 residential properties across Essex and East London, and has over 8,000 more secured in its development pipeline, has now expanded into a second modular factory.

As one of the first housing associations to move into MMC, Swan's commitment to creating more high-quality, environmentally sustainable homes and thriving communities for those who need it most, has driven their progression of MMC. Swan is on an exciting journey. Modular housing offers an innovative solution that will help provide growth in the industry, providing more high-quality homes for communities in the UK.

Swan quickly realised the opportunities and benefits that modular construction can bring. As a business, the housing association has been keen to share confidence in modular building early on, and has welcomed over a thousand visitors to the factory and launched a modular design guide in 2019, so that other developers could learn from the experiences the housing association faced and produce more homes for everyone in society. Swan believes it is integral that we connect as a sector, sharing knowledge and ideas to reach housing targets.

Swan Housing Modular Factory pre-Covid-19. L to R: Sam Wait - Director of Business Development and External Affairs at Swan; Bill Marsh – Factory Manager; Nadhim Zahawi MP - Minister for Business and Industry (Minister for Covid-19 Vaccine Deployment since this photo was taken); Frank Klepping - Development Director, Development and Regeneration at Swan/NU living; Dean Rosewell - Managing Director, Development and Regeneration at NU living].

Expansion

Due to Swan's success in modular building, the company recently announced its acquisition of a newly built 116,841 sq. ft. industrial unit which will open in Spring 2021, and is situated opposite the existing modular housing factory in Basildon. This new factory will be used, through its NU living development subsidiary, to manufacture light gauge steel modular housing and will operate alongside Swan's existing cross laminated timber volumetric system delivered in its current factory.

Swan Housing Modular Factory Pre-Covid-19

This expanded capacity will not only allow Swan to build high quality modular homes for its own secured development pipeline, but also will position NU living, in time, to provide additional capacity to support Swan's partners and other stakeholders in meeting the growing expectation from the government, for a proportion of modular housing to be incorporated in their own programmes. In fact, Swan's modular factory is able to save 50% on time during the modular construction process, also saving 10% on cost and 90% reduction in waste, along with increased quality and safety. With both factories in full operation, NU living will eventually be capable of delivering over 1,000 modular homes each year.

The acquisition of the second factory was also a key strategic move, as it will give the additional capacity to build at height using a steel framed approach, and to increase the use of pre-manufacturing and componentisation. Swan believes in supporting the communities in which it operates and opening the factory will be creating over 120 jobs by the time the factory is in full operation. In addition, Swan will be providing apprenticeships in the Basildon factories, in order to allow more young people to flourish and learn modern construction methods within the manufacturing industry.

Modular projects

Swan Housing Association's 'Beechwood Village' development is positive proof that modular construction provides an innovative solution to the housing industry. The development is regenerating a 1960s estate (Craylands Estate) into a new, sustainable, long-term community that also serves a social purpose. Beechwood Village is one of the first schemes to be produced via Swan's first modular factory. By adapting their usual working day and making sure the government guidelines are fully put into effect, Swan's factory has safely allowed their employees to continue to create quality sustainable modular houses throughout most of the pandemic.

However, there is a fundamental incompatibility between the desire to build more homes, a declining construction workforce, and a drive for greater quality. The Farmer review of the UK Construction Labour Model, 'Modernise or Die', concluded that based purely on existing workforce age and current numbers of new entrants, this could be seen by the 20-25% decline in the available labour force within a decade. Farmer concludes that pre-manufactured construction will need to form a key component of future construction capacity. Swan Housing's modular construction offers a more comfortable working environment than traditional methods of construction, therefore attracting more staff.

Modular projects are also gaining greater and greater investment. The South East Local Enterprise Partnership (SELEP) has approved £30m in funding for 14 projects in Essex, Southend and Thurrock from the Getting Building Fund, including £4.53m for Swan's Factory 2. As the country deals with the pandemic and the future of the UK business environment remains uncertain, SELEP's funded projects will help the industries that are particularly affected by C-19. In total the 14 projects benefiting from the funding will create and safeguard 2,633 jobs, deliver 5,381 homes, support 4,103 learners, and unlock 129,377 sq m of commercial space.

The government is also putting greater emphasis on MMC – including the recent announcement that development programmes funded through the Affordable Homes Programme 2021: 26 include at least 25% off-site manufacture. After recent events, greater emphasis will be placed on sustainability, which MMC is a key component of in the property sector. This

Beechwood Village – Swan Housing

new announcement is definitely a step in the right direction and will enable Swan both to support their partners to meet their modular delivery targets, and Swan to continue to seek to support and engage with the government about the opportunities modular can bring.

As we begin 2021, Swan's talented factory team will continue to create quality sustainable modular houses for expanding into modular steel production to increase their capacity. The company is looking forward to supporting its local authority and housing association partners to deliver on their future modular housing commitments.

Jez is Project Director of Bristol Housing Festival. He has initiated and managed strategic development in a variety of settings. His previous positions include CEO of Guildhall Barrister's Chambers, and CEO of a charitable national skills training organisation. He founded the Bristol Housing Festival in 2018

AFFORDABLE MODULAR HOUSING

Bristol Housing Festival – Hope Rise ZED PODS

Jez Sweetland jez.sweetland@bristolhousingfestival.org.uk

Jez kindly agreed to write this article, after I'd watched a RTPI webinar about modular housing. This is an exciting case study of how, working in partnership with Bristol City Council, a modular building company can achieve quick and affordable housing for young people above a retained car park: "…innovation is only possible through collaboration".

Bristol One City

The UK is facing major challenges: a housing crisis, a climate and ecological emergency, a construction skills shortage, and now the challenge of recovery post-pandemic. Solutions for these crises will not be found in isolation one from another. They require widespread collaboration, holistic thinking and systemic change.

In Bristol, the city has responded to the multi-faceted nature of such challenges, recognising the need for collaboration across multiple sectors, organisations, and individuals, forming Bristol One City.

"The One City Approach brings together a huge range of public, private, voluntary and third sector partners within Bristol. They share an aim to make Bristol a fair, healthy and sustainable city. A city of hope and aspiration, where everyone can share in its success." www.bristolonecity.com

Bristol One City has launched a plan for 2050 comprised of various apolitical goals. One of these goals is that everybody has access to affordable housing in a safe, thriving community.

Bristol Housing Festival is committed to supporting this vision. In the multiple crises we face, we see an opportunity to better meet the needs of Bristol residents and work towards a sustainable future, by working together and addressing these crises in a holistic manner, not separately.

Bristol Housing Festival

The Bristol Housing Festival is a 5-year project, an initiative of Bristol One City. We are hosting an ongoing conversation in various virtual and physical forms to incubate and pilot new ideas, with the goal of finding scalable housing solutions. Our focus is predominantly on enabling modern methods of construction and innovative offsite and modular technologies. We do this by working closely in partnership with Bristol City Council, the West of England Combined Authority and others, to develop and build pilot projects across the city.

The role we play as the Bristol Housing Festival can often be hard to define. The word we land on most often to do the job is 'enabler'. We work with organisations to create momentum to support and enable them to take innovation from theory, through to real life use within house building, and are conducting research and evaluation on each project, to share learning as we go. However, we're not just interested in new ways to build houses, but in new ways of thinking about the role of housing in creating sustainable, great places that support and invest in communities. We see our current housing situation as an opportunity to think holistically about how to tackle the multiple issues we face.

This attitude, this vision of opportunity in the face of crisis, could simply be seen as a nice theory. The question over whether it

really works and whether collaboration can really support innovation to find solutions to these major issues remains…..We believe it can.

Case study: Hope Rise

The Bristol Housing Festival launched in October 2018 with a public exhibition on Waterfront Square in the centre of Bristol. During the 17 days the site was open, 6 different modular homes were open to the public to explore, among other things, on site. One of those homes on display was a ZED POD - a 2-storey offsite manufactured home designed to be low carbon and highly energy efficient, to ensure residents the lowest possible running costs (https://www.zedpods.com/).

At this time, YMCA Bristol was struggling to identify move-on housing for individuals living in 'short-term' emergency accommodation they had created for young people in crisis, in the Bristol Wing backpackers' hostel. They recognised the need to move away from just thinking about units of accommodation, to thinking about creating communities, in which young people could 'belong, contribute and thrive'. Conscious that it was the land-value in Bristol that was making housing unaffordable for young people, they were actively looking at solutions that made creative use of land.

Bristol Housing Festival played an active role in joining up these stories and YMCA Bristol was brought on board as part of the delivery team to work with Bristol City Council and ZED PODS. The project delivered 11 ZED PODS, constructed by Impact Modular, above a council owned car park, making use of 'air rights' as an innovative use of space in a city centre location.

The development was completed in December 2020 and has been designed to create car-free, affordable housing, leaning on the good transport links, easy access to shops and amenities, and strong local community. The ZED PODS are now home to a mix of young people as nominated by YMCA Bristol, from the council's housing waiting list, and 4 'community builders' recruited specifically to help support the new community formation and integration into the wider existing community. These 4 people, in exchange for getting all the benefits of being council tenants, will simply act as good neighbours.

Hope Rise is an award-winning example of how uniting multiple stakeholders enables innovation to find solutions to solve real issues. Collaboration is not straightforward by any means, as innovation requires courage to take risks, and collaboration requires trust between partners. However, through hopeful and generous partnerships, risks can be shared to enable outstanding achievements.

This is why, at the Bristol Housing Festival, we have 4 specific values as an organisation: united, generous, hopeful, courageous. We are convinced that innovation in the built environment will not only be part of the solution for the UK's housing crisis, but a key factor in achieving our goal to be carbon neutral by 2050, and an enabler of thriving communities. Ultimately, this is where we will find solutions for other, wider reaching issues we are facing, and our experience has shown us that innovation is only possible through collaboration.

Jon Millhouse, Director at Planning & Design Practice Ltd, is a Chartered Town Planner and member of the Institute of Historic Building Conservation.

Planning & Design Practice Ltd are a team of planners and Architects, based in Derby and Sheffield, who specialise in heritage projects.
www.planningdesign.co.uk

BUILDINGS CONVERSION
A stitch in time

John Millhouse Jon.Millhouse@planningdesign.co.uk

One of the advantages of lockdown has been to obtain from the comfort of your home excellent CPD. John was a presenter for a RTPI webinar, who illustrated a case study of a successful buildings' renovation, part conversion, and new build, to allow a woollen mill to be viable, and provide much-needed housing in an historic Derbyshire village. John agreed to write a summary of this ongoing project.

Keeping history alive

John Smedley Ltd has been producing textiles in a quiet corner of rural Derbyshire for the last 237 years. Originally established as a cotton mill, but a wool spinning mill for most of its history, John Smedley can claim to be the oldest continuously manufacturing factory in the world, and is the last surviving working textile mill in the Derwent Valley Mills World Heritage Site.

But with an extensive, aging building stock and cheaper foreign competition, running a textile mill in England in the 21st century is not easy. How does one keep this living history alive?

Thankfully, with an open-minded and committed client (John Smedley), and imaginative architect (Evans Vettori) and supportive local authority (Amber Valley Borough Council), we were able to secure a planning consent in December 2015, which has gone a long way to helping the company to achieve this.

Permission was granted for the redevelopment of surplus land and buildings at the factory site to provide 26 new dwellings, through a combination of conversion and new build. Development is now well underway.

The scheme did involve some difficult decisions. Certain buildings needed to be demolished to facilitate the conversion of others. With the help of an archaeologist and the company archivist, we assessed and documented the historic significance of all buildings affected, and in consultation with Historic England, decided which buildings to remove.

Some elements of the scheme were more controversial than others. We proposed to build a terrace of 4 new town houses - a modern take on a traditional Derwent Valley workers terrace - on a greenfield part of the site fronting the main road. One or two of the neighbours had misgivings about this element, preferring to see the development

confined to brownfield land only. We calculated, however, that the 4 new dwellings would be needed to make the scheme viable and submitted costings to demonstrate this.

The scheme also included a novel package of s106 contributions, including contributing money towards an apprentice and staff training program at the company, the establishment of a company archive to house its extensive collection of historic garments, and the restoration of 3 Grade 2 listed, derelict and extremely dilapidated late 18th and early 19th century workers' cottages, and their use as affordable housing. These contributions were not required by policy or requested by the local authority, but rather offered by the company to demonstrate its commitment to investing in worthwhile projects.

Some lessons

Looking back, some interesting lessons can be drawn. The restoration of the cottages was extremely rewarding and was very well received by local heritage groups, but was unsurprisingly more expensive than first anticipated. The new build terrace of 4 did indeed prove crucial to the viability of the scheme, received a Royal Institute of British Architects design award, and has proved popular with purchasers.

The best outcome of all is that the investment generated, and put towards worthwhile projects, has contributed to the continued operation of John Smedley Ltd as a working textile mill. The heritage benefits of this living history are in my opinion very significant indeed.

Planning & Design Practice Ltd recognises that historic buildings and landscapes are intrinsic to our sense of place and identity, and has considerable experience of developments involving Listed Buildings, Conservation Areas and World Heritage sites.

MIXED USE SUSTAINABILITY

Keeping it real – How lockdown has made the argument for mixed use and local high streets

Gail Mayhew and Charles Dugdale gailmayhew@hotmail.com Charles.Dugdale@knightfrank.com

Following on from separate articles in 2020 Spring Terrier from Gail and Charlie, this article shows research and case study examples on several fronts of the Building Better, Building Beautiful initiative, in particular, the stewardship model, the concept of walkability, and the value of mixed use schemes and street-based commerce. Please take a look at all the reference material for some excellent case studies.

Context

As we enter the new year and a new lockdown, we are reminded once again of how important our home and the facilities of our immediate neighbourhood are to us. During the last year, many lessons about how our settlements function, in terms of resilience and sustainability, have been driven home in a practical way. For many, the constraints of lockdown have been lightened by rediscovering local parks and gardens, and of walking even the most ordinary streetscape. And we have seen that virtual, remote working is much more possible than we had understood, and commuting less necessary than we suspected. However, in spite of the convenience of home deliveries, the need for interaction remains and our local high streets have come into their own, keeping us fed and supplied and socialised.

As we look forward to a year that may lead us beyond the restrictions of lockdown, the timing is ripe for reflecting on what some of this experience suggests in terms of urban planning and development.

Dorchester: The annual Dorset Food and Arts Festival hosted at Queen Mother Square
Image by courtesy of Lara Jane Thorpe, August 2019

Gail, Principal of Smart Growth Associates, is a place making and property consultant and was appointed as Commissioner on the Building Better, Building Beautiful Commission in January 2019. She is a member of the New Anglia LEP Building Growth Group and was on the board of ADAPT at the UEA. She advises Urban Catalyst on its Purfleet Town Centre project to build out a new high street, a creative industries district including TV/film studios and 2,800 new homes, and advises clients across the public, voluntary and private sectors on place making, regeneration and high streets.

She is the co-author of a new RIBA Future Places Report and is a Design Council Built Environment Expert advisor. She worked on the corporate strategy team at English Partnerships.

Charles is a Proprietary Partner at Knight Frank specialising in development partnerships across the UK. His overarching ambition is to get Britain building homes that people are proud to live in. This ambition straddles public as well as private sector land, and social as well as private housing. Charles recently led 2 research reports for the Building Better, Building Beautiful Commission, providing the evidence base to inform the Commission's policy propositions.

COMPARISON OF TWO CITY EXTENSIONS OVER THE YEARS

BRISTOL

HISTORIC CASE STUDY

CLIFTON VILLAGE

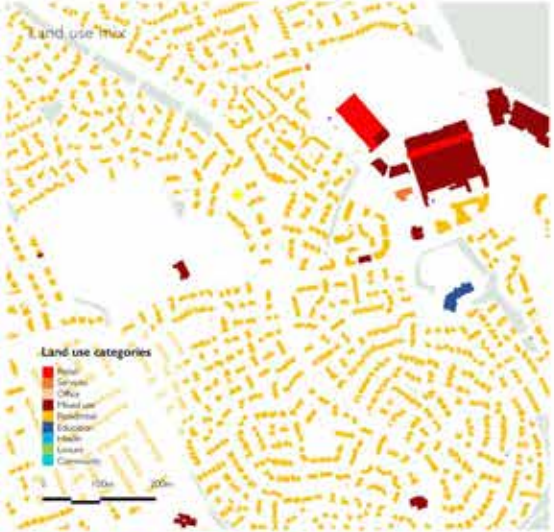
Clifton Village is an inner suburb of Bristol, built in the late 18th and early 19th centuries.
It is principally made up of Georgian terraces with ground floor mixed-use in the central area of The Mall facing a perpendicular garden square.

This type of terraced development with large public spaces and long runs of medium-density terraces, in response to the rapidly growing urban population, was fashionable at the time, as was the creation of new settlements built around spas to promote health and well-being, here and in nearby Bath.

The Clifton area is one of the most desirable places in Bristol to live and as a result also one of the most valuable. Central to this is not just the beauty of the buildings but a density that supports the mix of uses that make it a liveable place.

Walkability score	64 / 100
Dwellings	4,010
Non-residential premises	471
Rateable value	£7.3 million
Non-resi floor area	46,672 sq.m

Extract from "Walkability and Mixed Use: Making Valuable and Healthy Communities".
Imagery credit: Space Syntax



MODERN CASE STUDY

BRADLEY STOKE

Bradley Stoke is another suburb of Bristol, planned in the 1970's with building starting in the late 1980's. The settlement is principally residential but was designed to be self-sufficient with retail, leisure and commercial areas built into the plan.

The contrast with Clifton is stark in showing how much of a difference the distribution and scale of mixed use has on both the walkability and also the future value of place.

By designing large footprint plots in zoned districts, the priority was very much given to the motorcar with the overall pedestrian experience poorly considered.

It is worth noting that that the year construction started in Bradley Stoke was the same year as the publication of A Vision of Britain.

Walkability score	4 / 100
Dwellings	2,524
Non-residential premises	91
Rateable value	£6.4 million
Non-resi floor area	34,587 sq.m

CGI of Market Street, Nansledan, near Newquay, Cornwall Credit: Hugh Petter, Adam Architecture. Illustration: Chris Draper

An immediate point is the need to support existing high streets with a range of measures to allow them to re-normalise – supporting existing and would-be traders to access properties on terms that encourage entrepreneurialism and locally adapted business models. This means stopping short of allowing change of use too early, before the post-Covid marketplace has had time to recover. And it means recognising the vital importance of physical trading and street-based commerce and servicing as part of both an approach to delivering genuinely sustainable, resilient urbanism, and to supporting local communities and social cohesion. Economic development and regeneration measures must take full account of this need and opportunity, and prioritise the stimulation of local economies. It is salutary to see in a recent economic assessment (1) of the Duchy of Cornwall's Poundbury urban extension to Dorchester that its strategy of building in space for business activity, as well as residential, has resulted in over 1 local job created per house built, and exceeding £100m p.a. GVA captured into the local economy.

Before Covid, well managed local high streets – ie those not dominated by chain retailers with struggling business models – were demonstrating their robustness and ability to re-establish themselves, in spite of and even supported by, on-line as centres of their community. These high streets need time and support to recover (2). They also provide a model for how we might build walkability and greater resilience into existing suburbia and into new build schemes.

Since the publication of its Urban Village report (3), the Princes Foundation has been arguing for neighbourhoods to be designed with a rich mix of uses distributed to be walkable. This learns from the structure of popular, historic city neighbourhoods, which were designed pre-car and were by necessity walkable. London has been characterised as a series of urban villages with an urban structure that is less concentric than many international cities, forged on a polycentric model as it absorbed historic villages into its urban fabric. This pattern can be observed across most historic settlements in the UK and many of the most desirable neighbourhoods lie within these urban villages. Traditional local high streets tended to form along key arterial or principal routes and had sufficient density of population within a walkable catchment to maintain a range of retailers, services and commerce, with footfall supported by key 'generator' uses such as primary schools, nurseries and medical centres in close proximity. This contrasts sharply with contemporary development practice which segments use classes into separate areas or buildings, and where mixed use is included, this tends to be provided within a central core of buildings.

Stewardship Initiative and 'Walkability'

The Stewardship Initiative was launched in 2020 to take forward the findings of the Building Better Building Beautiful Commission (4) to consider how land management and property delivery models might be innovated to support better quality development and planning outcomes. In December, we launched research 'Walkability and Mixed Use: Making Valuable and Healthy Communities' (5) to provide a better understanding of what the land use and urban design factors are that underpin walkability. The report highlights the disparity between what the underlying land use characteristics – in measurable terms – are of traditional walkable neighbourhoods, comparing these with recent developments of similar location and ambition, to highlight relative walkability. The aim of the research is to consider whether walkability should be a key metric for planning; whether it can be accurately measured.

It also produces a data-informed evidence base to help support decision-making in planning, and the design of new build and regenerative schemes. By understanding what the critical metrics are that characterise walkable land use, urban form and population densities of traditional mixed use urbanism, this will help to identify what makes for success and viability on a tested basis, to support

brief setting and planning of walkable neighbourhoods.

The results of Space Syntax's modelling are compelling and shocking in equal measure. We can see in bold graphic terms how simplistic and segmented the land use pattern produced by contemporary development is. This hard-wires car dependency and, as a consequence, poorer health outcomes, obesity, and additional household cost through car ownership into the vast majority of new build housing schemes. All of this has a cost to individuals and a clearly quantifiable cost to the public sector in terms of poor health and wellbeing outcomes, congestion, pollution and heightened requirement for road building.

As we move into 2021, the delivery of new, walkable neighbourhoods with the full range of amenities and servicing that these traditional neighbourhoods offer must be a critical objective of planning and development. If we are to meet our obligations on climate change embodied in the requirements of the Environment Bill, build resilience and regenerate communities up and down the UK, this is potentially the single greatest priority for urban planning and infrastructure decision making. This offers a potential win-win solution to the development community considering how environmental obligations might be met.

Plan long-term

Green construction techniques are still a developing science, and many aspects of this presently represent additional cost to development. Footprinting settlement to be mixed use to support walkability and resilience, need not be at cost to development (though it does imply different funding requirements and a longer time frame – see Treveth Holdings case study). Conversely, walkable mixed use urbanism has been shown to enhance overall gross development values; create long-term income streams and may support higher rates of market uptake on both sales and lettings (6) and Rugby School's approach at Lamb's Conduit, London (7).

Conclusions

Looking forward to 2021, the Stewardship Initiative with Space Syntax, Smart Growth Associates, Knight Frank and The Prince's Foundation will further develop the walkability index and modelling capacity, to provide a usable tool for planning authorities and developers, to assess baseline walkability of neighbourhoods and to test the impacts on walkability and trip generation of proposed masterplans. As the beneficial consequences of re-engineering the footprint of cities and settlements becomes apparent, it is hoped that an emphasis on walkability will underpin a shift in thinking around public investment in jobs and place-making, with a reduced need to invest as heavily on infrastructure supporting hyper-movement.

Treveth Holdings, Cornwall Council

Treveth Holdings LLP was formed in 2019 by Cornwall Council as an investment vehicle to deliver profit with purpose, putting Cornwall and its people first. It exists to create value for Cornwall and its people in ways that are sustainable and durable.

Treveth's objectives are improved housing delivery, in terms of quality and breadth of tenure, economic growth and job creation, to deliver consistent and reliable returns to its owners against a backdrop of reduced central government funding.

Arguably, the most pioneering aspect of Treveth Holdings is its investment time horizon. It invests over a 40-year period that spans economic and political cycles, which liberates an investment strategy that is genuinely value accretive.

As Tim Mulholland, Managing Director, says "we want businesses to flourish and to unlock the amazing entrepreneurial flair that exists in Cornwall. Our investment timeframe allows us to invest blind to covenants, in many instances, knowing that successful businesses will improve their covenant over time. Our strategy is to look at rents that people and businesses can afford and thrive, rather than striving to create new headline rents, that can have a detrimental effect on the wider local economy. This simply would not be possible over a shorter investment time horizon. We look forward to investing in the development of walkable and mixed-use neighbourhoods that we hope will help define a sustainable future for Cornwall."

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After 25 years in local government leading multi-disciplinary departments, Derek established an interim management consultancy, providing strategic transformation advice to councils across the country. He is a Past President of ACES and a former member of the RICS Commercial Property Panel. His passion about housing for older people stems from his research into best practice for dementia care for Basildon Borough Council, where he organised 2 summits involving national and international experts in the field, to draft an Ageing Well Charter.

HOMES FOR OLDER PEOPLE

Investing in homes for older people in a post-Covid world

Derek Rowell lionroarco@aol.com

How should we support the debate to address the recent crisis in care homes and develop property assets that better meet the future needs of a growing community of older people? Derek questions whether there are deeper-seated strategies and opportunities ACES' members could help to deliver that will provide a healthy investment return, while also achieving public good?

Background

Over recent months it has been hard not to be moved by the plight of older people who have lost their lives inside our care home sector. Despite their intended role, care homes have not been safe places for residents or staff during the pandemic. Sector leaders are calling for greater investment to pay for improvements, but is more money really the solution?

Reviews have been undertaken into social care generally and despite numerous proposals being made, the government has not published the Green Paper it promised would be ready in autumn 2018. The delays are basically because doing more for more older people is seen to be frighteningly expensive, both for individuals and the government. The cost of social care in an institutional setting rises exponentially as infirmity increases, and this burden is seen as a national crisis.

Due to austerity, local authorities have driven down costs they pay and as a result, care homes charge private residents higher fees to make ends meet. At the same time, care workers' wages have been squeezed, while activities that make life in a care home bearable have been reduced. In essence, we have created a system where few people are happy or safe, and our hospitals have become bed-blocked by people in transition between home and care. Surely, we can do better than this?

The caring professions are caught in the headlights of growing responsibility and big budget price tags. Before panic sets in, **how can property professionals working in the public sector and represented by ACES help to find a solution?**

Strategic thinking about assets

Generally speaking, older people are happier and healthier in their own homes. When they experience a health crisis they end up in hospital and once this happens, about 50% never go home again, particularly if they live on their own or their partner is also infirm. Those owning their own home, or have funds above a low threshold, pay privately until the asset value or funds are depleted. As we saw earlier, these costs are higher for private residents and effectively subsidise publicly funded places. In a post-Covid recession, the value of homes owned by older people may drop, which could reduce the financial headroom available to pay for the higher costs care home owners are looking for. So, we need to find an alternative strategy that facilitates change and breaks through the log jam.

Numerous reports and studies have concluded that an important part of

the solution to helping older people chart their course through life is that we need to create a greater stock of housing that prolongs independence and builds community support. Instead of building bigger and more expensive care "institutions", we need alternative accommodation that older people aspire to, rather than living in fear of what the future holds.

To reinforce this nationally, the Ministry of Housing, Communities & Local Government Select Committee report about an inquiry into housing for older people concluded that a national strategy was needed, and gave numerous recommendations. The government response pointed to its Housing White Paper, which recognised that housing for older people can reduce costs to the social care and health systems. In addition, it referred to the Industrial Strategy White Paper, which confirmed that an ageing society is one of the grand challenges, and one of its objectives is to ensure that older people can at least enjoy 5 extra healthy independent lives by 2035. This endorses the need for investment in housing for older people from a national perspective (Government response to the second report of 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into housing for older people)

The best report to help property professionals get their heads around the investment opportunities was produced in 2015 by Savills: 'Housing an Aged Population' (Spotlight: Housing An Ageing Population - Savills UK). The report identifies the high value of equity that is locked up in homes often owned outright by older people (67%) and the high levels of under occupancy (53%). Savills also created a graph (page 7) which shows the relative costs for different types of accommodation and the scope for investment hot spots around homes fit for older people and retirement villages, as an alternative to care homes and extra care housing.

In the '2020 Senior Living Annual Review', Knight Frank (Senior Living Annual Performance Review – 2020) indicated that some investors had woken up to this opportunity and forecast a record institutional investment of £1.5bn by the end of the year. The report confirmed the potential for further growth in the sector, underpinned by rising demand and a lack of adequate supply. As far as homes with care are concerned, the UK penetration into the market is just 0.82%, compared to 5% in Australia, 5.5% in New Zealand, and 6% in the USA. To match the levels in other countries, we would need to build 400,000 more homes, and yet the 48% increase in the current pipeline of developments over the next 5 years will only produce 40,000. A growth of 10% is envisaged in the market for retirement homes over the next 5 years, which will produce a total stock of 800,000. However, this will not even keep pace with the growth in the ageing population. As a result, Knight Frank predicts there will be a race to scale up and brand building by some of the early investors as delivery rises, and as they look to create efficient management platforms.

One issue that few reports cover is consumer protection for older people, relating to the capital and rental values that are paid due to market conditions, and their vulnerability at the time of transactions. The Knight Frank research confirms that the average cost of a senior living unit is 78% of the average residential house prices in an area. There are wide regional differences above and below this average and in addition, the variation between retirement housing and housing with care can be as much as £100,000. Similarly, on the rental front, the average cost of a 2-bedroom home is £2,380 per month and rises by almost £600 per month for homes with care. It is clear that the premium price of accommodation exceeds the cost of the construction of homes by a considerable margin, and may explain why some older people are reluctant to downsize early. This means that the market is driven by older people who are at a point of crisis when they move into homes with care, and the high costs are unavoidable. To some extent, there may be a case for regulation and market intervention if a mis-selling scandal is to be avoided in the future.

In part, the relatively unaffordable nature of the current stock of homes for older people is also stifling demand of those people who aspire to move, and reducing the choices available to a discerning generation of baby boomers. In other countries, initiatives such as self build and co-housing have helped to bridge the gap in specialist homes and are now emerging in the UK through government sponsored initiatives. This is welcome news, as research also shows that moving into age-suitable accommodation early improves health and independence considerably; those that do downsize report that they wish they had done it 5–10 years earlier.

These snippets of information are here to open debate in an area where there are lots of detailed reports, but limited progress when compared to the growing national need. They confirm that the vast majority of older people are left with their wealth tied up in ageing properties they find difficult to maintain and heat, with little cash available to help pay for domiciliary care costs. Housing the UK's older population will become a more pressing problem over the next 10 years, and has become a major investment opportunity which institutions are gearing up to invest in. To take advantage of this opportunity, the public sector needs to get involved actively and also enable the development of the right housing supply in each locality, free up family housing, help more older people remain independent, reduce social care costs, and cut out bed blocking in the NHS.

So how can this be done practically?

A tool kit to make progress

The issue of providing homes for older people has been a concern of successive government departments with housing responsibility. As part of a pledge made in 2010, a resource pack was developed by the Housing Learning and Improvement Network (HLIN) in 2011. The document, 'Strategic Housing for Older People' is intended to provide advice about the planning, design and delivery of homes that older people want (strategic housing for older people - Housing LIN).

While the document is a little dated, it provides comprehensive advice about the practicalities of developing homes for older people and contains briefing papers which outline the issues succinctly. Additional detailed information is provided about how to provide greater choice, understanding the local demand and market, together with a toolkit to help develop an accommodation strategy to meet the needs of a particular area.

The website provides access to a large resource library and up to date research documents about leading edge developments in this field. There is also information about what is happening in each region and provides best practice advice, as well as contacts with existing practitioners.

What can ACES contribute?

Successive national reports and research has concluded that a cross-agency strategic approach is needed. The problem is that in many local authorities, housing tends to be seen as a planning or housing service issue. The links with social care and health, and the gains to be had from better housing suitable for older people, may not be understood and the approaches adopted in an ever-changing planning system seem too difficult to address.

These difficulties are just what the One Public Estate initiative is able to address and, coupled with the wide range of public sector officers and consultants now under the ACES umbrella, it means that the Association has the potential to take a lead in the delivery of tangible solutions. Given that there are investment opportunities that could involve less risk during a recession, because older people have assets they want to cash in, there is no reason why the corporate power of public sector organisations cannot be harnessed to bring about change. Institutions are already awake to this opportunity, purely on the basis of the profit margins available, but the public sector has more to gain from the reductions in the cost of social care and better management of NHS assets.

To address this opportunity, ACES Council in January 2021 will consider a paper to set up a national task force of members and partners to produce an up to date toolkit that focuses on the influencing investment decisions and operational arrangements that can harness property skills, to develop homes for older people that meet local need. It is also intended to unleash the talent and knowledge of retired ACES' members in both the design of the toolkit, and in advocating its practical use throughout the Association's regional network of branches.

The question?

The beguiling question for everyone reading this article today is:

What can you do personally to support the development and use of the toolkit so that the future asset base of the UK can meet the needs of the current and future generations of older people?

If you would like to get involved please contact ACES' Secretary, Trevor Bishop, secretary@aces.org.uk in the first instance.

Kevin is Head of Property Services at the Borough of Broxbourne.

BROOKFIELD RIVERSIDE DEVELOPMENT

Madness or inspired intervention?

Kevin Clark BSc MRICS

Kevin originally made a presentation to ACES Eastern Branch – at the stage when it was Brookfields Garden Village. He takes us through the process of getting a major mixed use scheme off the ground – difficult at any time.

The process

We are over 9 months into unprecedented times for the world, let alone local government property deals. Additionally, the UK retail and leisure industries were facing new unparalleled challenges even before March 2020, and town centres and high streets are on the rack with not much light at the end of a very long tunnel.

So an announcement on a proposed new retail and leisure led town centre in leafy, Tier 4, Hertfordshire wouldn't, perhaps, be seen to be the wisest move.

But here we are with Broxbourne Borough Council and Hertfordshire County Council (HCC) in a pioneering partnership, announcing at the start of the new year a development agreement (DA) with a first-class development partner, Sovereign Peveril Brookfield, for such a creation to be known as Brookfield Riverside.

The culmination of at least 15 years of talking, deliberation and planning, during which time Broxbourne went without a local plan because of their ambitions to provide a first-class facility for its residents, a situation resolved in June 2020 with the adoption, finally, of a new local plan which holds the

Proposed leisure hub

Brookfield plans as its centrepiece. Not only Riverside, but also a planned 1,250 homes' development to be known as Brookfield Garden Village, also a joint project with HCC.

Back in the, only slightly calmer, times of 2017 the 2 councils launched a negotiated OJEU process to select a preferred developer for Brookfield Riverside , which in those pre-local plan public inquiry times was identified in the draft local plan as a new retail led town centre which could consist of up to 30,000 sq m of new retail, 10,000 sq m of leisure, 250 new homes, and various other town centre uses such as a civic hub, medical facilities, and also a planned business park with up to 30,000 sq m of office space. The development was also largely set in the Green Belt which the draft local plan was addressing, but of course with no certainty that the land would be removed from the Green Belt protection.

The final competition for this was narrowed down to 4 companies, all vastly experienced in providing such developments. However, as the competition progressed towards final bids, so also was the public inquiry on the local plan progressing with, among other things, variations to the quantum of development space being suggested by the planning inspector which would have a material effect, perhaps, on proposals coming forward. Notwithstanding, both councils made the choice of Sovereign Peveril Brookfield (SPB) as their preferred partner in October 2019, and negotiations progressed on the DA.

When finally adopted, the local plan had shifted the whole of the Brookfield area, so 'Garden Village and Riverside' was removed from the Green Belt, but now the retail areas were reduced to 18,000 sq m, the leisure remaining at 10,000 sq m, the loss of the proposed business park, and office space reduced down to 3,500 sq m.

However, the belief that Brookfield will be a blue chip development with a fantastic location continued to drive the project forward. Arguably there is too much retail in the UK in the wrong places. At Brookfield we have a great example of a large, affluent, well populated, growing area, with a clear under-provision of retail and leisure, which clearly bodes well for the project in terms of key occupiers who will want a presence, a blue chip location.

Hurdles

The fact that SPB and their funders are still highly involved and moving towards the submission of a planning application later this year shows that there is a commitment to town centres and new progressive high streets, when the right product and location can be successfully incorporated together.

Of course there are still many hurdles to overcome, one of the first was removing land required for both Riverside and the Garden Village from the Green Belt. And as mentioned, this was achieved through the local plan. Next is determining the relocation sites for a number of sensitive and tricky uses. This process is not yet fully finalised but covers a statutory allotment site, a licensed travellers site, a household waste and recycling centre, a council depot, and the loss of a council owned trading estate.

So plenty of consultation and negotiations to come, fulfilling processes not only within the local plan in determining whether certain uses should move, and if so where to, but also following statutory guidelines. And one other obstacle is reaching agreement with the 3rd party landowner who owns a substantial part of the land required. Negotiations are in progress but of course if required, the councils are prepared to use compulsory purchase powers.

Infrastructure options

When preparing for the OJEU competition, the councils were considering 6 different options for the major highways routes which would serve Riverside and the Garden Village. None of them provided what was considered a perfect solution; all of them had their foibles such as multiple crossings of the New River, underpasses, constriction of the town centre site, closures of roads, major effects on a council golf course - among other things.

There was also the question of the highways, footpaths, cycling and public transport infrastructure to be considered. The development sits alongside the A10, about 2 miles north of the interchange with the M25 at Junction 25. The new infrastructure is vital, not only for the new developments, but also in how it interacts with the already crowded highways infrastructure, and encourages the modal switch, promoted by both councils, to more sustainable forms of transport.

Discussions around the 6 solutions came forward, all looking at the various advantages and disadvantages. The final proposed solution, subject to planning, sees a new spine road clipping part of Broxbourne's municipal golf course and requiring a major reconfiguring of the course, to ensure the integrity of a par 72 18-hole course is maintained. This design work is well underway and should be completed shortly, and consultation with members of the golf course will take place this January. The council will take on board any criticisms comments and suggestions which indeed will be par for the course [Ed – obviously a Christmas cracker joke!].

The proposed new road layout is currently undergoing modelling and testing which will, hopefully, show the soundness of the proposals, in conjunction with the already existing highways infrastructure.

Funding

Funding is of course in the current climate a major issue and while the councils were hopeful of gaining Housing Infrastructure Funding to assist in the provision of the required infrastructure, this was not to be and other routes are currently being explored. The upfront costs to both elements of the project are not insubstantial and a workable solution must be found.

Sustainability

Sustainability is also a crucial element, especially for energy usage and energy production, and both councils' aspirations in this regard, and the development will be used to encourage more sustainable use of all types of energy. The approach is being developed, but another element to be taken into consideration is the air quality at this location on the A10, which is deemed to be poor.

Ambitions

The final outcome of what the town centre will consist of is for another day but the proposals are ambitious, progressive and contain what will be state of the art facilities for residents, occupiers and visitors, utilising the attributes of the New River (neither a River nor New but that's another story!) and the knowledge and knowhow of all the partners and of course our advisors, who for the councils has been Cushman & Wakefield on the strategic and property side and Womble Bond Dickinson for the legal angles.

So there is still a lot of work to do and capital to be expended before the councils and their development partners may see the fruits of the partnership, but a major step has been reached with the completion of the DA just before Christmas 2020. All parties are moving forward to bring this ambitious project to fruition and provide for the residents of Hertfordshire, and Broxbourne in particular, a much needed new and innovative town centre and residential development.

The councils' ultimate desire here is to create a new place with its own unique identity and sense of place and hopefully, also enhance both revenue and capital inflows to both councils over the long term; the entire process could now take another 10-12 years to complete and will require resolve, leadership and risk taking to see it through to its final completion. The processes the councils have been through to date, with its advisors and development partner, will provide a robust platform for the partnership, and vision to develop into the full blown project, with a massive acceleration expected over the next 12 months.

Madness, or inspiration and boldness, only time will tell.

CLIMATE EMERGENCY

Responding to the climate emergency – we all have a role to play

Alex Gee Alex.Gee@nps.co.uk

Alex, a speaker at ACES' 2020 On-Line Conference, here outlines some of the buildings requirements if net zero emissions is to be achieved.

Alex joined the Norse Group in June 2013, having worked in the public, private and international sectors. Prior to this, Alex was Head of Project Co-Ordination for UNEP-WCMC, leading on the commercial viability of international environmental projects that ranged from preserving International Protected Areas to climate change, working across institutions such as the UN, the EU and international non-governmental organisations.

Since joining the Norse Group, Alex has had responsibility for managing group quality and compliance and has had operational responsibility for NPS Archaeology prior to becoming Operations Director for NPS Peterborough, running the Estates and Asset Management joint venture with Peterborough City Council. Alex has also spent the last 12 months as Interim Head of Property at Cambridgeshire County Council, working closely with the Energy Investment Unit supporting the implementation of zero carbon projects.

Alex specialises in delivering strategic projects that require multi-partner collaborations to facilitate change, and building high performing teams that focus on delivering commercial benefits.

Climate emergency

With an increasing number of public sector bodies declaring 'climate emergencies', there is a growing appetite in the sector for radical and innovative solutions to reduce carbon emissions, through the delivery of energy-efficient initiatives. From carbon efficient new builds to comprehensive retrofit schemes, there are plenty of opportunities to make a real impact on addressing these challenges in the built environment.

While progress has been made in this field over the last decade, it is important to remember that 40% of global carbon emissions are sourced from the built environment, making it a critical front line in the fight to tackle the 'climate emergency'.

As the national and global population continues to soar, the demand for buildings and spaces of all types is rapidly increasing too, further driving the need for better places for people to live, work and enjoy within our communities. That's why it's more important than ever to focus on sustainable and low carbon designs, ensuring that we all play a role in helping to reduce emissions and improve environmental standards across the board. This means going beyond minimum regulatory requirements and supporting the national drive towards a target of net zero greenhouse gas emissions by 2050.

Carbon conscious design

By adopting a carbon conscious approach to design, you can focus on taking incremental steps towards achieving carbon efficiency – making the right choices for a specific building. Even small changes to your home or workplace, such as adding triple glazing, can make a significant difference.

As strong advocates for low carbon and sustainable design, we have designed and delivered some of the largest Passivhaus developments in the UK – including a total of around 600 Passivhaus or Net Zero Carbon (operational) homes [Ed – see article on award-winning Carrowbreck Meadow Passivhaus scheme, Norwich featured in 2017 Spring Terrier].

The Passivhaus standard is based on good building physics and is internationally recognised as a leading low-energy build standard, successfully implemented worldwide. By focusing on increased building fabric efficiency, there is a reduced need for bolt-on enhancements, which so often underperform in the long term.

Monitoring of Passivhaus buildings has shown that they perform extremely well, in many cases exceeding predictions. Built with a meticulous attention to detail and adhering to principles developed by the Passivhaus Institute in Germany, these buildings can be certified through an exacting quality assurance process. This results in comfortable healthy homes which are affordable to run, while also future-proofing them for the demands of our changing climate.

The Royal Institute of British Architects (RIBA) 2030 Climate Challenge has provided

further food for thought for architects to adapt over the next decade to meet net zero targets. Recognising the need for the sector to become more energy efficient, RIBA has set a series of targets for practices to adopt to reduce operational energy, embodied carbon and potable water. We can expect to see these guidelines continue to influence the design of new projects in the coming years, as clients and contractors strive to seek sustainable solutions that go beyond building regulation standards.

Carbon accounting

The overall drive for improved sustainability has led to a rise in what has been described as 'carbon accounting' – a full cost benefit analysis – which is now becoming a basic requirement within local authority contracts, with standards continuing to rise. In practice, this means that public bodies ask clear questions in every bid and tender about the provider's commitment and action on reducing carbon emissions – both on their own, and within each project.

Calculating the precise carbon value of each project – such as the emissions per km of tarmac laid – is the type of insight that is becoming a requirement, along with the total carbon value across the whole lifeline of new builds. Providers are now expected to demonstrate the ability to measure, monitor and verify that those expectations were met – presenting a real opportunity for responsible providers to work with more local authorities on meeting their net zero targets.

Retrofitting

It is not just new buildings that present opportunities for energy saving. Existing sites and estates can be enhanced through retrofitting schemes, which is a growing area in the sector, particularly among local authorities. This means making improvements to buildings to reduce energy use, such as insulating lofts and walls, and reducing draughts from windows for residential buildings, while also moving away from fossil fuel heating systems for commercial and industrial buildings.

With a diverse range of portfolios, from offices and leisure centres, to libraries and community centres, local authorities are expected to lead by example in energy efficiency, while also managing the public purse. With significant potential cost savings arising from adopting a strategic approach to asset management, public bodies can save money on energy and maintenance costs, while also doing their bit to cut overall emissions.

Conclusions

The rate of decarbonisation and creating a realistic pathway towards net zero emissions will be a common challenge for all, with the need to balance increased measures within financial and infrastructural constraints.

Systemic changes will take many years to come to fruition. However, short-term targets at a local level are already having a significant impact, with public bodies able to wield influence within their communities.

Although the world has changed dramatically over the last 12 months, the carbon interventions increasingly being demanded by clients will not go away. While many organisations face tightening budgets, there is a steady resolve to do more to tackle the climate emergency, and the firms that have the capacity and expertise to capitalise on this will certainly reap the benefits.

But how will local authorities manage significant investment into their asset portfolio in a climate of cost reductions and increasing demand for services? Some radical thinking will be needed that will allow for investment in decarbonisation. Business cases will need to specify that carbon benefit and energy strategies will need to be placed at the heart of local authority services, and not seen as a competing strategy.

Assets will need to be reviewed, to ensure they are providing benefit to the communities they serve. Local authorities will need to consider carefully the future of surplus assets and determine any ethical obligations to green assets prior to disposal.

There are many questions still to answer, and incentives that will be required in order to make the 2030 target achievable, but the consequences of doing nothing are not options we can afford.

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Mark has been practicing in compulsory purchase and compensation matters for over 15 years. He now specialises in CPO valuation from Carter Jonas' Head Office in London, acting for both authorities and claimants, including frequently in the assessment of injurious affection and Part 1 claims.

COMPENSATION FOR INFRASTRUCTURE

Part 1 Compensation - A trap for the unwary

Mark Warnett MRICS FAAV mark.warnett@carterjonas.co.uk

With the continued political enthusiasm for infrastructure investment and large-scale housing developments needing new roads and infrastructure, 'Part 1' should be an important consideration for public authorities, developers and claimants from scheme conception. Mark here considers the budgetary and valuation challenges, citing notable caselaw.

Background

Part 1 compensation is for use of the Public Works only (i.e. not construction or presence of the works) due to physical factors: noise, vibration, smell, fumes, smoke, artificial lighting and the discharge onto land of any solid or liquid substance. 'Public Works' are defined as any highway, aerodrome, and any works or land provided or used in the exercise of statutory powers. Works are not limited to entirely new schemes, but also alterations and extensions. In the case of an aerodrome, this includes where a runway is extended, strengthened or substantially realigned, and, in the case of a motorway, new street lighting is included.

Where the use of 'public works' creates a physical nuisance which causes depreciation in the value of property, compensation is payable under Part 1 of the Land Compensation Act 1973. This is a form of 'injurious affection' and the only basis through which qualifying property owners who are not directly affected by a scheme (i.e. by compulsory purchase) can claim for loss.

A forgotten cost?

Part 1 claims can only be submitted one year after the public works have come into use. This is usually long after the shovels have been put away and often focus has moved onto the next scheme. This is a potential financial risk for all projects, as there is a level of uncertainty in the number and quantum of claims (see below) that will be received. Claims can total millions of pounds and, by the time they are received, most projects are completed and the party may not be in the financial position to pay the liability. The financial liability for compensation lies with the 'responsible authority', which will usually be the relevant public body applying the statutory powers. Sometimes liability will be delegated to a developer or partner by contract (e.g. a s106 Agreement).

This underlines the importance of public bodies and developers being both aware of, and planning for, the potential cost by taking specialist advice and, where appropriate, property cost estimates. Carter Jonas has been able to assist in cases where the party responsible was completely unaware of its potential cost liability.

Assessment of compensation

It is usual for valuers to be instructed after the scheme has been built. Accurate valuation relies on the valuer's skill at valuing an asset retrospectively, together with forming a reasonable view on the depreciation as a result of the use of the infrastructure. There are a number of common pitfalls.

The fundamental challenge (common to all injurious affection claims) is lack

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of comparable evidence. Valuers are dependent on comparable evidence. However, by way of illustration, nobody instructs an estate agent to market the reduction in the value of their house due to a 5 decibel increase in road noise! The best evidence is where a property has been acquired 'pre-scheme', then marketed or sold after implementation. Such good evidence was (very unusually) available in the Upper Tribunal case Ledburn Properties vs East Cheshire Council for injurious affection following compulsory purchase for a road. The decision was for a 40% diminution, which is very significantly higher than most settlements, reflecting the very severe effect of the new road. It should also be noted that this case was concerned with injurious affection under s7 of the Compulsory Purchase Act 1965 i.e. where land was compulsorily acquired from the claimant: therefore the claim reflected all factors causing diminution in value (not limited to physical factors arising from use, as for Part 1 claims).

This is an additional challenge for 'Part 1': that the claim can only be made for loss due to the use of the public works, limited to physical factors. This is in contrast to 'full' compulsory purchase injurious affection claims (as for Ledburn above) where the impacts of construction and non-physical factors (like visual effects and reduction in the quality of the local area) can be considered. An adjustment must therefore also be made to discount unclaimable elements, for which comparable evidence is even less likely to exist.

An interesting recent Part 1 case is the 2016 Upper Tribunal case between Goodman and others v Transport for London (case ref LCA/139/2013) for depreciation in the value of a number of similar houses due to a new road in Croydon. The case relied on evidence of pre-scheme sales, adjusted to the valuation date using the house price index, and then compared with post-scheme sales evidence. Such an approach would normally be regarded as quite weak; however it was appropriate in the absence of better comparables.

Over-reliance on noise data should also be avoided. Most schemes will undertake noise surveys as part of their planning process and will produce a noise model, based on assumptions such as traffic use, topography and weather condition. In Goodman, acoustics experts submitted over 800 pages of written evidence on technical noise issues and gave oral evidence for 8 hours at the hearing. However, the Member cited the 1997 King and others v Dorset County Council 1 EGLR 245:

"it should be borne in mind that the task of the Tribunal is to determine the depreciation (if any) of the value of the claimant's interest. That is a matter for the market, and as (counsel for the claimant) observed, the bidder in a residential market does not have an acoustics expert, nor even a noise meter, at his elbow when making his bid".

The Member in the Goodman case went on to conclude:

"The evidence of the claimants themselves was persuasive and largely consistent. They were able to provide first-hand accounts of the increase in noise levels as a result of the physical factors of the relief road."

This is well illustrated in a recent Upper Tribunal reference between Denham and Michelle Gregory and Network Rail Infrastructure Ltd. The case was concerned with depreciation (if any) of the value of a guest house/restaurant with residential accommodation in Fishguard, Pembroke, due to noise and vibration associated with railway track improvements and an intensification of train traffic.

Simon Mole, Partner in Carter Jonas's Infrastructure Team, gave expert evidence that any depreciation in value due to increased noise and vibration could be reasonably expected to be offset by the beneficial effect of the increased train traffic and opportunity to open up the local area to tourism. He concluded there was £nil depreciation in the value of the reference property, and the Member agreed.

For more information on the issues raised, or on compulsory compensations in general, please contact Mark (07801 666178).

Oliver is Head of Research at Lambert Smith Hampton (LSH), one of the UK's foremost property advisors. He joined LSH in 2014 and has almost 20 years of experience researching, writing and presenting on trends across a range of sectors in the UK commercial property market. Oliver has a first class degree in Geography from Cambridge University.

PERMITTED DEVELOPMENT RIGHTS

Taking office

Oliver du Sautoy odusautoy@lsh.co.uk

A recently introduced Permitted Development Right could spur a second wave of office-to-residential development across England. The potential loss of older secondary offices may ultimately help to rebalance markets towards higher quality space suited to post-C-19 demand. This article originally featured in LSH's 2020 Regional Offices Report. To request a copy of the full report, please visit www.lsh.co.uk

In a year of seismic change, it is fitting that the English planning system is in the midst of its most radical overhaul in decades. Far-reaching proposals have been put forward by the government's 'Planning for the Future' white paper; while new Permitted Developments Rights (PDR) and reforms of the Use Classes Order have already been introduced. These changes are intended to streamline the planning process, to encourage increased house building, and to enable changes of commercial uses in support of the revitalisation of struggling town centres.

Demolition day

Of most immediate interest to office landlords may be a new PDR that came into force on 31 August 2020, allowing the demolition of vacant detached buildings for replacement by new residential properties, without the need to apply for full planning permission. The existing building may have been used for office, research and development or industrial use; or be a freestanding block of flats.

If a development is to make use of the new right, the old building must:

- have a footprint no larger than 1,000 sq m
- be no higher than 18m
- have been built before 1990; and
- have been vacant for at least 6 months before the date of the application for prior approval.

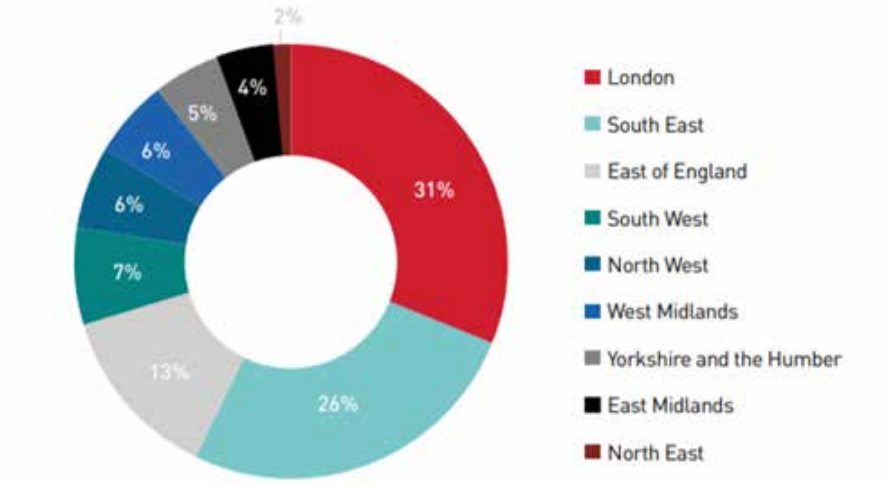
The demolished building can be replaced by a single, purpose-built block of flats or a detached dwelling house. This can be up to 2 storeys or 7m higher than the old building, with a maximum height of 18m. Given the stipulations on the age, size and height of the existing building, the new right is likely to be of particular relevance to the owners of older, mid-sized secondary office buildings.

Building from scratch

The new PDR greatly extends the development options provided by existing rights. Since 2013, it has been possible to convert offices for residential use without needing planning permission, but the owners of vacant properties now have the opportunity to demolish and build from scratch.

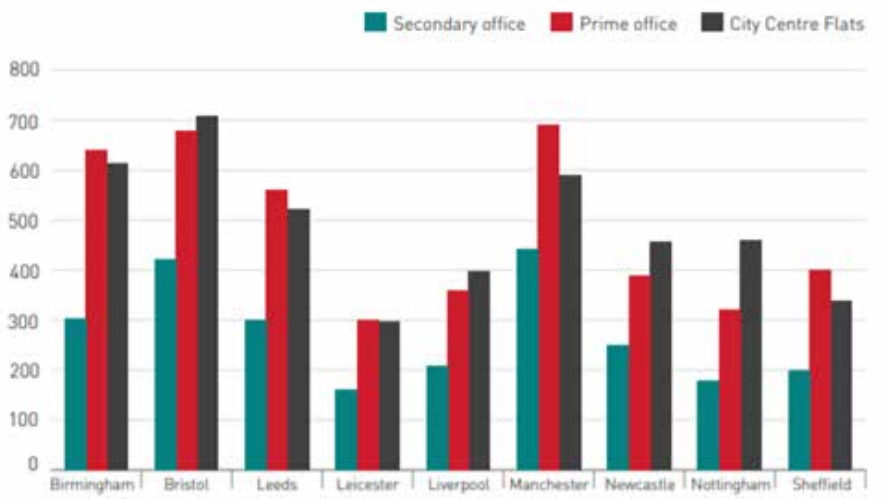
Importantly, this should help to address concerns over the quality of office-to-residential PDR developments. Some recent conversions have attracted heavy criticism, with developers accused of cramming flats lacking space, natural light and ventilation into inappropriately converted office blocks. This has also led to many banks struggling to lend on the flats and making some schemes unviable. By enabling buildings

DISTRIBUTION OF OFFICE-TO-RESIDENTIAL PDR APPLICATIONS (Q2 14-Q2 20)



Source: MHCLG

CAPITAL VALUES (£ PER SQ FT)



Source: LSH Research

to be completely replaced, the new PDR provides scope for old offices to be superseded by high quality, well-designed residential new builds.

Office-to-residential's first wave

The changes to PDR made in 2013 triggered a wave of office-to-residential conversions. More than 16,000 office-to-residential PDR applications have subsequently been made, leading to a significant erosion of office stock in some locations.

However, activity has not been spread evenly across England, as well over half of all applications have come in London and the South East. This is largely due to higher residential values in these parts of the country, which have created a compelling case for office-to-residential conversions in many towns and cities. Smaller margins between office and residential values in other English regions have made the case for conversions less persuasive, albeit cities such as Bristol and York have been hotspots.

The right kind of second wave?

The new PD right could spur a second wave of office-to-residential development, which has the potential to spread more widely across England.

Changes to residential use may be further stimulated by structural shifts in office demand in the wake of the C-19 pandemic. Secondary offices appear particularly vulnerable to the impact of changing demand, as companies can be expected to re-assess their office needs in light of increased home working, and re-focus remaining requirements on high-quality space that supports employee wellbeing. Secondary office values could weaken, having already failed to keep pace with prime growth in recent years. Opportunities to create value by replacing secondary offices with blocks of flats already exist across England. Capital values of city centre flats are significantly higher than those of secondary offices throughout major cities.

In strong office markets such as Manchester and Leeds, relatively high prime office capital values present an alternative case for the refurbishment of poorer quality offices to provide new grade A space. However, in smaller markets such as Newcastle and Nottingham, residential redevelopment may increasingly be the best option for maximising value.

Reshaping office markets

The viability of office-to-residential development will vary between individual locations, and it will not always be the right option, particularly for buildings in well-defined office districts. However, the owners of underperforming office assets have been provided with a new set of tools that could be used to add value through change of use. Alongside the new PDR, recent use class reforms may be very beneficial. If significant amounts of secondary office space are replaced by new residential buildings, values at the prime end of the office market may be strengthened.

In South East towns that have been recent office-to-residential hotspots, such as Watford and St Albans, the upshot has been a tightening of office availability, leading to strong prime rental growth. This, in turn, has increased the viability of new, well-located office developments. A purge of lower quality and poorly located offices may thus ultimately help to stimulate new prime office development in regional cities' key business districts, The result should be leaner, higher quality office markets that are better suited to the office demand of the post-C-19 era.

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 he has recently taken on the role of ACES' Valuation Liaison Officer.

PROPERTY INVESTMENT AND PWLB

Local authority property investment isn't dead

Chris Brain FRICS chris@chrisbrainassociates.com

Session 7 of ACES' On-line Conference looked at the role, performance, regulatory regime and risks of property investment, and resulted in a lively debate with some polarised opinions. Here, Chris considers in more depth the constraints – and opportunities – arising from new PWLB restrictions.

The HM Treasury challenge

Does this sound familiar?

You have seen central government grant support to your local authority fall by around half over the past 10 years. To help fill that gap you have developed a capital and investment strategy that seeks to invest partly in commercial property acquisition.

Concerned about your and other authorities' gambling habit, the UK government introduces new rules on local authority borrowing, which on the face of it will scupper your investment plans. If you can relate to this then let me shed some light on what is going on and where you might be able to go next...

Just prior to the start of the pandemic, HM Treasury began a consultation on changing the borrowing rules through the Public Works Loan Board (PWLB). The changes were intended to put a firm lid on buying commercial property for pure yield. With the publication of the new PWLB rules and guidance on 25 November, many in local government might be left wondering if the days of local authority commercial investment are over.

Some finance directors had previously confided in me (in the expectation of the PWLB consultation) that they might simply reprofile the capital programme so that borrowing is only used on allowed projects, with internal borrowing used for commercial activities. HM Treasury has thought about that, and found a clever ruse to stop that from happening. Capital spending plans will have to be submitted in advance, and if a local authority intends to buy commercial assets primarily for yield (even using reserves) then they will be prevented from taking any PWLB borrowing in that financial year.

HM Treasury has a difficult challenge. On the one hand it wants to continue to make borrowing available for service projects, housing, regeneration and refinancing. But it wants to prevent borrowing primarily for yield. It clearly believes it has come up with a way of doing just that.

The government has chosen to issue guidance rather than strict definitions because of the challenges of developing strict definitions that reliably give the intended categorisation when applied to something as diverse as local government. These arrangements apply to local authorities in England, Scotland, and Wales operating under the prudential code. They apply to all capital spending, whether it is within the local authority's borders or outside.

Each local authority that wishes to borrow from the PWLB will in future have to submit a high-level description of their capital spending and financing plans for the following 3 years, including their expected use of the PWLB. Local authorities will be able to revise these plans in-year as required.

The s151 officer or equivalent of the authority will have to provide an assurance that the local authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. When

applying for a new loan, the local authority will be required to confirm that the plans they have most recently submitted remain current and that the assurance that they do not intend to buy investment assets primarily for yield remains valid.

What are the authorised categories for borrowing?

The guidance sets out categories of borrowing that are authorised. These include:

- Service spending
- Housing
- Regeneration
- Preventative
- Treasury management

Individual projects and schemes may have characteristics of several different categories of course. In these cases, the s151 officer will need to use their professional judgment to assess the main objective of the investment and consider which category is the best fit.

What impact will this have?

The type of investment that might well slow down to a crawl will be 'out of area' acquisitions. It will be very hard (although not impossible) for local authorities to justify these purchases on the grounds of the 5 approved borrowing categories.

Some may succeed, where the local economic area goes beyond their authority's boundary, but I am guessing there will not be too many s151 officers willing to put their name to many such business cases.

For those that remain passionate about the commercial investment and see it as a new necessity, how do they keep that going?

Will they be able to find a way around the clever HM Treasury rules?

What will be the next move for local authorities intent on continuing on their commercial property investment journey?

What can we invest in?

The answer to that is in how individual s151 officers will form their interpretation of the category definitions.

The 'Housing' category is activity normally captured in the HRA and General Fund housing sections of the Capital Outturn Return, or housing delivered through a local authority housing company. This does provide scope on the face of it, for continuation of housing schemes, including through LA owned companies, and does not appear to restrict the borrowing to social or affordable housing. S151 officers will place their own interpretation on that.

Things get really interesting when we consider the regeneration category. This potentially provides scope to 'mask' commercial activity, if individual s151 officers choose to do so.

Regeneration projects are described in the guidance as having characteristics that fall into one of 4 areas:

a. the project is addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector

b. the local authority is making a significant investment in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment

c. the project involves or generates significant additional activity that would not otherwise happen without the local authority's intervention, creating jobs and/or social or economic value

d. while some parts of the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services.

Whether under ethical pressure or not, the proposed new guidance does leave gaps to be exploited, should the s151 officer be minded to do so. No set of rules or guidance can ever be watertight, especially at the first iteration.

The key to the guidance is what the investment is primarily for, given that many projects will straddle the boundaries of the categories. If you have any projects that are primarily for yield, then borrowing is simply not available to you. But that does not prevent you from borrowing for projects that are primarily for other purposes, which also happen to generate a financial yield.

For authorities that wish to continue to generate commercial income in order to protect services, the challenge will be finding projects that deliver much more than financial yield. Any yield in any such projects will have to be secondary to another prime purpose.

Alongside that 'masking' of commercial intent, there remain a number of opportunities for local authorities to continue to dabble openly and deliberately with commercial property investment. One option might be to ring-fence rents from a 'yield' project, recycling them either within the project, or applying them to other similar projects with related or similar project outcomes.

The requirement on the s151 officer set out in the guidance is to provide an assurance that the local authority is not borrowing in advance of need and does not intend to **buy** investment assets primarily for yield. It does not ask you to provide assurance that you are not **investing** in assets primarily for yield.

Where you already have yield based assets, you could ring-fence some of that existing revenue income to invest on that asset, or other yield-bearing assets, to improve investment performance and yields. This might be a case of looking at your existing 'legacy' property portfolio and spotting opportunities where an injection of investment could generate greater yields.

Because the guidance is framed around borrowing to buy and not borrowing to invest, there appears to be no restriction on borrowing to build new yield-bearing investments on existing local authority land.

Another option to consider might be buying 'yield' projects where you intend to inject further investment beyond the initial purchase price. This might be through refurbishing or re-purposing the acquired asset. This appears to be a perfectly legitimate borrowing category. For example, you could buy an office building with the intention of converting it, say, into residential or other uses, for yield. Alternatively, you could buy a run-down industrial estate with a view to gaining vacant possession, demolishing it and then redeveloping the site to create a new business or retail park.

A neat way of recycling capital might be using PWLB to buy or build new service assets (eg a new administrative office building, or a new leisure centre) and then re-purposing the existing redundant building into a 'yield' asset.

A fourth opportunity is land assembly for development, which again appears to

be a legitimate borrowing category under the new guidance. If you are looking to bring about some development in your area to effect a regeneration scheme, then borrowing for land assembly appears to be quite legitimate.

Finally, and perhaps a little more obscure, is the opportunity to buy or form a property based company, rather than buying assets directly. This is something that at least one local authority has done in recent years.

Obviously every scenario needs to be looked at on a case by case basis, for you to satisfy yourself that whatever scheme or acquisition you have in mind, meets the PWLB rules. This article can only deal with general themes and you will need to secure your own detailed advice as you formulate specific schemes.

Conclusions

It seems to me that there are still opportunities to invest and to generate investment income. Authorities may need to be smarter: they may need to do a little more work on identifying investment opportunities, beyond simply going to the market and buying investments off the shelf.

Any s151 officers that have read the consultation may already be hatching their plans. Some might be waiting for more certainty to arrive in property markets.

Will local authorities find some work-arounds, and continue to buy commercial property investments in their area? With the impact of C-19 on local property vacancy rates, it may arguably become easier to make a case than it has ever been, as pretty much every local authority will be seeking to revitalise its local economy. The trick will be finding investment opportunities that are 'primarily' for things other than yield, or can be safely described as such.

Local authorities should expect that their auditors will review their internal decision-making processes around borrowing and investment, including the assessment of whether their plans are compliant with the lending terms of the PWLB.

Local authorities should make sure that these processes are robust. Auditors do not have the power to overrule the assessment of the s151 officer, or equivalent, whether the LA's plans are compatible with access to the PWLB. If auditors raise concerns about these processes, HM Treasury may contact the local authority to understand the situation.

If you intend to embark upon or continue a journey in property investment, then my advice is to read the guidance carefully and consider your existing portfolio for opportunities. If you have property disposals in the pipeline, then there may be some merit in pausing those until you are able to review other options.

LANDSCHAFTSPARK, GERMANY

The conversion of ironworks into the Landscape Park Duisburg Nord

Gardeners World featured Landschaftspark and I was impressed by the scale of the project, to convert closed pig ironworks into a landscaped park open for public use. This article uses information from the website and sent to me by Sonja Burbach, Intern Public Relations. And even though it is, there is no mention of the term 'rewilding'. Take a look over the site using the drone link https://www.landschaftspark.de/ and the hyperlinks through the article.

Introduction

The Thyssen Ironworks in Duisburg-Meiderich, built in the grandiose style so typical of the time of advanced industrialisation and producing pig iron from 1901, finally saw production come to an end with the last tapping of Blast Furnace 5 on 4 April 1985. At the same time, this was also the beginning of an unbelievable period of development. Through the contrast between continuous redevelopment and the constant need for preservation, an industrial wasteland has developed into a unique adventure playground for young and old – a development which is ongoing.

The idea for a new type of natural and man-made landscape with an industrial stamp was born in 1989. Based on designs by Professor Peter Latz and Partner, a Landscape Park has been created on the north Duisburg site measuring roughly 180 hectares, which

All photos by Thomas Berns and reproduced courtesy of Landschaftspark

is neither park nor landscape in the traditional sense. The public were able to enjoy free access from 1994.

So, if you set off on a tour of the area, familiar concepts will not get you far. For you'll see vegetation which has grown wild next to landscaped water features, and green spaces and gardens on land which has been heavily shaped by industry, like for example the old layout of railway tracks. Nature is growing and taking on new dimensions in the Landscape Park, inviting you to come and explore.

As a total project, the Landscape Park is now a globally recognised and respected "Further Development of European Garden Art" (Visions for the Ruhr District). More than 700 plant species have found a home on the site, which is all the more remarkable as the whole of North Rhine-Westphalia has more than 2,000 plant species. The Western Ruhr Region Biological Station operates a branch on the site, and concepts such as industrial heritage and industrial nature have their roots here.

Landscape Park

The Landscape Park Duisburg Nord attracts an average of one million visitors a year and is one of the most popular natural and cultural landscapes in North Rhine-Westphalia. Since 1994 nature, industrial heritage and a fascinating spectacle of light have combined to form a park landscape unlike any other in the world. The British newspaper The Guardian chose the park as one of the 10 most beautiful urban oases in the world.

Former industrial buildings have been remodelled to host corporate and cultural events, Europe's largest artificial diving centre has been created in an old gasometer. Former ore storage bunkers have been transformed into an alpine climbing garden, a high ropes course has been set up in a casthouse and a disused blast furnace has been equipped with a viewing tower.

There's a huge focus on leisure, recreation and sport. With diving, climbing, hiking or simply enjoying the view from Blast Furnace 5, the extensive parklands with their gardens, meadows and water courses offer something for everyone. Visitors can wander through the Landscape Park on foot or explore by bike. Bike hire is available and there's also an e-bike charging station. You can set off and explore on your own or join a guided group tour - during the day or at nightfall - and learn all about the site's industrial history.

Children and youngsters see the park as an enormous adventure playground. There's a huge tube slide passing through 2 ore bunkers, lots of play areas and even a Children's Farm.

The highlight of the park is the light installation by the British artist Jonathan Park. Visitors can experience this in the evenings when the ironworks are bathed in a fascinating sea of light and colour.

The park is operated by Duisburg Kontor Hallenmanagement GmbH.

Watch the drone flight over https://www.landschaftspark.de/

Industrial monument

Today, visitors can explore the old ironworks as a "living" industrial monument. With its three blast furnaces standing in a row, bunkers, inclined lifts and casthouses, Meiderich ironworks conveys the traditional image of a turn-of-the-century blast furnace plant.

Visitors have the opportunity to familiarise themselves with the production process, from delivery of the raw materials to removal of the pig iron. Blast Furnace 5 in particular is the perfect place to gain a very realistic picture of the impressive production chain of the former ironworks.

Such a comprehensive building stock is unique in the Ruhr District, and also exceptional throughout Germany. What gets architects so excited is that only in Meiderich have the original buildings been so sensibly supplemented with the plants of the post-war period. This is why the whole blast furnace complex has been a listed building since 2000.

But what does the term Landscape Park Duisburg Nord actually entail?

Industrial history circular trail

An industrial history circular trail reveals information about the past and the present; and there are gardens, meadows and expanses of water and a natural landscape where nature has grown back, reclaiming its terrain from industry. Visitors can devise a route of their choosing through the park, with the help of information columns and signs on the buildings and throughout the site.

Lots of information columns and signs are equipped with Park+Points. By scanning these QR codes using a suitable app on a smartphone, visitors to the park can access a wide range of information and explore the parklands for themselves in all sorts of ways.

The footpaths in the Landscape Park are as far as possible barrier-free. Dogs are welcome in the park.

Industrial nature

Surely nobody would have thought, even just a few decades ago, that disused industrial works would one day be numbered among the richest living spaces in heavily populated areas. And yet the site of the Landscape Park, which once saw a rapid change from agriculture to industry, has, since the closure of the works, seen nature take over again and revitalise the area.

The trees play a special role. From the plane trees by the car parks to the rows of poplars by the Clear Water Canal and the black locust trees by the park promenades, the trees have claimed back for themselves a major part of the Landscape Park. The colourful mix of the ornamental blossom trees by the park entrance can be seen as a distinctive symbol of the Landscape Park.

In addition the park is home to lots of species of plants which have travelled here with the iron ore and created for themselves a new place to live – globalisation, but of a rather different sort. And so the Landscape Park has become a modern symbol for post-industrial natural open spaces.

In addition to the most varied species of plants, lots of animal species have also found a natural habitat in the Landscape Park. Rare and exotic plants attract ever more varied residents to the old ironworks. At the park live several species of bats, natterjack toads, around 100 species of beetles and more than 45 species of birds. Many of these animals are to be found, first and foremost, in the 'wilderness' which, after the closure of the ironworks, was able to develop without any interference into one of the most valuable biotopes in the Landscape Park.

Today numerous species of birds, such as garden warbler and blackcap, willow tit and great tit, hedge sparrow, willow warbler, chiffchaff, icterine warbler and yellow wagtail, live and breed in the dense vegetation cover comprising black elders, common hawthorn, willow trees and blackberry bushes. Even the song of the nightingale has been heard here. And in the 'wilderness' nature also has priority over recreational use in order to continue to offer the animals an undisturbed habitat and sanctuary. And for this reason visitors are not allowed in the densely vegetated site.

Water concept

In the course of the International Building Exhibition Emscher Park, a subject of debate was not only the conversion of some of the halls, but also the ecological concept of the future Landscape Park Duisburg Nord, and water was to play a major role in this concept. The architects Latz + Partner developed the water park which now consists of the old River Emscher, subdivided into 5 main sections:

Klarwasserkanal (Clear Water Canal), the Emschergraben (Dyke), the Emscherrinne (Channel), the Emscherschlucht (Gorge) and the Emscherbach (Stream). In an ingenious system of water collection, rain water is fed into the Old Emscher: by means of the interplay of barrages and water shoots it's possible to collect rainwater and feed it in after a time delay so that, even in lengthy dry spells, water can be supplied to the Old Emscher to replenish the oxygen levels.

The Old Emscher flows through the Landscape Park over a length of more than 3 kilometres. For a long time the Old Emscher, as an above-ground waste disposer with a very straight course, took away the domestic and industrial wastewater in the whole of the Ruhr District.

Today the wastewater flows through an underground pipe and the channel of the Old Emscher, the Clear Water Canal, has since been filled exclusively with rain water. The profile of the Old Emscher has been re-shaped in recent years in order to raise its recreational value. The newly created sections of the Old Emscher are fed with rain water from sealed areas and roofs in the Landscape Park.

The Wind Turbine Tower on the Sinter Plaza helps improve the water quality of the Clear Water Canal. The central feature of the tower is a wind turbine which is very efficient even in low winds. Its many blades drive an Archimedes' screw in the lower part of the tower which raises 15-27 litres of water from the Clear Water Canal into a container on the tower. From there the water flows via pipes along the high promenade to the Bunker Gardens so that, in dry spells, the plants in the Bunker Gardens can be watered. When this isn't necessary, the water flows back via a catchment basin to a water shoot where it falls from a great height, clearly audible and visible, into the Clear Water Canal, enriching it with oxygen. A fact worth knowing: for safety reasons, when the wind speed reaches 5 (fresh breeze), the wind turbine turns independently out of the wind.

One novel feature is the reuse of the former gasometer, which invites visitors to go diving in an artificial underwater world, now filled with 21,000 million litres of water and fulfilling a completely new function.

All photos by Thomas Berns and reproduced courtesy of Landschaftspark

James is a Partner in Knight Frank's Rural Asset Management Team. The Team has specialist public sector land management expertise and currently supports a number of public bodies with strategic and day-to-day rural estate management matters. Advising on environmental projects, health and safety, tenancy management, re-structuring and diversification opportunities (to name just a few themes!) provides a busy team with a varied workload.

RURAL ESTATES

Update of changes in the agricultural sector

James Shepherd MA Cantab MRICS james.shepherd@knightfrank.com

James last wrote for ACES' Terrier one year ago, and much has changed. This article is aimed at those who deal with rural estates and agricultural land portfolios. It covers some of the key industry news, market activity, touches on emerging opportunities, and implications of C-19. He hopes it provides a talking point for officers who deal day to day with rural estates and allows senior management to stay abreast of rural issues.

Farming is changing

They say a watched kettle never boils and the same was true of the trade negotiations between the UK and EU. On 24 December, just as everybody had given up on a deal before Christmas and was getting ready for the holidays, agreement on the world's largest ever free-trade deal, worth over £600bn a year, was announced.

The Trade and Cooperation Agreement provides for tariff-free movement of goods, which will come as a huge relief to the agricultural sector fearful of the imposition of large tariffs on things such as meat and dairy products.

Before announcement of "the deal", the (also) long awaited Agriculture Act received Royal Assent on 11 November 2020, bringing with it significant changes to inter alia succession for Agricultural Holdings Act tenants, as well as a certain wind down of the Basic Payment Scheme (BPS).

Although the deal and the Agriculture Act will be welcomed by many, it should not divert food producers and landowners from the wider challenges and changes lying ahead. Public sector landowners must now be proactive in adjusting to life outside the Common Agricultural Policy, in particular the removal of the BPS, which is being phased out gradually (starting 2021) and will disappear entirely by 2028.

The Environmental Land Management Scheme (ELMS) will take its place by claimants (not necessarily farmers) being paid to produce public goods. Other grants and regulations will be brought forward, intended to improve farm productivity and help the government meet its target of Net Zero by 2050 and protecting 30% of UK land by 2030.

However, ELMS is still being trialled and so it is unsurprising that detail about the financial package is lacking. BPS claimants are concerned they will be left with a financial shortfall. For context, in recent years, farm business' BPS payment has often been the difference between profit and loss for that enterprise. When you also consider the government's first estimate of farming profitability for 2020 shows a drop of over 20% (from £5.2bn to £4.2bn) compared with 2019 – being blamed predominantly on poor weather conditions, rather than C-19 - it is hardly surprising that more eyes are focusing on change still lying ahead.

As if to emphasise the point this winter, DEFRA mass mailed (in hard copy!) the aptly titled "Farming is Changing" booklet to farmers across the country. This succinct booklet highlights what many land agents and farm business consultants have been forewarning landowners and farm businesses about for some time; however, seeing it in black and white (and a dollop of green), in hard copy from DEFRA, could be the wake-up call to many that it is presumably intended to be.

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Opportunities

Public sector rural estate owners will need to go on this journey of change, regardless of whether their estate is let, managed in-hand or a combination of both. This can be done by supporting new enterprises and diversification to improve the rural economy, while creating value and maximising (and synergising) opportunities to deliver public goods. Woodland creation, natural flood management and biodiversity enhancements are just some of the opportunities coming to the fore which will be boosted by the Environment Bill, especially when that makes the statute books (likely later this year).

Legislative progress on the Environment Bill has unsurprisingly been slow over the past 12 months. At the time of writing this, the Bill is yet to have its third reading in the House of Commons. However, some of the proposals still have a shot (albeit a slimmer one perhaps due to the ongoing pandemic) at capturing headlines. This is something public sector clients of Knight Frank's are monitoring carefully and are starting to scope integrating into their strategic plans, which in themselves are coming under much greater pressure and scrutiny. As a first step, such plans need to be reviewed regularly, to ensure they are fit for purpose and the decade of change ahead.

C-19 implications for a rural portfolio

Knight Frank has seen an influx of queries from owners of rural portfolios on how C-19 is, or will be, impacting their portfolios. With this in mind, I have pulled together the views of some colleagues, to provide you with insight on the threats and opportunities arising to such portfolios.

The planner's perspective

It will be of little surprise to some that Knight Frank's Planning Team has observed a slowdown in plan-making at the local authority level as a result of the C-19 outbreak. Roland Brass, a green-field and strategic land planning specialist, notes that several local plan consultations (due to take place in 2020) have not happened and local authorities are now aiming to make progress in 2021. While such delays can be quite frustrating for many, portfolio managers are trying to make the most of the delay.

Roland suggests the coming weeks and months provide a golden opportunity to take stock and review development aspirations by undertaking reviews of assets, estates and portfolios, to identify any opportunities with development potential. The delays give an unexpected opportunity to landowners to think more about strategic planning, emerging local plans, and pro-active land promotion.

And while the government's planning reform agenda sees some radical proposals which will impact the countryside and rural areas, the emerging growth agenda and housing need will continue to influence local authorities' plan making: new land for development will be required to come forward.

The rural valuer's perspective

What has happened to rural property values as a result of C-19? Of course, the answer to that is one that is always dependent on the specifics of the particular property being valued. However, George Jewell, a portfolio valuer in Knight Frank's Rural Valuation Team shares his insight, noting he and his colleagues have been forced to look more closely at sentiment in recent months due to a lack of transactional data.

Despite some industry concerns about the virus' outbreak, leading to a significant drop in rural portfolio values, George witnesses values remaining remarkably stable. Some will find this surprising, particularly with uncertainty already existing in abundance in the farming industry. Unsurprisingly, transactions through 2020 were much reduced on a year on year basis from what were already low levels in 2019.

George observes many fundamentals remain for holding and investing in rural property. Long-term borrowing secured against rural property remains close to record lows and significant tax benefits continue to exist. When you also consider the non-volatile performance of agricultural property compared to other investments, emerging income streams (such as those linked to carbon neutrality or biodiversity targets) and the ongoing housebuilding agenda, George thinks the resilience and outlook for rural property prices should not seem surprising, even if reports of a "flight to safety" should be treated with caution.

Further, if your portfolio comprises residential property, then activity in the country residential market over the past few months will likely support values in your portfolio. Temporary revisions to stamp duty, combined with many people's evolved working practices (brought about or possibly expedited by C-19) and lifestyle aspirations, are shining a new light on the benefits of living in the countryside.

A receiver's perspective

The agricultural sector is already a specialist debt market. However, C-19 and the Coronavirus Act have only added to complexity for Harry Dunger, LPA Receiver in Knight Frank's Restructuring and Recovery Team.

Historical farmland performance £/acre

Source: Knight Frank Research

KNIGHT FRANK FARMLAND INDEX

	QUARTERLY PRICE CHANGE	ANNUAL PRICE CHANGE	AVERAGE VALUE £/HECTARE	AVERAGE VALU £/ACRE
SEP-15	0.5%	8%	£20,524	£8,306
DEC-15	-1.7%	3%	£20,176	£8,165
MAR-16	-3.2%	-2%	£19,538	£7,907
JUN-16	-1.7%	-6%	£19,207	£7,773
SEP-16	-1.3%	-8%	£18,957	£7,672
DEC-16	-2.6%	-8%	£18,464	£7,472
MAR-17	-0.5%	-6%	£18,372	£7,435
JUN-17	-1.6%	-6%	£18,069	£7,313
SEP-17	0.0%	-5%	£18,064	£7,311
DEC-17	-1.5%	-4%	£17,794	£7,201
MAR-18	0.4%	-3%	£17,856	£7,226
JUN-18	-0.7%	-2%	£17,729	£7,175
SEP-18	-1.8%	-4%	£17,408	£7,045
DEC-18	-1.1%	-3%	£17,223	£6,970
MAR-19	0.1%	-3%	£17,245	£6,979
JUN-19	0.7%	-2%	£17,371	£7,030
SEP-19	-0.8%	-1%	£17,235	£6,975
DEC-19	0.3%	0%	£17,295	£6,999
MAR-20	-0.6%	0%	£17,198	£6,960
JUN-20	0.1%	-1%	£17,211	£6,965
SEP-20	0.5%	0%	£17,297	£7,000

KEY AGRICULTURAL INDICATORS*

	LATEST PRICE	ANNUAL CHANGE
OUTPUTS		
FEEDWHEAT (£/T)	175	38%
OILSEEED RAPE (£/T)	346	5%
BEEF (P/KG DW)	383	14%
LAMB (P/KG DW)	464	24%
MILK (P/LITRE)	28	-6%
INPUTS		
RED DIESEL (P/LITRE)	41	-31%
OIL ($/BRL)	40	-30%

*Sources: www.fwi.co.uk www.dairy.ahdb.org.uk

Source: Knight Frank's Farmland Index, Q3 2020

Farmland 10-year capital growth v other assets

Sources: Knight Frank Research, Nationwide House Price Index

Many readers will know all too well that income from let property portfolios is increasingly under pressure. Harry notes that on let portfolios, tenants are often at the sharper end when it comes to servicing debt. Lenders he works with have so far taken their cues from the UK government and Financial Conduct Authority, and there have been few hasty moves for lenders to make use of his services and call in debts owed by the nation's farmers.

The virus' full toll on the economy, bank lending and agricultural property prices is yet to be seen although (as commented above in respect of values) the picture is perhaps not currently as bleak as some might think. Harry suggests lenders are mindful of their reputations, as well as the real world practicalities and costs of a receiver going about their duties this year (and potentially much of next). However, at some point, the proverbial "can" won't be kicked further down the road.

Rural portfolio managers should take stock now and review exposure to debt across their portfolio and keep in mind what their tenants' position may be. What contingency plans exist if a tenancy is to be forfeited, or if receivers are called into a farming business? Harry points out that there may also be opportunities for landlords and tenants to work collaboratively where tenants' businesses are in trouble. Restructuring restrictive tenancies (for example, Agricultural Holdings Act tenancies) could be part of the solution to debt in some cases.

The farm business consultant's perspective

Knight Frank's Head of Agri-consultancy, Tom Heathcote, has more awareness than many other professionals of what the UK's farmers have faced over the past few months.

Tom is relieved to report that the majority

of his farming clients have been able to carry on their usual operations, despite the virus. C-19 has, by-and-large, not impacted agriculture in the same way it has the high street. Agricultural commodity markets have behaved rationally, with C-19 having little, if any, discernible impact on prices seen over the past few months.

Of course, Tom notes exceptions – such as those with diversified businesses, where footfall is important. Likewise, those farms where human labour is critical, faced considerable challenges, although for many, the worst case scenarios of produce left rotting on the farm was avoided.

Many arable farming businesses' budgets have been torn up due to exceptionally challenging weather impacting the 2019/20 harvest. While hugely variable, grain stores were in some instances half as full as they were forecast to be. With the increasing frequency of extreme weather events, the impacts of climate change are no longer hypothetical. Tom is concerned that farming's exposure to extreme weather this year should not be seen as a one-off and farmers need to reflect on how sustainable and resilient their businesses are.

Despite such a challenging year and many unknowns (including future trading arrangements, which is a whole separate matter), Tom maintains a remarkable degree of optimism for the UK's farmers and landowners. Indeed, Tom sees opportunities. This may be in the form of attractively priced traditional farming businesses backed by real assets or, for example, by way of the unexpected boost the virus has given to local food producers growing their market share by selling direct to the end consumer.

Farmland market update

The average price of bare agricultural land in England and Wales hit £7,000/acre for the first time in over a year during the 3rd quarter of 2020, according to the Knight Frank Farmland Index (Q3 2020, see graphics on page 71). Values rose by 0.5% between June and the September, but due to a small dip at the beginning of the year, are only slightly up on year-ago levels.

Over a 5-year period, the index has slipped by 16%, but it is still 20% higher than it was a decade ago. A shortage of availability due to the C-19 pandemic – according to the Farmers Weekly Land Tracker, the amount of land launched is down 41% so far year on year – and pent-up demand has helped to keep values steady, despite the prevailing Brexit uncertainty.

Farmers, often backed up by rollover funds, are still the main purchasing group, accounting for 41% of buyers, with lifestyle purchasers making up 36% of the market. Investors were involved in almost 20% of deals. A number of deals are still comfortably breaking the £10,000/acre barrier, as buyers bid competitively for the few large blocks of quality land that have been put up for sale.

The outlook for the next 12 months remains uncertain; the outcome of Chancellor Rishi Sunak's delayed budget, which is now not due to be presented until the spring, could well play its part. However, with potential vendors still reticent about bringing their farms to market, average values should hold their own in the short term.

Kelly is responsible for the management of Rhondda Cynon Taf County Borough Council's (RCT) leisure portfolio in the council's Estates team. Prior to that she worked as a sales negotiator for a local firm of estate agents and has served time in the British Armed Forces. She qualified with a BSc in Real Estate Management in 2020, while working full time with RCT Council.

COMMUNITY ASSET TRANSFERS

Community Asset Transfers: A local authority survey

Kelly Daniel

Kelly made a presentation about her survey to ACES' Wales Branch and agreed to provide a summary of her survey for this article.

Introduction

A Community Asset transfer (CAT), as most will be aware, brings with it great community rewards, but is not without its challenges and risks. What, therefore, are these challenges and how are risks managed by local authorities? As part of my studies with the University College of Estate Management, Reading, these were some of the questions that I set out to answer through my survey, by way of a questionnaire. The questionnaire was completed by 56 local authorities in the UK. The aim of the survey was to understand who within a local authority manages the asset transfer process; what financial support is provided to local authorities to assist them and groups, with the challenges associated with property management; how successful the process has been to date; and what are the challenges that lead to the failure of asset transfers.

The survey also sought to address what guidance might help direct authorities going forward.

The questions and responses

Q 1: Is there a dedicated team for community asset transfers in your authority?

This first question looks to ascertain who within a local authority, deals with asset transfers.

The majority of local authorities surveyed (79%) did not have a dedicated team to work on CATs. Given that only 21% of authorities had dedicated teams, it is assumed that the transfers are dealt with by existing in-house staff as an additional duty.

Q 2: Does your authority receive any additional funding for community asset transfers?

No local authorities provided answers that suggested central government or devolved administrations provided any form of financial assistance to assist with the additional responsibilities associated with asset transfers.

Q 3: What is the approximate number of premises transferred and operating?

This question provides an overview of how successful the process has been so far (see graphic).

The majority of authorities (44.6%) have successfully transferred in excess of 10 premises each. 42% of authorities surveyed had transferred up to 10 premises, 12% had not transferred any premises.

Q 4: Does the authority provide any assistance once premises are transferred and if so how?

Just over 29% of local authorities provided one or more forms of financial assistance: over a quarter of authorities questioned provided no financial assistance whatsoever. Here it is assumed that these premises were let on a full repairing and insuring basis.

Percentage breakdown:

- Annual budget provided 3.64%
- Dedicated staff provided 0.00%
- Costs retained by LA 1.82%
- No rent paid 18.18%
- One or more of the above 29.09%
- No financial assistance 25.45%
- Other 21.82%

Q 5: Has the authority taken back any previously transferred premises?

75% of premises have been successfully transferred and it is assumed still operating.

25% of the premises outsourced were taken back in house.

Q 6: Why were the premises taken back in house?

33 local authorities provided answers to this question, including:

- Recipient asked to return as unsustainable, generally due to financial pressure
- Inability of the CAT operator to run the asset in a viable fashion, particularly maintenance and running costs
- Handed back as too hard for the organisation to run
- Not applicable. This is prohibited by the Terms of the Community Empowerment Act and its requirements around dissolution in the governing documents of applicant groups
- Failure by the group to carry out any works to the building
- One may have to. The building is failing, and we are currently trying to identify another group to take on the building
- None to date. If they were to fail, they would go into the CAT bid process for new management
- In poor repair and non-compliance of statutory testing
- Management disbanded and lease fell
- We have offered some technical advice around facilities management and overage where required, as not all groups are as well informed or supported as others
- The group was wound up with no readily identifiable successor
- Closure/failure of the service which occupied the building
- Non-payment of rent.

In summary, the results of this question identified that community-led organisations mainly struggle with the financial obligations associated with property management. The second most common reason was the failure of the group itself.

Q 7: How does the authority manage statutory testing of transferred premises?

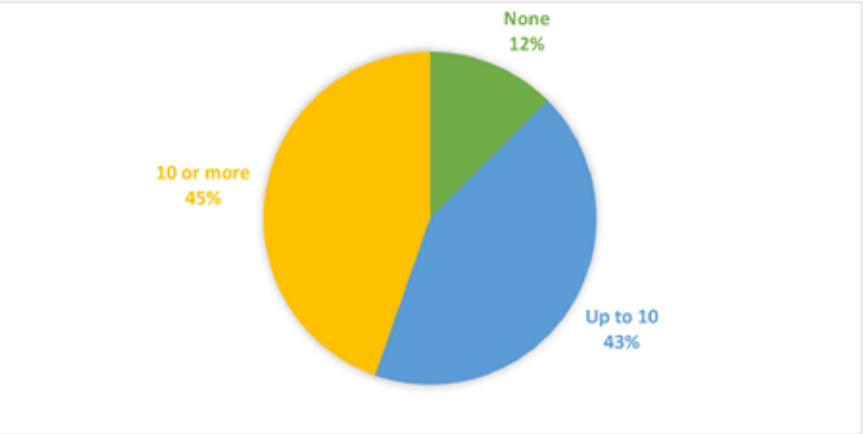
The majority (56%) answered that the responsibility was passed on to the tenant with no regular checks in place.

15.9% of the local authorities stated that statutory testing was part retained and part passed onto the tenant.

Only 5.77% retained the responsibility for statutory testing and all associated costs in house. One local authority retained the responsibility and recharged.

The results found that statutory testing is managed in different ways by different authorities.

Question 3



Answer Choices	Responses	
None	12.50%	7
Up to 10	42.86%	24
10 or more	44.64%	25
Total	56	

Question 8

Answer Choices	Response	Percentage
Yes	14	25.93%
No	40	74.07%
Total	54	54

Q 8: Has the authority experienced any incidents where statutory compliance requirements were breached or not carried out by the tenant?

This question was to highlight whether community groups are successfully managing to meet their obligation in respect of statutory compliance.

The majority of authorities provided that there had been no known incidents. However, over a quarter of authorities had experienced incidents.

The Health & Safety Executive reported that in 2017/2018 there were 71,062 reportable non-fatal injuries in the workplace and 144 fatalities, resulting in the cost of workplace injury in the UK at £5.2bn.

Q 9: Has the authority changed its statutory approach, in relation to CATs, as a result of any incidents?

Out of the 25% of authorities that had experienced incidents, 11% felt that there was a need to change their approach to statutory testing.

Q 10: What guidance would the authority be interested to receive (if any) to assist with future CAT's?

29 authorities provided comments in total as follows:

- Best practice guidance on how other local authorities manage their CATs - we can always learn/look at new ways of working
- Greater guidance on 'scoring' applications and 'valuing' the community benefits to justify the discount from Market Value
- There is no one size fits all, so a range of solutions is needed. Clarity on how compliance should be managed would be helpful. "It's a nightmare; an FRI lease means that the tenant is responsible; if they are not competent where do we stand as a landlord?"
- It would be useful to understand the results of this survey, to see what other authorities do
- To see the outcome of this survey, and how many authorities keep statutory testing in house, and how it is managed
- None. All transferred properties were completed successfully; it is not the intention of this authority to carry out more CATs in the near future
- Successful examples of transfers
- Funding opportunities for community groups, for repairs, maintenance and projects
- Shared experiences/business planning/providing assistance to community groups once transferred/ valuing the asset for community purposes
- Guidance on how to gain security for any discounts given on the sale/ transfer value through the CAT process
- Standard information packs to offer to groups to assist with them understanding the implications of what they take on and on the community/LA's statutory role
- Always happy to learn "better" practice and to share our experiences
- Dealing with charitable land/ production of a 'how to manage a building' guidance.

Conclusions - findings

It goes without saying that the largest challenge associated with a CAT is keeping the premises operating and safe for use. The findings of the survey found that overall, the transfer process is largely successful. However, some have met with failure stemming from the fact that some community-led organisations are struggling to cope with the many responsibilities associated primarily with property management.

While the majority of properties are transferred with one or more forms of financial assistance, just over a quarter are found to operate successfully with no financial support from the authority. No questions, however, addressed whether any third-party financial support was forthcoming.

A quarter of transferred premises are taken back in house, not only for reasons associated with financial pressures, but also for reasons that could potentially render a building unsafe for occupation. The non-compliance of obligations such as those associated with statutory testing puts both occupiers and visitors at risk of harm. Could it therefore be argued that the careful deployment of staff, whose primary role is to work directly with properties once transferred, be a resource which may eliminate such risks and subsequently improve the success rate of a CAT? This unfortunately, for most authorities, may not be a feasible option for consideration without some form of financial support.

It is clear from the responses to the final question that there is a desire for a more collaborative working relationship between authorities and a need for further guidance on this important matter. Guidance on the management of statutory testing was the most popular request, closely followed by general best practice guides.

This article is written in the hope that its contents bring comfort in the fact that this is a topic of concern for many. After all, where there is no struggle there is no success.

OXFORD-CAMBRIDGE ARC
All aboard the Arc

Oliver du Sautoy odusautoy@lsh.co.uk

For biography of Oliver, see Permitted development Rights article in this issue of ACES' Terrier.

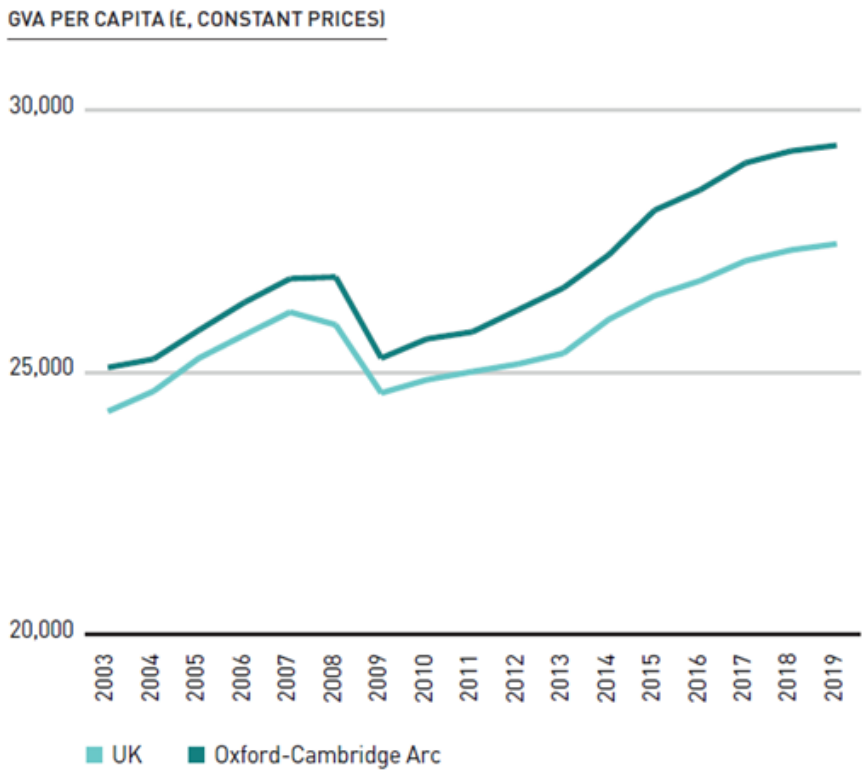
In this second article from Oliver, he argues that the Oxford-Cambridge Arc has the potential to be a key engine of future UK economic growth. It has the capacity to play an important role in both the immediate recovery from the C-19 pandemic, and in driving national growth over the long term. This article originally featured in LSH's Oxbridge Arc Report. To request a copy of the full report, please visit www.lsh.co.uk

The rising Arc

The Arc is defined by the government as comprising the county areas of Bedfordshire, Buckinghamshire, Cambridgeshire, Northamptonshire and Oxfordshire. This region is home to 3.8m people, and includes some of the UK's most successful cities, world-leading universities and unique concentrations of high-tech knowledge-based industries.

The Arc is already an economic success story, contributing £112bn to the UK economy in 2019. Over the last decade, its economic output has grown at an average annual rate of 2.5%, more than a third higher than the national growth rate. GVA per capita is 7% higher than the UK average.

Strong economic growth has come in spite of significant infrastructure challenges. Poor transport links make travel between the Arc's towns and cities difficult, while a scarcity of affordable housing is an obstacle to firms seeking to attract and retain talent. Solutions to both of these infrastructure issues are crucial to maximising the Arc's future growth potential.



Source: Experian Economics/LSH Research

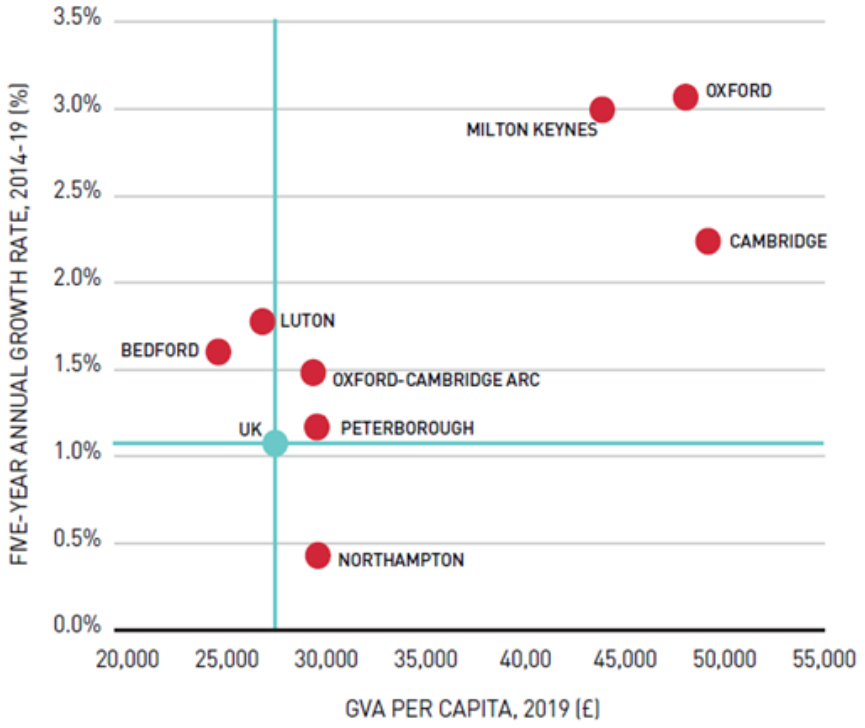
Knowledge centres

The Arc benefits from the presence of some of the most dynamic cities in the UK. Cambridge, Milton Keynes and Oxford are consistently ranked among the fastest growing economies in the country. Oxford and Cambridge are home to 2 of the top 3 universities in the world, as rated by the Times Higher Education World University Rankings. The global expertise of these universities has been showcased during the C-19 pandemic, with a leading vaccine being developed at Oxford, while key research into SARSCoV- 2 genomic sequences, has been conducted at Cambridge.

The universities are unique assets for the Arc, supporting a science and technology ecosystem that includes internationally recognised research centres such as the Cambridge Biomedical Campus and the Harwell Science and Innovation Campus in South Oxfordshire.

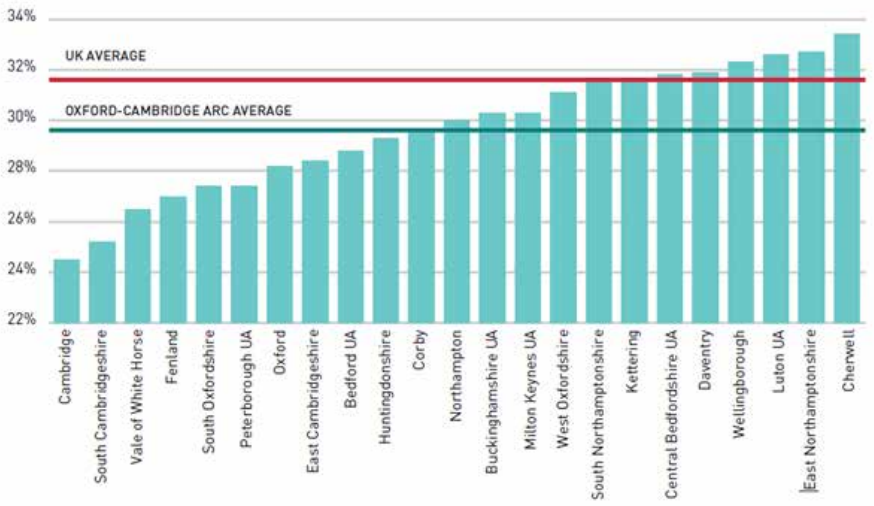
The focus on science and technology gives rise to clusters of world-leading expertise across the Arc. Key sectors

GVA PER CAPITA AND GROWTH RATES



Source: Experian Economics/LSH Research

PERCENTAGE OF EMPLOYEES FURLOUGHED



Source: Office for National Statistics. Includes all claims submitted to the Coronavirus Job Retention Scheme up to 31st July 2020

include digital technology and life sciences in Cambridgeshire; high performance technology and motorsport in Northamptonshire; and life sciences and space technology in the Oxfordshire 'Science Vale'.

Skilled and productive workforces

The Arc's knowledge-intensive industries benefit from the presence of highly skilled workforces across the region. On average, workers are better qualified and more productive than in the rest of the UK.

The Arc has seen high levels of job creation, with its largest cities all recording employment growth above the UK average in recent years. Milton Keynes has been a hotspot, with full time equivalent employment rising by over 50% since the turn of the millennium.

While the C-19 lockdown has impacted employment levels across the UK, the Arc's knowledge-oriented employment base has proved to be relatively resilient. The proportion of employees furloughed under the government's Coronavirus Job Retention Scheme is below the national average across the majority of the Arc, with Cambridge having one of the lowest furlough rates in the country.

Growing pains

Employment growth in recent years has been accompanied by strong population increases. The Arc's population has grown over a third more quickly than the national rate over the last decade. Milton Keynes, Peterborough and Luton have been among the top ten fastest growing UK cities during this period.

However, Oxford and Cambridge have recorded comparatively low population growth rates, reflecting shortages of available housing in these cities. Housing pressures are a potential inhibitor of the Arc's future growth, particularly new affordable housing to attract a continued inflow of talented workers.

Connecting places

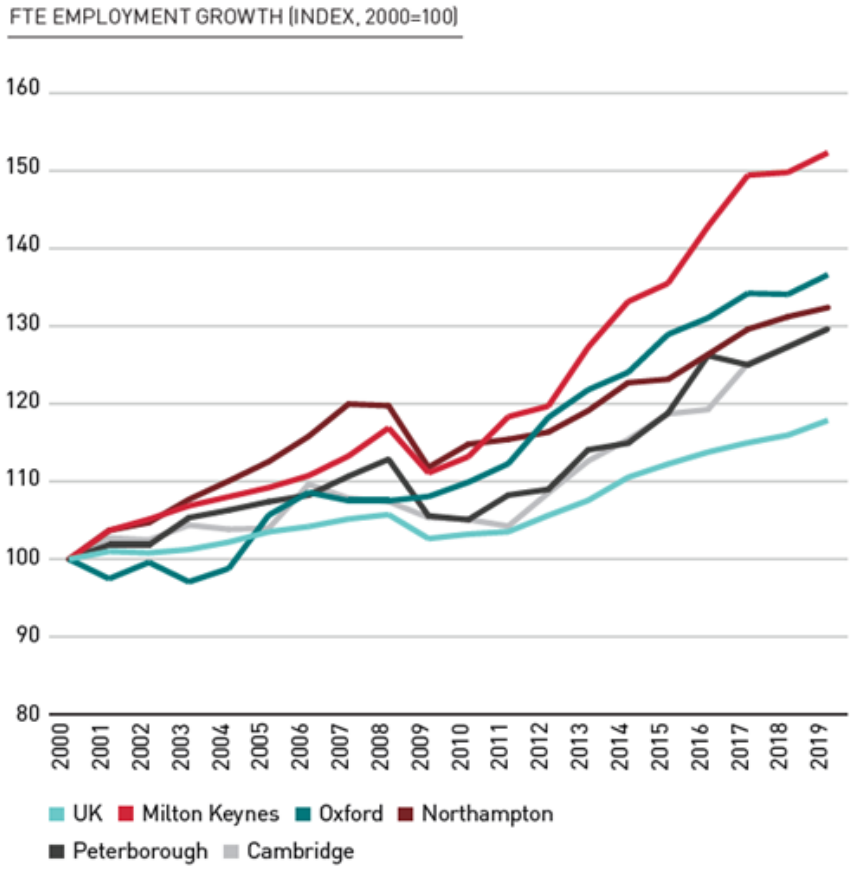
Transport infrastructure challenges will also need to be addressed if strong economic and demographic growth is to be sustained. Improved connectivity would help to ensure that the benefits of growth are felt across the entire region, and not just concentrated in a handful of very successful cities.

Existing transport infrastructure within the Arc is imbalanced, with the region crossed by multiple road and rail corridors running north-south to London, while east-west connections are poorly developed. There is, for example, no direct rail connection between Oxford and Cambridge. This lack of east-west transport infrastructure restricts the viability of commuter travel between the Arc's towns, and hinders its ability to function as a single, coherent economic region.

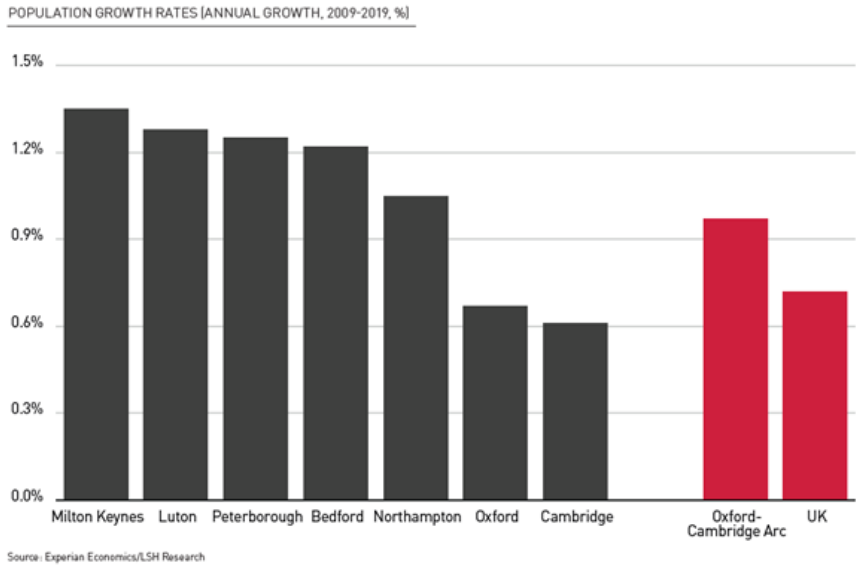
The East West Rail project is at the forefront of attempts to reconnect the Arc. It will resurrect the 'Varsity Line' connecting Oxford and Cambridge, which was last operated in the late 1960s.

Political momentum

Works to progress East West Rail, and



Source: Experian Economics/LSH Research



Source: Experian Economics/LSH Research

the now-paused Oxford to Cambridge Expressway road project, were among the recommendations of a National Infrastructure Commission (NIC) report published in 2017. This report effectively kickstarted the current debate around the Arc and provided impetus to the notion of the Arc as a nationally important future growth corridor.

The central finding of the NIC report was that house building rates would have to double in order for the Arc to achieve its economic potential. The report estimated that between 782,000 and 1,020,000 new homes would be needed by 2050. This is the source of the headline figure, much repeated in media reports, that the Arc needs up to one million new homes. However, neither the NIC nor the government have ever made one million new homes a hard-and-fast target.

In its response to the NIC, the government provided broad support for its findings and designated the Arc as a key economic priority. Following this, the government and its local partners issued a joint declaration in March 2019, affirming a collective determination to deliver new homes and infrastructure.

A growing conversation

A series of subsequent reports and initiatives have added to the conversation around the Arc. In 2019, the 4 local enterprise partnerships covering the Arc – Cambridgeshire and Peterborough, Buckinghamshire, Oxfordshire and the South East Midlands – issued an economic vision document, and delivered the coordinated release of 4 local industrial strategies.

Additionally, the England's Economic Heartland alliance has released a Draft Transport Strategy for an area centred on the Arc, while the Arc Universities Group has been formed, bringing together 10 universities across the region. In October 2020, the Local Enterprise Partnerships, the Arc Universities Group and local government leaders came together jointly to publish an economic prospectus for the Arc.

Bumps in the road

However, parts of the conversation are still missing. A much-awaited government-commissioned AECOM [Ed – an American multinational engineering firm] study, promised for summer 2019 and intended to provide an economic evidence base for the Arc, has so far failed to materialise. Likewise, a ministerial champion for the Arc is yet to be appointed, despite a commitment first made in the 2018 budget.

Another concern for the Arc's future may be the government's announcement in March that it will pause plans for the Oxford to Cambridge Expressway. The project has been met by strong local opposition due to concerns over its environmental impact.

Lockdown legacy

The March 2020 Budget provided some reassurance that the Arc is still high on the government's agenda. The government reiterated that the Arc is a national priority, announced that a spatial framework would be developed for the region, and said that the case would be examined for 4 new

development corporations at Bedford, St Neots/Sandy, Cambourne and Cambridge.

However, the budget was almost immediately overshadowed by the C-19 lockdown. Huge amounts of government time and money have been funnelled into supporting businesses and workers throughout the pandemic, raising the possibility that major long-term projects such as the Arc could be delayed or have resources diverted away from them.

There may also be a need to re-think some plans for the Arc, in light of social and environmental issues arising in the wake of C-19. Future housing and infrastructure development may need to be designed to support visions for a post-Covid 'green recovery'.

The need for leadership

Stronger leadership from central government is required to push the Arc forward. Despite all the talk and reports about the Arc in recent years, there is still a need for a clear vision statement outlining the government's overarching aims for the region and establishing the principles that will underpin new development.

The appointment of a minister with responsibility for the Arc would also be an important step forward. Furthermore, while the government has said that it will consider the creation of 4 new development corporations, a more ambitious approach would be to establish a single regional body with oversight of planning and development across the entire Arc, to ensure the consistent delivery of the government's vision.

It is important that the narrative around the Arc is re-focused on economic growth, and its potential benefits to local communities. These have been lost in the existing focus on infrastructure projects and housing targets. Housing and infrastructure should not be aims in themselves, but they need to be planned in support of broader economic, social and environmental goals.

This article originally featured in LSH's Oxbridge Arc Report. To request a copy of the full report, please visit www.lsh.co.uk.

ASSET MANAGEMENT DIPLOMA

ACES' first Strategic Asset Management Diploma course delivered!

Neil Webster and David Pethen

David and Neil update readers on the successes of the first joint ACES/CIPFA Asset Management Diploma.

Neil Webster MA, MRICS is a Member of ACES London Branch, ACES Business & Marketing Manager and Director of Cyclo Consulting Ltd. - neil.webster@aces.org.uk

David Pethen MBA, MRICS, MCMI is a Member of ACES London Branch and Director of Pethen Consulting Ltd. - david@pethenconsulting.com

Following on from Malcolm Williams's article in 2020 Summer Terrier, the first Strategic Asset Management Diploma, a collaborative initiative between ACES and CIPFA, was successfully delivered by 'Covid compliant' on-line learning between September and December 2020.

On the bold assumptions that:

- You or your colleagues are involved in property asset management in the diverse public sector property environment; and
- The opportunity to obtain an ideal industry-focussed qualification, specifically developed by your peers, to meet your needs, and that will provide you with the tools to be able to operate more effectively both operationally and corporately, is of interest; then

please read on - if not, please turn to the next article without further unashamed ado!

The course

The diploma course consisted of 7 Modules to provide the 32 course participants with a broad breadth of knowledge and high level of

understanding of the varied and often complex field of effective public sector strategic property asset management.

It was excellent to see that course participants came from a wide range of backgrounds, including, district and county councils from England, Scotland and Wales, London boroughs, metropolitan authorities, the Welsh Government, the Medical Research Council, CIPFA, the Northern Ireland Police Service, the Norse Group and an international contingent from South Africa's Supreme Auditors Institute.

The Strategic Asset Management Diploma will benefit property and support colleagues who are relatively new to public sector strategic asset management, as well as finance and service manager colleagues. More experienced property colleagues are likely to benefit from more specific areas within individual modules where, from the course syllabus, they can identify areas where they wish to increase their knowledge, as well as being accredited for Continual Professional Development (CPD) purposes.

The modules were co-produced and delivered by a team of ACES' members (Ade Adebayo, Charles Coats, Joanne Forbes, David Pethen, Jeremey Pilgrim, Neil Webster and Richard Wynne), who will be presenting their modules again in January 2021, in conjunction with CIPFA (Dave Ayre, David Bentley, Donna Best and Tim Reade). Together with the shared experience of the course participants, this provided an excellent combination of current technical expertise, practical experience and best practice from across the United Kingdom and South Africa.

This first Strategic Asset Management Diploma course was, due to the current pandemic, delivered entirely on-line. Future diploma courses will, subject to C-19, be delivered as a combination of "on-line' and more traditional classroom learning.

Over 7 modules, this very practical and worthwhile industry-led diploma, which for 2021 will provide the key skills and knowledge in the following areas that have been identified as requiring the most support:

- Strategic asset management organisation
- Asset management challenge
- Producing asset management documentation
- Business case development
- Option appraisal
- Capital projects and maintenance
- Data and performance
- Operational vs non-operational property
- Dealing with climate change
- Managing contracts

The diploma course itself is very flexible with course participants being able to choose to complete all 7 modules by open learning over a 4-month period to obtain the Diploma itself, or one or more individual modules may be taken which, on successful completion of the relevant assessment(s), will be certificated.

The assessment for passing the diploma is in 2 parts. There is a straightforward confirmatory assessment, which is taken at the end of each module, to ensure that a firm understanding has been obtained. Once the individual module assessments have been passed, course participants, with the benefit of the support of an ACES or CIPFA Mentor, then undertake a written assignment, to demonstrate their understanding of the content taught and their ability to apply it to their own working practices.

From the perspective of delivering the modules, all of us presenters found it slightly strange speaking to our laptops for the day, with no immediate direct feedback or interaction from the audience, and the time lag for interaction and feedback via the "Chat" function of the video platform definitely took some getting used to, for both presenters and participants alike!

Overall, the feedback from this first Diploma course has been very good, with 90 % of course participants rating the course as "Very useful" (the highest possible rating).

Further learning

If the foregoing has whetted your appetite for further learning, skills development and/or to provide up to 33 hours of your ongoing CPD requirements in 2021, then the next ACES/CIPFA Strategic Asset Management Diploma course will be starting on either the 12 or 28 January and provisionally the 6 or 9 Sept 2021.

As the Diploma course has been specifically designed to meet colleagues' ongoing needs and as best practice is always developing, so that the 2021 course remains focussed and up to date; the current course content has been reviewed against feedback from course participants and presenters, as well as ongoing developments in public sector strategic asset management best practice from all sectors of ACES' broadening membership base. Improvements are, subject to technological limitations, aiming to be made to increase interaction between course presenters and participants, by improving video of presenters when initially speaking, and developing further the group exercises in each module.

More detailed information about the ACES/CIPFA Diploma course, including the anticipated learning outcomes and/or how to book a place, is available at CIPFA's Website:

https://www.cipfa.org/training/accredited-training/diploma-in-public-sector-asset-management

The Course Fees for the Diploma will be: £400 plus VAT per module for ACES'/CIPFA Property Network Members (£500 plus VAT for Non-Members) and all 7 modules to obtain the Strategic Asset Management Diploma itself will cost £2,800 plus VAT for ACES/CIPFA Property Network Members (£3,500 plus VAT for Non-Members). As agreed by ACES Council, ACES will also separately be offering an additional £200 refund per organisation, where 1 or more ACES member(s) are undertaking the complete Diploma course.

If your training budget is currently overstretched for the January 2021 course, as we are at that time of year when next financial year's budgetary matters will typically shortly be coming under consideration, then now could be a great time to make that business case for this Diploma course.

If you would like further information on the course itself, or have any suggestions for future topics within each of the modules, please contact Malcolm Williams on 01584 890 919 or 07581 544217 or by e-mail at: malcolm.669williams@btinternet.com

Kevin is a Senior Lecturer at Northumbria University. He is co-founder of R3intelligence consultancy, specialising in property market information and research. His expertise exists at the interface of real estate development, finance and public policy, in which he is widely published in academic and professional circles.

BUSINESS RATE REFORM

Potential for a New Green Deal: Creating a sustainable property tax system in England

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Kevin here outlines a method of improving the business rates system, by rewarding rather than penalising responsible owners/occupiers who increase the sustainability of their buildings.

Introduction

The recent consultation on business rate reform – 'The Fundamental Review of the Business Rate System in England', suggests that the Treasury is considering a raft of reforms, including a Digital Sales Tax and Capital Values Tax. This reform is welcomed. The current business rate model in England creaks under the pressure of maintaining the public purse, while also being fair to businesses and landlords. The current system includes various multipliers, reliefs, exemption thresholds and transitional arrangements – sticky plasters in all but name. However, among the ideas for reform, it was surprising that the word sustainability - as it relates to environmental sustainability - was largely absent from the primary consultation document.

Prior research into stranded assets (https://bit.ly/34xNjFt) – assets that can suffer premature or unforeseen devaluations or conversion to liability, suggests that there is considerable scope to align the government's Non-Domestic Minimum Energy Efficiency Standard (MEES) with the commercial property tax system in England and Wales. In recent months there has been lots of focus on various types of 'New Green Deals,' including the Chancellor's own £3bn Green Home Grant Scheme. However, there is little similar incentive in the commercial built environment.

What a green opportunity

The government's MEES is the prevalent method of achieving energy efficiency standards. Since April 2018 (the soft landing), it has been illegal for landlords to let properties with an Energy Performance Certificate (EPC) below Grade E. From 2023 (the hard landing), this will likely apply to all properties, whether they are let or not. The eventual plan is for all properties to have Grade A EPCs and to contribute minimally to the environment via their carbon footprint. However, enforcement of this agenda is ambiguous. In March 2019 the Estates Gazette revealed that no local authorities in England had carried out MEES-related enforcement proceedings, following a Freedom of Information request.

The mandatory EPC information held in the EU Building Stock Observatory and the English and Wales EPC registry provides accurate accounts of energy use, floor space, building retrofit advice (and cost), type of property, and location. The method of physical measurement in EPCs is very similar to that deployed in the national valuation exercise for business rates carried out by the Valuation Office Agency. This provides scope to align the EPC data set with the national valuation data set, and hence set the foundation for an embedded sustainable incentive in the business rate system.

For example, those properties with

better EPCs could be given reduced business rate bills, relative to properties with poor EPCs. This would reward landlords who have improved their properties and incentivise those that previously have not engaged with building retrofit measures. The reward and incentive mechanism would not be straightforward, because it is the tenant that pays business rates, unless buildings are vacant. However, reduced business rate bills would provide landlords with the latitude to increase rent and therefore recover the cost of any building improvement. Furthermore, business rate discounts, especially on higher value properties, would likely have a negative impact on the public purse. However, this cost could be recovered by increasing the overall value of the national business rate portfolio – due to sustainability improvements; also, by safeguarding against significant quantities of property becoming illegal to let, following the 2023 hard landing of the MEES policy, or being rendered obsolescent due to fossil fuel dependency.

More carrot than stick

This proposal - more carrot than stick - will also drive new construction, and help fire up the building retrofit and adaptation industries and related employment sectors. The incentive is also more positive than the recent suggestion from the Chancellor, that he will increase business rates for high value retail and office properties. It is important to note in this instance that the highest value properties do not necessarily equate to the biggest properties, as suggested in the media briefings (http://dailym.ai/3le2DNs). Rather, highest value is typically related to location – central business districts and super prime retail areas on high streets currently suffering most under C-19 and wider structural change in the property market. Importantly, it is also likely to relate to those commercial properties that have invested most heavily in sustainability – achieving high EPC ratings and excellent Breeam ratings. The result of any hike in business rates for such properties will be accidental punishment for those who have invested most in sustainably and building retrofit measures, and discouragement for those considering carrying out sustainability related improvements.

Data difficulties

However, alignment of EPC and property valuation databases is not straightforward. Issues of consistency and accuracy (a problem shared with the wider real estate market) significantly hampers meaningful assessment of energy performance and national property valuation. Although based on very similar measurement techniques, comparison between data sets shows that information for the same property can vary widely between the respective datasets. A central recommendation in the forthcoming research from Northumbria is the creation of a National Data Observatory to harness the power of data science, to test out and work through how to better align data infrastructures. For example, it is imperative that each dataset should carry Unique Property Reference Numbers for each property and be based on common data infrastructures and measurement techniques (something currently absent from EPC and National Valuation datasets). This will enable the linking of disparate data sets to provide more powerful, multi-criteria data sets, and provide a consistent identifier throughout the building life cycle.

Conclusion

Land value tax (potentially evoked in the government's proposed Capital Values Tax) is often considered the 'sustainable tax.' However, this mode of taxation only considers land use - not the buildings on top and their operational and embodied energy. There is no point in a sustainable use of land if the buildings on top of it are not environmentally efficient. However, if there is one positive to come out of C-19, it is the new ability radically to pivot and consider new ways of doing things. A Sustainable Building Incentive embedded in commercial property taxation has the potential to reward developers and building owners for constructing efficient new properties and retrofitting older ones. It also avoids the need for a cumbersome grant system.

Taken further, the incentive could be complemented by a reduction in VAT on repairs and maintenance. In addition, if the government considers taxing land and buildings, there is potential to create a split rate system of taxation – one that improves the density of development, the performance of the built environment, and the resilience of the public purse.

HEATHER HOSKING, LONDON BRANCH

Meeting on 2 October 2019

The meeting was held on-line. 19 members and guests attended.

Presentation on health and the high street – Michael Wood, NHS Confederation

Michael explained his role in the NHS Confederation and the increasing importance being put on the effects that providing a new health facility can have on the area in which it is located. He talked about the effect on regeneration and the local economy, and the opportunities to help in the recovery of an area following the C-19 crisis. The Confederation is keen to ensure that health providers work with the private and public sectors to explore opportunities.

Michael made reference to a new report - 'Health as the New Wealth: The NHS's rôle in economic and social recovery'.

Covid-19 update – Tony Bamford, ACES

Tony gave an overview of the effects of the pandemic. It appears that local high streets, which had been suffering a decline, have recovered more quickly than large town centres, as people have used local centres and have travelled less. He also touched on the implications for FM, particularly heating and ventilation systems that could be helping to spread the virus.

He outlined how the effects of the pandemic are also contributing to other economic factors, such as Brexit and changes to shopping patterns which were already in train, but which have been accelerated by C-19, with examples such as the movement of jobs in the financial sector away from London, with an estimated 7,500 people being relocated to other European cities; $1.6tn-worth of funds being withdrawn from London; Frankfurt Airport recently handling more passengers than Heathrow.

Update from members

- One council reported that although 1 in 3 desks are available for use, many remain unused
- A food hub is being scaled back, but may need to be re-started if there is a spike in cases
- Another member advised that staff are not returning to the office because the council has found that it is too expensive to make it C-19 secure, and agile working will become the norm
- The results of an internal survey at one council:
  There was a 60% response to the survey
  70% of respondents were working from home
  75% felt that their work/life balance had improved
  60% increase in productivity (to be further analysed)
  66% wanted to work from home, but felt the need to go into the office.

  Communications methods are being considered, to ensure that social contact, working interaction and mental health needs are taken into account
- Rent roll and collection – one member commented that smaller tenants and community groups are struggling; larger tenants are being offered rent holidays rather than concessions; requests for concessions are considered on merit, taking into account the benefit to the community of keeping buildings occupied and the services being provided
- Recruitment – one council has taken on a senior surveyor and that a graduate had been recruited. There were 142 applicants for this post, which is the best response ever received. Neil Webster reminded members that ACES is working with Hays {Ed – see Session 6 of Conference write-up in this issue of ACES' Terrier].

Exchange of information

- One member reported that the council is reviewing its portfolio to identify disposal opportunities to fund the cost of staff redundancies. However, it is still acquiring sites for house building. It is also taking back a leisure centre to run in-house because the operator is in financial difficulty
- Red Book valuation for acquisitions - discussion took place on whether Red Book valuations were required for acquisitions, or just carried out by a registered valuer
- Government Property Agency – There are strict property controls in place, with no new leases or lease renewals being allowed on London offices. Collaborative zones are being introduced in hubs with bookable desks that can be used by other government departments and agencies. Lord Agnew, the Minister, is interested in what the Civil Service is doing across the country to work with local authorities
- Several councils reported development opportunities under investigation or proceeding for housing, a new civic centre, a secure school, a new acute hospital
- Sharing of right to buy surveys with purchasers was discussed and further feedback is welcomed.

GERRY DEVINE, WELSH BRANCH REVIEW OF 2020

Spring meeting

Our year did not start well as our Spring Meeting, which was due to include the President's visit, was scheduled for just a few days after the start of the pandemic lockdown and so unfortunately had to be cancelled. Back then, less than a year ago, Zoom and Teams were apps that only your children (or grandchildren) knew about!

The lockdown presented many of our branch members with several unprecedented issues, e.g., retail tenants seeking rent holidays due to inability to trade during the lockdown, office tenants unable to use the offices, and many similar issues. Corporate landlords found themselves thinking about the many changes that would need to be made to their operational offices to enable staff to return (if indeed at all) safely to an office environment.

With necessity being the mother of invention, within a few weeks we had learned a little about the new technology and a virtual meeting to discuss C-19 issues and post-lockdown planning was arranged for 12 May on MS Teams [Ed – see 2020 Spring Terrier for report].

Summer meeting

Our Swansea venue became 'virtual' and Branch Chairman, Lorna Cross, welcomed Peter Gregory on his President's visit and also Branch Liaison Officer, Keith Jewsbury, to this meeting attended by 27 members of ACES and/or the Consortium of Local Authorities in Wales (CLAW). Lorna commended the public sector on just how well all of it had responded to the pandemic [Ed – see 2020 Autumn Terrier for full notes of this meeting].

There followed a wide-ranging agenda, which included debate and discussion on C-19, the ACES Recruitment Initiative, council house building and community asset transfers [Ed – see Kelly Daniel's article on her CAT survey of 56 respondents in this issue of ACES' Terrier].

Autumn and Winter meetings

With localised outbreaks of C-19 and local lockdowns imposed as a result, our Welsh Branch Conference, planned for 13 October in The Orangery at Margam Park, also became a casualty of the pandemic.

Notwithstanding that setback, our ACES Welsh Branch AGM, followed by our ordinary business meeting in association with CLAW, went ahead virtually on 19 November. At the AGM Lorna wished to retire from her role as Chairman and proposed outgoing joint Vice-chairman Geoff Bacon, Head of Property at the City and County of Swansea, as Chairman, carried unanimously; Geoff then proposed Clive Ball, Head of Property at NHS Wales Shared Services Partnership - Specialist Estates Services, for the joint Vice-chairman post, also carried unanimously. Tony Bamford continues in the joint Vice-chairman role. It was noted that the ACES National AGM will be held in Cardiff on 12 November 2021.

Clive was pleased to learn that Helen Stubbs of NHS Property Services had just become Junior Vice-President (JVP) noting that it was good to get a pan-public sector input into ACES. This is especially important currently as NHS, central and local government, police fire and rescue, ambulance services and other public sector bodies work collaboratively in several ways to combat the pandemic.

Geoff Bacon took the chair for the business meeting, which opened with discussion of planning for a Welsh Branch Conference in autumn 2021. Working on the basis that by that time 'all will be well', it was agreed that we should aim to hold this event in the second week of October, again at Margam, which was felt to be a good venue. Discussion then moved on to the provision of CPD at future Branch meetings.

Jonathan Fearn reported on the CLAW AGM and Conference, held virtually the previous week, and advised that he will continue as Chairman of the CLAW Leadership Board for another year.

RICS Wales, Sam Rees

Following the closure of the RICS Wales office in Cardiff (along with most of its other regional offices), RICS has left just one representative in Wales to fulfil several roles, including that of Public Affairs Officer, but, despite his workload, Sam managed to spare us some time to give us a wide-ranging update on RICS matters. We are grateful to Sam and hope that he is not so overwhelmed that we can have the opportunity to develop our future relationship with RICS Wales to mutual benefit. Inevitably, the discussions with Sam included the importance of having a Welsh-based accredited estate/asset management course that recognised devolution and the divergence of legislation arising from that.

Ystadau Cymru, Richard Baker

Richard followed his contribution to our summer meeting with an update on Ystadau Cymru (Wales Estates – the Welsh Government-led public sector estates platform for development of the public estate in Wales) with in-depth presentations on the Welsh Government Land Division and the Land Release Fund, the policy context and their strategic aims and objectives.

Asset Valuations Training Course, Chris Brain

ACES' member and Valuation Liaison Officer, Chris, has set up an asset valuations training course and gave us a brief outline – it provides online training, has a live hotline to answer any questions, and an Asset Valuation Circle. Although the course is primarily public sector it could also benefit private sector firms.

Discussion

No meeting these days omits discussion of the impact of the C-19 pandemic and this meeting included discussion of tenanted estate, operational estate measures, impact on financial planning (capital and income), provision of venues for testing programmes, and planning for suitable venues for the anticipated vaccination programmes.

Simon qualified as a chartered surveyor in 1980. He 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 (now East Suffolk Council). He retired in 2018.

FURTHER MUSINGS

Simon Eades

I left private practice in Norwich in 1995 and started working in Great Yarmouth in 1996. On 10 May 2002 - as I did every working day - I bought the Eastern Daily Press to keep in touch with the local news. The newspaper group also published a weekly paper dealing with Great Yarmouth, which was useful in keeping in touch with the local area.

In 2002 the papers were one of the best places for seeing what properties were on the market and what had been let or sold. The papers were also useful in determining the current prices and were a major force in property comparables. Clearly it was sensible to check any potential comparable with one or both of the parties to establish the actual details.

I turned to the property pages and read the headline article "Grandeur returns to Britannia House". I had a feeling of déjà vu. The property featured was the forthcoming sale of "Britannia House." It was described as a grand house which, in a former life, had been the residence of the Commanding Officer of the Royal Norfolk Regiment. In 1959 the Royal Norfolk regiment amalgamated with the Suffolk Regiment and Britannia Barracks was closed. The building became the regimental museum and remained in that use until 1995. I had memories of this building which I sold in 1995 when I was working in commercial agency in Norwich.

1 January 1995 I had taken the role as Commercial Agency Manager. This was not the first time that I had operated in the agency field. I had spent 2 years in the 1980s undertaking residential agency as part of my role running an office in Norwich, but this time it was different. The commercial market was becoming much tighter, but I approached it with a positive approach.

The return to agency work was a challenge. It was often said that in doing professional work, the surveyor is 6 months behind the market. The completion of rent reviews and lease renewals are back dated to the relevant date, but the agreements between the parties can and did take up to 6 months after the relevant date. The agency surveyor, on the other hand, was to set the market at the relevant date, be it the date of the lease or the date of sale, which then provides the open market evidence so valuable in rent reviews and lease renewals.

I started to review the portfolio of accommodation on the books and to see whether there was the need for any changes. The portfolio was varied but concentrated on office and industrial accommodation. I got involved with the work, and with the assistance from the retiring partner – now consultant – started to review what we had and what the practice could do to improve its market share. The practice had enjoyed a much higher profile in former days, but this reduced over the years as more local practices built a commercial portfolio and 2 national practices had decided that the number of clients in Norwich made it economic to open local offices to service these clients.

The spring and summer 1995 were difficult times. I did arrange some leases assignments and sold some properties, but it was evident that the practice was having a difficult time and I did begin to question whether I was right, 6 months earlier, to accept the invitation to run the agency department. The reality, looking back, was that I had little option.

Some instructions did stand out. In May 1995 we were invited by the Ministry

of Defence to quote for the opportunity to sell Britannia House. The property had become vacant and the Army had no further use for the building, as the Royal Norfolk Regimental Museum was relocating to the Shire Hall in Norwich. The MOD had decided to sell the building by formal tender in its current condition. I assisted in the discussions in the office to set out our terms for representing the MOD in the sale and to my great surprise, we were offered the contract. I did not know how many firms were invited to quote or, indeed, how many submitted quotations.

The building was Grade II Listed. It was essential that there were substantive discussions with Norwich City Council Planning Department to establish what future uses would be acceptable. The planning authority had advised that there were several potential planning uses and it was the responsibility of the potential purchasers to make their own enquiries with the planning department.

I inspected the building with some caution. It was always interesting inspecting new instructions, but when it was a building with a history there was added anticipation. The anticipation was also to decide the basis of valuation. I decided that it would not be necessary to list every room in the building as there were clearly opportunities for redevelopment and it was more important to present the building as an investment or development opportunity.

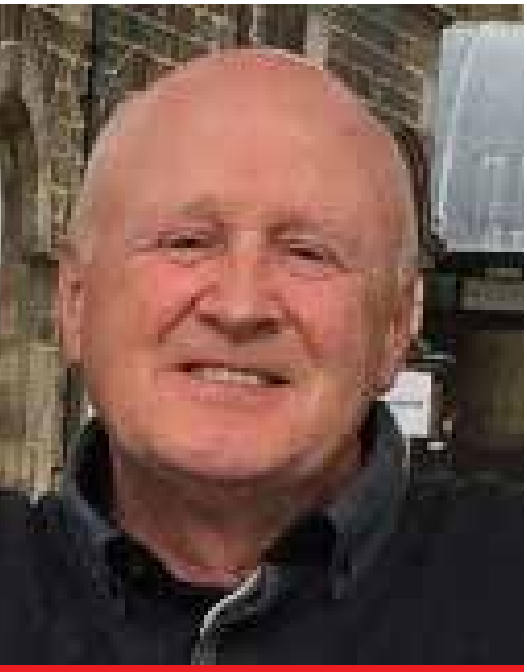
The property occupied a prominent position on the Norwich skyline and had a panoramic view overlooking the city centre. It was also adjacent to HM Prison Norwich. The building was actually 2 self-contained units. The larger part was the former museum, known as Britannia Barracks, 180 sq m arranged in 8 principal rooms, with first floor accommodation approached from a large principal staircase. The smaller accommodation, known as Cameron House, provided a smaller unit on 2 floors but had an imposing staircase, with a ground floor area of around 70 sq m.

Once we had inspected the property and considered the tender form supplied by the MOD, we started the marketing. We hoped that this would be a property which would attract considerable interest. This proved to be the case and we had to ensure that inspections were held by appointment, to ensure that many types of applicants had the opportunity to inspect.

The date of the submission of the tenders was late September 1995. The tenders were sent to the client in Cambridge and I do not have any recollection of the final decision. The marketing of the property took place that summer against a background of a difficult market and a difficulty in sales. The end result for me was that I was made redundant in October 1995 before the final decision was made by the client!

I started employment at Great Yarmouth Borough Council in March 1996. The 4-month unemployment period was one when I kept in touch with friends including several surveyors, and one in particular called me to have a cup of coffee. He was a long-established chartered surveyor who was always friendly and hospitable and would exchange information and details – unless he was unable to do so. He always made a good cup of coffee and after asking how I was getting on with job applications, he produced a copy of the details for Britannia House. He was persuasive in his approach, trying to get me to review my valuation and provide details of how I had arrived at the assessment. I said I could not remember – whether that was the right thing to say about a valuation that I had completed only a few months previously is open to debate - but I was still raw following my redundancy. I had not retained any papers on this case, apart from a copy of my details, but we had an interesting conversation.

And so in May 2002 I obtained a copy of the revised particulars for Britannia House. The property had been subject to a planning application for change of use to residential and had been fitted out to a very high standard. However, the principal matter of interest was that the property was on the market for a figure in excess of £850,000! [Ed – I wonder what it's worth now?].



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://davidlewispogson.wordpress.com

HERDWICK TALES
Cut to the quick

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.freeserve.co.uk
To: Lisa345@hotmail.com
Date: 8 January 2001 20:59
Subject: Herdwick Tales

Hello Lisa

Thanks for your e-mail. I'm sorry to hear that you are a bit homesick. It will pass in time. I know that your mother writes to you regularly, but she says that I should also send you an occasional e-mail to cheer you up. I don't really do anything interesting outside of work apart from fell-walking, which you already know all about, being the daughter of the 'Pilot of the Fells'. As nothing newsworthy really happens here, I've decided to tell you some tales about work. Once you've read them, you'll realise that working in China can only be better than working in local government in the UK. Remember, there is always someone worse off than you: in this case it's me. I hope that these cheer you up as they arrive.

Your story about being offered chickens' feet to eat at the Hotel Restaurant in Beijing on your outward journey was very amusing. I think that you should have tried eating them, although I would have expected them to be 'fowl'. Sorry, the old jokes just keep slipping out. I know that you've been hearing them for most of your life, but it's never stopped me repeating them and I can't change now. Who knows what culinary delicacies lie in store for you when you move to the less civilised interior of the country?

So, what happened to me today?

Work, work, work and what a bad day it was.

It had started on Friday when the Treasurer sent me a memo. It was his first response on the subject for 4 months. He was telling me that my bid for maintenance funding for all Herdwick District Council's properties for the next financial year, estimated at £1 million and which I had submitted last October, had not been approved by the Finance Committee at the first time of asking. I am to receive only £600,000, which is actually £200,000 less than last year, with April only 11 weeks away. 'Oh dear (actually something stronger really)', I thought.

I dwelt on this all Saturday and Sunday between bouts of housework and long periods on the internet trying to find out how to upgrade my home computer - as you do - and went back to work this morning determined to make somebody pay for spoiling my weekend.

I composed an e-mail to the Treasurer and copied it to the Chief Executive telling them that I couldn't maintain their buildings on such a measly sum, that I would have to sack one of my surveyors because we wouldn't have enough work to do, that I was sick of the Chief Exec always talking about communication and never doing it, that some of his buildings might have to close because they might become dangerous, that I wouldn't be responsible if somebody died (that's always a clincher because somebody did get seriously injured in the leisure centre once and they don't like to be reminded), that it might invalidate the buildings insurance policy, and that I was going to report them all to the councillors in a memo timed to arrive the day before the full council meeting to approve the whole council budget. Of course it was written very diplomatically with lots of mealy-mouthed phrasing like 'I can't guarantee that buildings won't have to close' and 'people may be put at risk' and 'it would be remiss of me not to update the members' etc. I'm not completely daft.

I then felt better because he is unlikely to sack me for speaking the truth, especially in such an apologetic manner. You only get sacked in local government for capital offences, such as being so incompetent as to not actually be able to hide it, or being caught groping the

chairman against his wishes. Sorry, forget that, I'm getting mixed up - for being outstandingly and obviously incompetent you get promoted not sacked. However, those good feelings didn't last long.

After a while the IT lads, Steve and Kurt, turned up unexpectedly at my office. I say unexpectedly because they came to install some new computers onto the council network that they'd bought last March when we had some slack in the budget. Those computers had been sitting under my desk in their original boxes and giving me sore knees for nearly 12 months, meaning that I had to grow longer arms actually to use the desk for work. They also brought 3 new computers that I had ordered through them. However, they only had instructions from the IT manager to install the original 2 and not the 3 new ones. I think the IT manager was getting worried that the original 2 would go out of warranty without being tested so he needed to know whether they worked or not, in case they needed to go back to the manufacturer. Anyway, the 3 new computers are now sat under the desk instead of the original 2, so my longer arms and calloused knees cannot be dispensed with yet. Their parting remark was that they promised to return to install the 3 new computers 'sometime after Easter' but significantly, they did not say which Easter.

That took me to lunch time and still no word from the Treasurer or Chief Exec.

Lunchtime was a frustrating experience. I went to Ottakar's Bookshop to browse 'The Idiot's Guide to Computers' in their Technical Section. They have more modern books than the library and the staff don't seem to mind if you don't buy anything after you've read it. I was looking to see how to upgrade the BIOS on my old home PC so that it will recognise the new 30-gig hard drive that I ordered through Shepdale Computer Centre, but which had originated in China. I'm told that 30-gig is massive and that computers will never get any bigger than this.

What exactly is a gig in computer terms? Some kind of measurement of size, but I'm not sure of what exactly? I always thought it was a performance by a pop group but what do I know? So will listening to my music with 30-gigs be like listening to 30 pop groups at once and make me go deaf? I know, it's another dad joke. Do you remember those early computer days with your Sinclair ZX80 and the ZX Spectrum, when we used to spend ages loading up games from cassette tapes with a cassette player? We thought then that a 48 KB memory was huge? It's bad enough now waiting for Freeserve to dial a connection to the internet. In either case, I'll never get those hours of my life back.

I was studying in Ottakar's because the IT lads told me that if I got the upgrade wrong the motherboard could blow up. Steve said that he had destroyed one at work and the only saving grace was that he'd been able to send it back under warranty, hoping that if he said nothing they would just throw it in the bin and send him another - which they did; hence the IT manager's admirable policy of setting up all computers just before the warranty runs out to test them. The significance of 'sometime after Easter' now becomes clearer. Anyway, I digress, as Ronnie Corbett would say, and this rambling e-mail is certainly starting to resemble an RC story. I read all that I could in Ottakar's but frustratingly, the more I read on the subject, the more I realised what I didn't know. Then the fear of blowing up my computer, which is now well out of warranty, started to magnify. So do I risk it, or would it be less stressful to slip Steve a tenner to do it for me in his own time? A tenner is a tenner though, isn't it? I was still debating it as I went back to work.

On returning I was pleasantly surprised to find that John, one of the building surveyors, had arranged for the service engineers to fix the heating in the offices so we didn't have to freeze all afternoon, as we had all morning. I did reflect on the possibility that it might be a long cold winter next year if the Chief Exec fails to get me the maintenance budget that I want. Still, I won't be freezing on my own because I will make damn sure that the system that serves his offices will be the last to be maintained of anybody's. Vengeance is a meal best served cold, they say. And it will be.

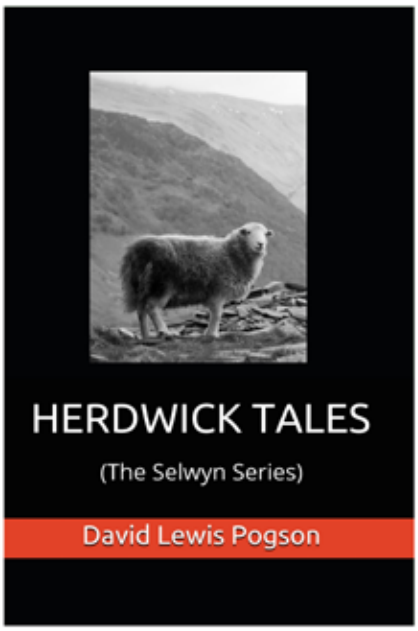
The afternoon was pretty standard depression after that. I got a letter from the Head of Food Safety asking me for a reference for my group's part-time typist who had obviously applied for a full-time vacancy in his group. She is bit of a hefty lass but looks perfectly attractive and healthy. She obsesses about eating and dieting in rotation and constantly talks about both extremes, while producing reams of excellent typing. I worry that working in FOOD could be unhealthy for her. Won't the constant reminders of FOOD further feed her obsession? It's depressing for me because if I give her a good reference and she gets the job, then I will have to go to the trouble of finding a replacement. Also, the Head of FOOD will hate me if she then eats herself into a stupor, can't do the job, goes off sick, and he has to pay her while also hiring an agency stand-in at additional cost. Or maybe I'm wrong. Might she be so influenced by typing out prohibition notices for unhygienic restaurants that it reinforces her resolve to avoid many of them at lunchtime when she is dieting? I can't decide what's for the best. Oh the life and death decisions that you have to make as a manager! I bet she'd have tackled those chickens' feet that you refused in Beijing though.

Anyway, that was the end of a bad but thoroughly typical day at work. I find myself thinking more and more about early retirement on days like these.

The Treasurer and the Chief Exec had still not come back to me about the maintenance budget cuts.

E-mail me soon and let me have your impressions of life in China.

Ed – Dave has assembled his collection of short stories in 'Herdwick Tales'.



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.