ACES Terrier

The Association of Chief Estates Surveyors & Property Managers in the Public Sector
Volume 27 Issue 2 Summer 2022

ACES NATIONAL CONFERENCE
15-16 SEPTEMBER, LONDON

ACES
SINCE 1908 MANAGING PUBLIC PROPERTY FOR THE PUBLIC GOOD

154

LOCAL AUTHORITIES

WE HAVE ACTED FOR 154 LOCAL AUTHORITIES

Our specialists have an in-depth understanding of the day-to-day operational requirements of local authorities which allows us to provide tailored estate advisory services to meet your operational needs. The strategic and planning advisory services we offer are supported by the practical implementation of agreed strategies, using informed market knowledge and expertise gained through the successful delivery of transformative projects.

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Alexandra Houghton, Head of Public Sector
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OUR LOCAL AUTHORITY EXPERIENCE:

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

2,691 tenancies under management

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

12 local authorities we provide annual asset valuations for

VOLUME 27 - ISSUE 2 - Summer 2022

ACES TERRIER

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

EDITORIAL

Betty Albon

Welcome to the 2022 Summer Terrier.

I'm writing this in between sets of Wimbledon, which is distracting for both activities. My apologies if the occasional error creeps in.

First of all, ACES' President, Chris Rhodes, and his team are working hard to deliver the National Conference on 15 and 16 September in Sutton, London. Please look out for the flyer in this issue, and the website https://aces.org.uk/national-presidential-conference-2022/ Bookings are open for the main conference and the social programme, and rooms are available at the conference venue – Holiday Inn.

This issue includes a series of articles on decarbonisation and what is or could be done to mitigate climate change, and another set of articles about elements of the Levelling-Up and Regeneration Bill, which promises to make big changes when it reaches Royal Assent. Plus a range of other professional topics.

Please spread all this valuable advice far and wide in whatever ways you can – and there's certainly a lot of opportunities now to do that in hard copy and online www.aces.org.uk/library/ . Remember to tell ACES' Secretary, Trevor Bishop, if you would like to change your delivery address to reflect changing work patterns – we're here to please!

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.

The views expressed by the authors are not necessarily those of ACES. Neither the authors or ACES nor the publisher accept any liability for any action arising from the use to which this publication may be put.

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Cover photo: A view of old and new London, courtesy of Trevor Bishop, ACES' Secretary

NATIONAL COUNCIL

Notes of ACES Council Meeting on 8 April 2022 (hybrid)

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

This was the first live ACES Council meeting since January 2020 and was held at the Guildhall Offices in London. Ten members attended the live meeting and 12 joined remotely, making the meeting quorate.

Detailed reports on the majority of these topics are published on the ACES' website www.aces.org.uk

Before the meeting commenced, the Secretary referred to an application from Marcus Perry to join ACES Council as a Council Member representing Honorary and Retired members. It was noted that the post had been vacant since the 2021 AGM. A vote was taken in the meeting room and remotely and Council approved the appointment unanimously.

President's report

The President, Chris Rhodes, noted that this was the first "hybrid" meeting of the Council and that it would inform the nature and format of future meetings. He reported on his activities since the last meeting, particularly in relation to the Conference which will be reported separately. He joined a meeting with RICS in March which included Gill Quinn, Stakeholder and Engagement Manager, with her colleague Lisa O'Connor, Paul Bagust and others.

He has been in touch with branches to arrange visits which are now mostly confirmed over the next few months. The President looked forward to meeting branch members across the country.

Secretary's report

The Secretary, Trevor Bishop, reported on matters arising during the period since the last Council meeting. He provided the latest statistics on membership and mentioned another high turnover of members, typical of "year-end", but no net change in the total number of members since the last report.

On subscriptions, the Secretary confirmed that at the time of reporting, over 74% of invoices had been paid, producing an income of approximately £30,000 out of a total due of around £40,200.

The Secretary referred to his support to the President in arranging the 2022 Conference and was looking forward to a live event again. Equally, it was noted that the 2022 AGM at the Cardiff venue was one not to be missed.

The Secretary advised that he had engaged Marcus Macaulay, ACES' publisher, to assist him with resolving the issues on the website and to liaise with the website managers, with a view to accelerating progress. Council members agreed to this initial involvement and that the Core Management Team manage the engagement and costs and report back to Council accordingly.

Financial matters

The Treasurer, Willie Martin, presented a report on the financial position of the Association. ACES continued to find itself in a very healthy financial position, with no major issues facing the Association. Notably, ACES continued to benefit from the SAM Diploma course which produced good returns.

In this connection, the Treasurer identified the level of resources now held by ACES, acknowledging that it was a not-for-profit organisation. He considered that ACES should now be utilising the additional finances for the benefit of its members. Ideas included financing CPD, other forms of training for members/staff to follow the SAM Diploma, funding research activities, subsidising ACES' conferences, reducing members fees and enhancing the website.

The Treasurer referred to the 3-year budget forecast and expressed some difficulties in predictions, especially in relation to the 2022 conference and the SAM Diploma. Members discussed production of a "plan of expenditure" with estimated costs of proposals to be brought back to July Council for approval. It was noted that this should be aligned with the review of the Business Plan and the proposed activities coming out of that.

A detailed report with appendices from the Treasurer is published on the ACES website.

ACES' website

The Secretary reported verbally on matters arising with the website. Notwithstanding minor issues, the website was functional and providing the facilities expected. However, he noted that the usefulness of the website to the Association did depend to a large extent on members using it, posting forum items, using the jobs page, and adding news items. It was considered that there was scope for improvement.

Keith Jewsbury commented that he had recently undertaken an exercise to gather up to date information on ACES Fellows. Fellows were invariably distinguished, and exceptionally skilled and highly regarded persons involved in public property. The conferment of fellowship had begun many years ago; the qualifying criteria needed refreshing, with a view to identifying future candidates for fellowship. The aim was to create a page on the ACES website identifying the Fellows in a similar vein to the Presidents Page.

Consultations

The Senior Vice President, Helen Stubbs, reported that recently, consultations had been limited. The CIPFA/LASAAC consultation on the delays in publication of audited local authority financial statements was of significant interest to many members and generated responses (see ACES' website and Chris Brain's Valuation Liaison Officer report).

A more recent consultation involved a green paper on Nature Recovery, covering largely rural matters, the details of which had been placed on the ACES website. The SVP will give this further thought before circulating to members and noted that the consultation was an online survey which may be more appropriate to respond to individually.

Simon Hughes referred to recent government rules on Nutrient Neutrality which required zero impact emissions, and which had caused problems for local authorities to the extent of stopping a number of residential developments where overnight accommodation was included. It was felt this required consultation with ACES members with a view to feedback to the government and the SVP agreed to pick this up, also noting the financial impact of the new rules [Ed – see full article in this issue of ACES' Terrier].

ACES' Terrier

The Editor, Betty Albon, referred to the recent publication of the Spring Terrier which had been uploaded onto the ACES website, and with this, had now completed 10 years as ACES Editor. She put a call out for articles for the Summer 2022 edition from members and branches; early articles were always helpful to her. The President offered congratulations to Betty for her 10-year landmark. Council members looked forward to the next 10 years of Betty's editorship [Ed – hmm!].

Business Plan

The SVP reported on progress and thinking regarding her review of the Business Plan. She referred members to the timeline now published on the website, which sets out the actions required to complete the full review, most to be taken up by the Core Management Team. A key action will be to circulate draft documents to all members and request views on the main matters to be addressed over the next 3 years, in order to achieve an informed draft by July Council. Also included on the website is a very early draft of the proposed new Business Plan (likely to cover 2022 to 2025) and the SVP was keen to point out that this was a Business Plan for all members, not just Council, and it was hoped that most members would engage.

The incorporation of ideas arising out of ACES' healthy financial position discussed earlier was noted - expenditure proposals would be aligned to the Business Plan. Reviewing the structure of the organisation and the duties and job descriptions of ACES Officers and Core Management Team and ensuring modern working practices were adopted where appropriate was also an important piece of work requiring detailed attention.

Ade Adebayo proposed a structured survey, through a medium such as Google Forms, to elicit responses; the Treasurer suggested a financial implications column be added to the detailed Action Plan appended to the Business Plan. Helen agreed to pick both these proposals up.

The Head of Engagement, Neil Webster, reported on recent matters he had been progressing. Of special note was progress made on the FACES initiative, with considerable support provided by ACES' member Zaman Sheikh, particularly around support for APC candidates.

Special mention was also made of the GovProp22 Conference at which JVP, Sara Cameron, spoke very eloquently with good results in terms of raising the profile of ACES and generating interest for our own conference. Plans were being developed for ACES members to attend and speak at future similar conferences.

The Secretary updated Council on progress with the sponsorship plans for ACES. A number of meetings had been held by the Sponsorship Task Team which comprised Lee Dawson, Neil Simon, Neil Webster and Simon Williams, with support from the Secretary. A Sponsorship Matrix had been developed of the opportunities for sponsorship (conference, AGM, Terrier, website etc.) and hierarchy of sponsorship (Main Sponsor, through to Conference Exhibitor for example). Indicative sponsorship amounts had been allocated to the matrix. The next steps in the plan involved entering into negotiations with the identified sponsors.

Annual Conference 2022

The President reported on good progress made with arrangements. Thoughts had been given to the content of the conference around a theme of Sustainable Communities which would inform presentations on the Thursday. Friday would include a number of technical updates and potential speakers had been lined up. The President confirmed that the Chief Executive of Sutton Council had agreed to make the introduction to the conference; emerging subjects included the retail market, future of offices, biodiversity and transport.

Progress had been made in preparing the draft financial plan including an update on the social programme provided by Marcus Perry. A venue in Sutton had been identified for the President's Informal Supper on the Wednesday evening and it was confirmed that the Thursday Gala Dinner would take place at Nonsuch Mansion in Nonsuch Park, a former hunting park used by Henry VIII.

Neil Webster provided some detail on the proposed role of the external service providers, which was largely around content, programme and logistics, and the anticipated costs. It was noted that this appointment, along with the final draft financial plan, would need to be formally approved by full Council and special arrangements would be made for this.

The President again thanked the Conference team, which had done an enormous amount of work to assist him in pulling all the essential elements of the conference together [Ed – see conference flyer in this issue of ACES' Terrier].

AGM 2022

The Secretary reaffirmed the booking at Cardiff City Hall for the 2022 AGM on

Thursday 17 November 2022 [Ed – note the AGM will take place on a Thursday this year] on the basis that it will be a live event. The Secretary was confident that the Welsh branch will be very supportive with arrangements to ensure all goes well and that delegate numbers are healthy, in order to assist with the attraction of sponsors and speakers for the event.

ACES' Award for Excellence 2022 and President's Award

The SVP reported that she had the documents ready to circulate. It was her intention to send the invitations to nominate entries in May, for return in early August.

Asset Management in the Public Sector

Malcolm Williams updated members on the SAM diploma course which continued to go very well, with the help of the ACES members making the presentations. The 4th iteration of the course is well in hand. Malcolm referred confirmed that he had received 4 expressions of interest for new presenters, with a view to getting them on board for the next course which starts in September.

Malcolm expressed his confidence that a 5th iteration of the course would take place and that this would take us into 2023. It was noted that central government was taking an interest in the course as well as representation from Welsh authorities.

Reference was made to the pricing of the course and the concessions that had been introduced for ACES members. Further concessions had been proposed, and Council approved the proposals. The full detailed concessions are contained in the report on the ACES website.

Malcolm also confirmed that discussions were ongoing with CIPFA and the topic of additional courses would be raised to coincide with any fall-off for the SAM course, but this was not expected until well into 2023.

RACES/Homes for Older People

Derek Rowell provided an update on progress with the RACES initiative. Due to IT difficulties at Derek's remote location, Keith Jewsbury kindly agreed to step in and talked through the recent key issues with the RACES initiative. Matters had stalled somewhat due to lack of face-to-face meetings and the generally high workload of ACES' members which had impacted on feedback to the RACES Champions. Nevertheless, it was still considered to be a very worthwhile initiative and hoped that things would pick up later in the year when reports from branches on local progress would be anticipated.

Simon Hughes commented on the iHOPE initiative and repeated the previous concerns that there was little traction with this initiative at the present time. Many Adult Social Care departments were experiencing serious capacity problems and it was generally considered that matters would be best left in abeyance and reviewed in the summer.

Co-ordinators, branches and external working groups

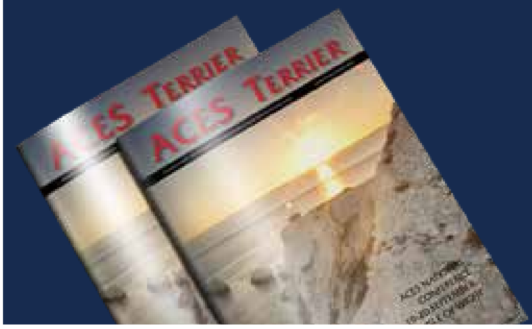
Liaison officer and branch reports were received, and these have been published on the ACES website for the information of all members. Once again, thanks to the Liaison Officers for their efforts in producing detailed and topical reports which are appreciated by members, and to the branches for submitting reports on their activities. The Secretary noted that a tailored report was not essential from branch secretaries if they were constrained by time, and that sending through recent minutes of meetings would be acceptable.

Future meetings

ACES Council	15 July 2022	Confirmed, Preston
Annual Conference	15 – 16 September 2022	Sutton
Annual Meeting	17 November 2022	Cardiff

Regarding the next ACES Council meeting, the Secretary referred to previous discussions which indicated that a regional venue outside London should be identified which was accessible to many members, but also to make this a hybrid meeting, subject to reliable technology, to ensure maximum attendance.

There was no other business raised by members. The President thanked everyone for their attendance and perseverance and closed the meeting.



ACES

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

ACES

NATIONAL PROPERTY CONFERENCE

"2050: The path to sustainable communities"

Holiday Inn, Sutton, London, 15 and 16 September 2022

ACES is pleased to announce its flagship event - a live conference to be held in the prestigious Holiday Inn, Sutton. The conference is open to everyone who works within and on behalf of the broad public sector.

ACES' President, Chris Rhodes, and his team of London Branch members is assembling a programme to explore the theme of sustainability and how to support our communities. They have secured top professionals to speak about levelling up in practice across local authorities and health, relocation of central government across the regions, neighbourhood regeneration, biodiversity, and sustainable transport. Professional updates will include valuation, law and trends in the market place.

For further information on speakers, sponsors and booking, see https://aces.org.uk/national-presidential-conference-2022/

Who should attend and why?

- Property professionals and those involved with property from all sectors
- Get inspiration and network with professional colleagues, decision-makers and leaders from across all sectors
- Interact with the exhibitors, sponsors and supporting partners
- Social programme to run alongside the conference, including gala dinner at the magnificent Nonsuch Mansion

Nonsuch Mansion

ACES MEMBERSHIP

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

I list below the changes in membership between 1 April 2022 and 30 June 2022.

It is with great sadness that we report the death of Remo Verrico, first President of ACES. An obituary appears in this Summer edition of ACES' Terrier.

New members approved

There were 4 new applications approved during the period:

First Name	Surname	Organisation	Branch Ref
Miles	Phillips	BCP Council	SW
Andrew	Stirling	Essex County Council	E
Renata	Garfoot	North Norfolk District Council	E
Neil	Gordon	Stirling Council	S

Members transferred during the period.

Two members transferred during the period:

First Name	Surname	Branch Ref
Gillian	Boyle	NW
Tim	Mander	SW

Resignations

The following 9 members resigned during the period (resignation is assumed where members leave an organisation and do not maintain contact with the association):

First Name	Surname	Organisation	Branch Ref
Chris	Fairbrother	Barnsley MBC	NE
Sam	Munnings	BCP Council	SW
David	Jones	Colliers International UK plc	NE
Alan	Stewart	East Renfrewshire Council	S
Kevin	Kendall	Lincolnshire County Council	E
Howard	Hillier-Daines	London Borough of Tower Hamlets	L
Louise	Reid-Thomas	Stirling Council	S
Amy	Rushton	Suffolk Wildlife Trust	E
Diane	Phillips	SW synod of United reform church	SW

Membership

Summary of current membership at 30 June 2022:

Total Membership	
Status	Number
Full	216
Additional	69
Honorary	35
Associate	25
Retired	37
Total	**382**

OBITUARY REMO VERRICO

Remo died at home, surrounded by family on 28 March 2022, aged 94. Renowned as Glasgow City Estates Surveyor (1962-1991), Remo helped change the face of the city he loved. He leaves wife Norma and daughters Nicola and Lisa.

These sentences do not reflect the significance Remo held for the Association, including the honour of becoming the first President of ACES in 1986/87. The obituary therefore starts with some of Remo's own words, taken from "A Century Surveyed, 1908-2008".

The Scottish Branch asked me to contribute an article for the special ACES centenary history and gave two reasons for this: one because I was the first President of LAVA [Ed - renamed ACES in 1995] and the first Scottish member of ALAVES; being responsible for setting up the Scottish Branch was another. You will have noticed that I have already used three different acronyms for the Associations.

When I was appointed as the City of Glasgow Estates Surveyor in 1962, the council had just announced its redevelopment plan. A new urban motorway and an inner ring road were also in the scheme. The city did not have a property department and had made do until then with input from various departments, as well as the District Valuer and private surveyors. The council felt that this arrangement was not suitable for carrying out the tasks which would arise from its redevelopment schemes and decided that a new property department was required.

I was inexperienced in the ways of local authorities and since joining ALAVES in 1963 I have gained much from the experiences of others. Glasgow was the first local authority in Scotland to have an estates department and while we trained many of our own apprentices, we also became involved with the RICS and universities and colleges to encourage and recruit new entrants to the profession. We also felt that with reorganisation of local government looming in 1975 there was a need to promote the case for surveyors and property departments in the new authorities. With the help of some senior staff in my department and a few from other authorities we set up a Scottish Branch to pass on our experience.

When we became a full branch within the Association in 1979, we had 5 members in ALAVES. I was elected as the first Chairman of the branch and served for 4 years. Neil Macfarlane succeeded me as Chairman in 1983, followed by Jack Simpson in 1985. In 1986 membership had risen to 24 of whom 10 were in ALAVES. The Scottish Branch was well represented over the years and has provided a number of Council members and Presidents.

In my Presidential address I said that we were witnessing the joining together of 2 organisations, both with a considerable history into one influential group of senior officers representing over 150 local authorities who were responsible for the valuation, management and development of land for public purposes. The history of

The photo is taken at the ACES Centenary dinner in London in 2008. Remo can be seen against the back wall, wearing a white shirt.

ALAVES has been very well documented by Ken Blessley [Ed – see 2012 Spring and 2013 Summer Terriers for summaries by Richard Allen of this history, and of course, "A Century Surveyed" for a wealth of information on presidents and events https://aces.org.uk/library/ *].*

It was a memorable year for me and I believe a good first year for the new Association. As one who gained great professional benefit from membership of the Association, I would urge all current and future members to give all the support they can to help keep the Association as the first choice for local authorities [Ed – and now other public sector bodies] when recruiting staff for property matters in whatever new form they may take.

Jack Simpson, Chairman of the Scottish Branch in 1985, recalls: *I first heard the name Remo Verrico in 1954. My father was a colleague of his in the District Valuers Office. It was an unusual name and I remember my father saying that he was a surveyor with a bright future ahead. When he was appointed City Estates Surveyor I had just started my apprenticeship in another department of the council. I went and introduced myself to him. He offered his condolences on the death of my father the previous year and wished me all the best for my future career. I appreciated him taking a few minutes to speak to me and he surprised me many years later by saying he remembered our conversation.*

In Scotland in 1961 an Estates Department was a new concept, but Remo's drive and vision persuaded the council that the professional management of a large property portfolio was essential. When I joined his staff in 1970 it had grown to become a very successful professional organisation and Remo's strong personality, and his love for the city, meant it made a significant contribution to its modernisation. The 5 years I spent there, and what I learned from him, set me up for the rest of my career in local government. There are many others who could say the same.

He was instrumental in leading the way for the establishment of other estates departments in Scotland. It might be said that anyone employed in the estates function in Scottish local government in the last 60 years owes their job, in part, to his vision and commitment. That is a legacy of which he would be justifiably proud.

On a lighter note, Malcolm McAskill, President of ACES in 2002-03, said: He was Mr Verrico to me, but Remo to Susan, who sat with him at the anniversary dinner in London a few years ago. Terrifying as a boss, but a lovely man outside the workplace.

ACES' Secretary, Trevor Bishop, wrote a letter of condolence to Remo's family, to which his daughter Lisa has responded: *On behalf of my mum, myself and my sister, I wanted to say thank you so much for the lovely letter you sent. So nice to hear that dad is remembered fondly - he was so proud of what he achieved, but never boasted or talked much about it - although my mum does remember him being very proud of being the first president of ACES.*

I don't know what I'd add to an obit, other than how happy he was to help anyone and give advice, both during his career and after. We've heard from several people he helped get businesses off the ground or aid with planning problems for a long time after he left the council. Mostly he was proud of how he helped turn Glasgow around, but you'd know more about that than us.

PEOPLE, PLANET, PROFIT Knight Frank analytics and the 'Three Ps'

Patrick Dillon Patrick.Dillon@knightfrank.com

Patrick explains how the innovative use of geospatial data is a game changer for property owners and their advisers looking to manage risk and plan for the future. Patrick's passion about the concept of stewardship to build system resilience and mitigate climate risk is evidenced in this article.

Patrick joined Knight Frank in April 2022 as a Geospatial Analyst focusing on environmental and rural systems. He provides a unique skill set leading to fresh perspectives in Knight Frank's rural expansion plans.

Patrick grew up in South Africa on a farm in the Drakensberg mountains and he completed an Honours degree at Rhodes University. He majored in environmental science and geography, with a focus on remote sensing (GIS) and landscape analytics. After university, he worked closely in the creation of the first registered carbon development project in South Africa. This regenerative farm forms part of a 45,000ha Stewardship Program promoting biodiversity through sustainable agriculture.

Patrick moved to the UK in 2019 and worked as an estate manager at Spye Park in Wiltshire. In 2021, in order to better understand rewilding, Patrick worked as a PHD research assistant at Knepp Wildlands. He helped in measuring the natural capital benefits of rewilding at one of the UK's pioneering projects.

I have recently joined Knight Frank's Residential Research team as a geospatial analyst, focusing on the environmental science side of analytics and geographic information systems (GIS). It is fascinating to see how technological advances allow us to support our consultancy teams in advising clients on how to deliver the Three Ps of sustainable business. The theme of this year's "Rural Report". John Elkington, one of the greatest thought leaders in sustainability, coined the term the 'triple bottom line', or the Three Ps – People, Planet and Profit – of sustainable business in 1994.

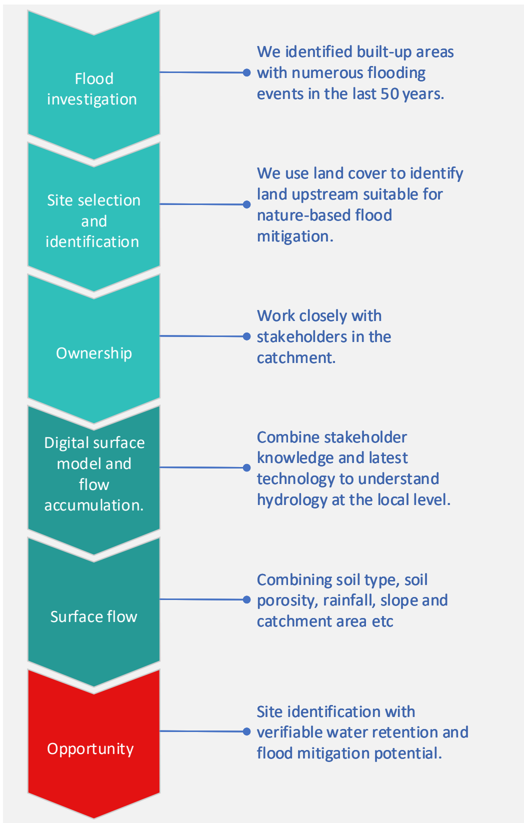
In conjunction with the Three Ps, geospatial analysis also helps businesses assess and mitigate risks which, from my experience of working on rural estates in the UK and South Africa, are inherently complex, multifaceted and constantly changing.

Sometimes they are not even risks that would have been recognised as such just one generation ago. The UK government, for example, announced that climate reporting will be mandatory for the largest 1,300 companies as of April 2022. Looking at the trajectory of what needs to be done to meet our climate targets, I think we can assume that it won't be long before all small businesses and companies across the UK need to disclose more than their bottom line.

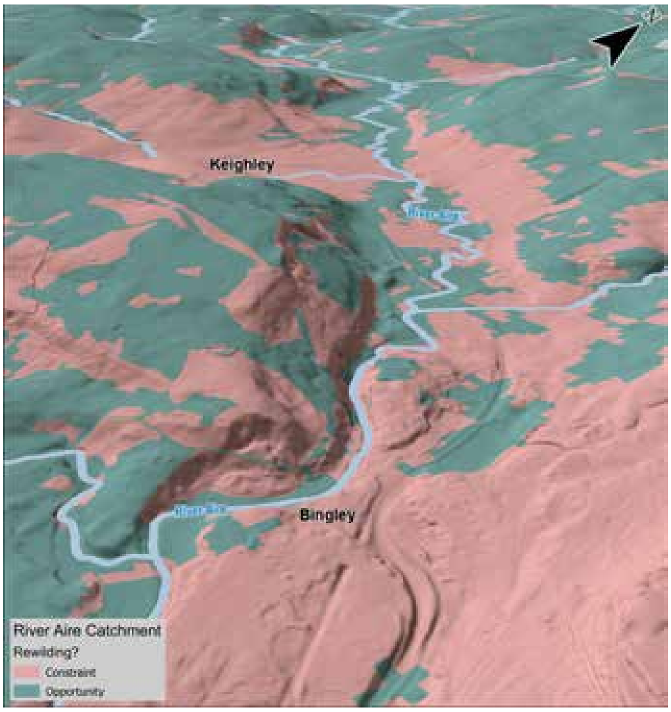
People

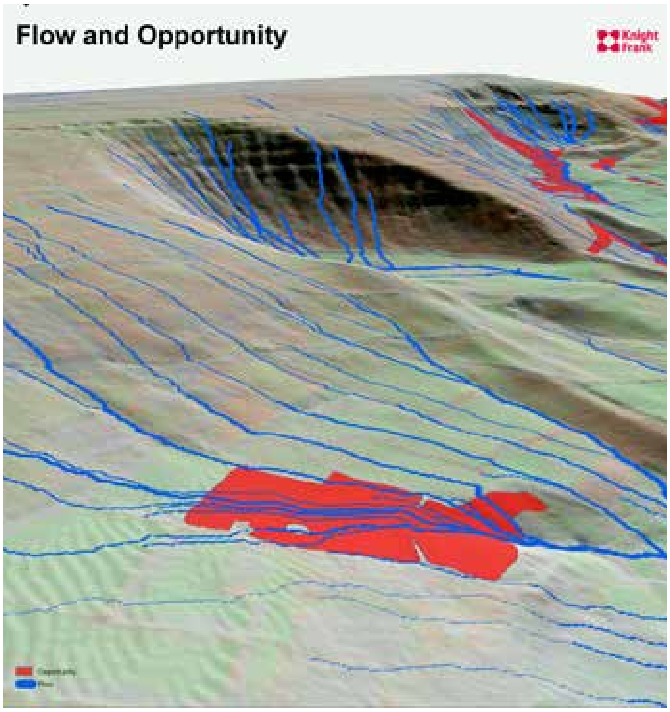
Arguably, the most important part of our work is the human aspect. Understanding people, behaviours and population dynamics is what we and our clients need to do in order to stay ahead of the curve. Knowing what might change, based on demographics and the social trends of society, can have countless applications and benefits.

Our access to Experian's MOSAIC demographic dataset means we can map the type, tenure, length of residency, age and household income at a property level. This can be used, for example, if a land manager would like to see the social trends



River Aire image and overland flow and key opportunities





surrounding a property; to better inform on diversifying a portfolio in line with the social dynamics. It could also show how many people may be using the surrounding roads and walkways, their ages and where they may be coming from.

Property managers and agents usually know this information intuitively and from 'on the ground' experience. However, the ability to visualise and then advise on the best course of action based on our expertise allows confidence and more reliable decision making.

Planet

Climate change and declining biodiversity levels make this the 'P' of the moment for many businesses, especially now that the UK's support regimes are driven by the "public money for public goods" mantra.

The plethora of new data monitoring and reporting on biodiversity and environmental management platforms shows how important many of these technologies are for farmers and managers across the country. I recently had a conversation with a land manager who said: "I think I've had a new satellite management platform pitched to me every day for a month."

Our approach to the "planet" side of our work is to look realistically and pragmatically at the individual system under consideration, based on the needs of the client. There are swathes of data available that can be combined in unique ways to show every aspect of a natural system or landscape. However, these all have issues and they should not be oversold. The systems under consideration are impossibly complex and, when generalised, pose a risk of potential misinterpretation.

Case study: River Aire catchment

We recently undertook a project to identify potential sites for nature-based flood mitigation or 'rewilding' within the River Aire catchment. This is a classic example of matching up "public money" with "public goods" by helping to identify landowners whose property could provide the "goods". Then with further analysis, we were able accurately to model the catchment flow dynamics to identify areas that would be most suitable for nature-based water retention or flood mitigation strategies. The ability to quantify the flow values at specific points in a catchment through modelling, makes it possible to predict the benefit of flood mitigation downstream.

Profit

Although the Three Ps are inextricably connected, this is the bottom line that counts for most businesses. Our main objective is to maximise profit and provide the data and visual tools needed by our consultants to help clients make the most informed decisions.

Examples include the farmer trying to navigate the countless debt traps and minefields of carbon offsetting with their impossibly long-term commitments and risk. Or portfolio managers, looking to the future, considering the socio-political landscape, land use changes and climate.

Case study: UK opportunities for viticulture

We recently had a simple, but nonetheless multifaceted request from Ed Mansel Lewis, the Head of Knight Frank's Viticulture team. There is currently high demand for land suitable for planting vines in the UK and Ed needed to help his clients identify the most profitable locations. The geospatial team created an entire platform that combined soil, aspect, slope steepness data, alongside the weather data, enabling him to pinpoint suitable sites at the touch of a button. The 'people' data I mentioned earlier also helps to boost profitability further by creating place-making initiatives around a client's vineyards.

Summary

A research team of data-centric thinkers from economics, engineering, and the natural and physical sciences supports Knight Frank's consultants. With a deep desire to understand and model the human and physical environment using the latest analytical, geospatial and data science techniques, we can solve cross-cutting industry problems. We believe our breadth of experience and expertise is uniquely positioned to develop solutions at the intersection of People, Planet, and Profit.

Find out more at:
https://www.knightfrank.com/rural-report

Knight Frank

YOUR PARTNERS IN PROPERTY

We understand the changing priorities for the public sector and the need to strike a balance between improving asset performance and demonstrating value for money.

Knight Frank can give the support you require, providing a range of specialist skills, strategic consultancy and market intelligence, to ensure that you can deliver the best outcomes.

We are approved suppliers on a number of government frameworks, making it easy for you to work with us.

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125 Your partners in property for 125 years

As Head of Sustainability, Karl is helping drive HLM Architects' commitment to meet the RIBA Sustainable Outcomes by embedding good, sustainable design principles in all projects and through his research and development on key themes. He is also currently undertaking retrofit training with the Association for Environment Conscious Building (AECB) to better understand how we can extend the life our existing buildings.

Since joining HLM in 2015, Karl's work has been primarily focused on the higher education sector, ranging from estate masterplanning through to small-scale refurbishment of innovative teaching spaces and large-scale new build facilities.

Karl excels at engaging with clients and stakeholders to understand and interpret their aspirations, and he thrives in solving complex design challenges with a pragmatic, evidence-led, humanist approach to architecture.

DECARBONISATION AGENDA
Do the actions of local government match their climate emergency declarations?

Karl Brown Karl.Brown@hlmarchitects.com

Illustrated by images of exemplary buildings, Karl addresses the decarbonisation agenda of local government and what steps can be taken to close the gap between talk and action. One area: "By …. defining ambitious targets, local authorities can lead the way in a retrofit revolution."

Introduction

There is an almost overwhelming amount of information available on the topics of decarbonisation and sustainability and sometimes it's difficult to know where to turn. On the back of COP26, the Intergovernmental Panel on Climate Change (IPCC's) latest findings and ahead of Phase 3b of the government's Public Sector Decarbonisation Scheme, at HLM we've been thinking about what this all means for the future of our public sector estates.

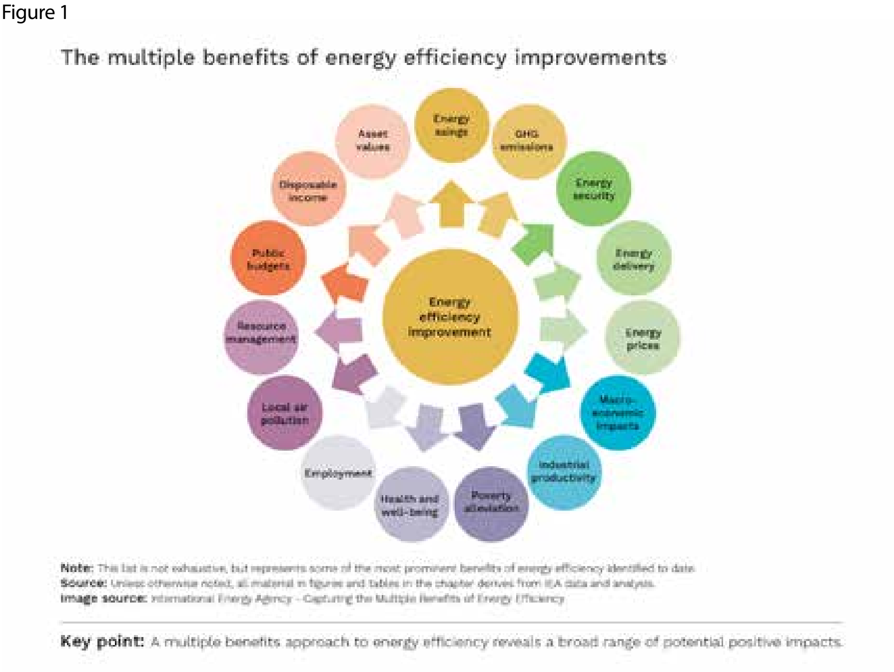
The IPCC states that greenhouses gas emissions must peak by 2025, and be halved by the end of the decade, to give the world a chance of limiting future heating to 1.5C above pre-industrial levels. At COP26, the UK government reiterated its commitment to reach net zero emissions by 2050. The 'Net Zero Strategy' sets out how the UK will secure 440,000 jobs and unlock £90bn of investment by 2030 on its path to becoming a net zero carbon economy. It is likely these ambitions will need to be ramped up in light of the latest IPCC report.

In the UK, to date, 300 out of 404 (74%) of district, county, unitary and metropolitan councils and 8 combined authorities/city regions have declared a climate emergency (Climate Emergency UK, 2022). These authorities will have to tackle a wide range of issues including transport, land-use and energy across a range of sectors, and the transition will have a big impact on all aspects of our lives. Specifically in relation to the built environment, the public sector estate has a huge task to reduce the carbon emissions associated with the construction and operation of buildings, while creating sustainable, biodiverse, flood and drought-resilient places.

The role of local government

Local authorities can not only facilitate but lead the decarbonisation process of our built environment, be that through infrastructure projects, improved efficiency and utilisation of existing buildings, or the commissioning of net zero carbon retrofitted and new buildings. The vast range of estates and buildings in the control of local authorities can make this a daunting proposition. Consider also the number of vacant and brownfield sites under the control of the public sector and it is clear that there is considerable scope to shape the future of our built environment.

Figure 1



Taking housing as an example, the UK has one of the oldest and poorest performing housing stocks in Europe. Coupled with the current energy crisis, we now see 6.5 million homes in fuel poverty (Fuel poverty data is at odds with the current cost of energy crisis, n.d.). Councils are ideally placed to deliver programmes to decarbonise our housing stock. Specifically, councils can deliver retrofit programmes for public buildings, local authority-owned housing, and fuel-poor households more broadly. A widescale, national retrofit programme would include energy efficiency measures and the installation of low-carbon heat sources. Energy efficiency should be seen as a major resource in the context of local and national efforts to achieve sustainability targets, and in creating more equitable and just communities. Clearly, this needs to be funded. Many would like to see a more ambitious implementation of a 'Green New Deal', but local authorities do have other means. Receipts from the rationalisation of estates, greater collaboration between the public and private sector and scaled back estate requirements to deliver core services will help fund such a programme.

It's not just in the domestic sector where local authorities can have a significant impact: they own and manage significant real estate portfolios with historic building stock and have the same energy efficiency issues. Throw in a vast range of building types, ages, heritage assets and the legacy of mid-twentieth town planning, and the complexities and practicalities of upgrading building performance, can be intimidating.

The benefits of energy efficiency

However, the outcomes of energy efficient improvements align with the goals of the public and of policy makers, be that in lessening the impact of rising energy bills, providing climate resilience, reducing costs from extreme weather incidents, or having a positive impact on human health and wellbeing. There's a bottom line to this too. Directly, reducing energy demand lowers energy bills and saves money, something that has never been more important than now, amid ever-rising energy prices.

Indirectly, creating a market for improving the fabric performance of our existing building stock – through a programme of deep retrofit works – creates jobs (Capturing the Multiple Benefits of Energy Efficiency, 2014).

The Local Government Association commissioned a report in 2021 (Delivering local net zero) that demonstrated how going beyond the status quo can create significant value to local communities. The report concludes that retrofitting 3.49 million homes to Energy Performance Certificate C by 2030 would:

- Save £698m from energy bills by 2030
- Reduce carbon emissions by 7.92MtCO2e by 2030
- Reduce costs to the NHS by £1.9bn p.a.
- Create demand for 23,000 new skilled workers.

How can the construction industry help?

We therefore must ask - what are the practical implications of an energy efficiency and decarbonisation strategy and how can the construction industry help?

Public sector organisations over time often accumulate large portfolios of space, buildings, and land, which can be overwhelming to evaluate and develop while maintaining existing services. What is needed – and where HLM's ability in this area lies – is a guiding hand to develop strategies that make their assets work for them.

Arts Tower, Sheffield

Arts Tower, Sheffield

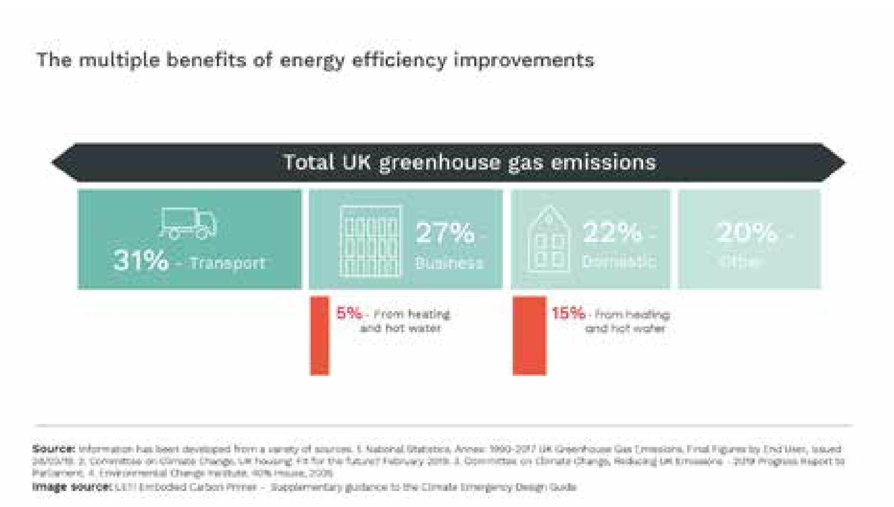


Figure 2

The first step to creating effective and sustainable estates is to understand the existing portfolio and how it can be better optimised and adapted to best address needs within communities. This comes from the detailed study of buildings to understand their condition, capacity, fitness for purpose, utilisation, and energy performance. Often, the best solutions are those which need no new buildings at all, but instead propose careful adaptation, reuse and retrofitting to supply modern, hybrid work environments or comfortable, healthy homes. Any presumption that a new building is the solution should always be challenged. The right solution will ultimately be a cost benefit analysis, but one that must ensure non-financial costs and benefits are factored in to capture, for example, improved health and well-being of occupiers.

Once the decision has been made to reuse an asset, then a programme of deep retrofit works should be planned, designed, and constructed to the highest possible standards. PAS 2035 and PAS 2038 provide a framework for the retrofitting of domestic and non-domestic buildings respectively and the Association for Environment Conscious Building (AECB) and EnerPHit (published by the PassivHaus Institute) provides standards and targets for designing, testing, installing, and inspecting retrofit projects. By insisting on these standards and defining ambitious targets, local authorities can lead the way in a retrofit revolution.

Making better use of existing buildings has another benefit, as it reduces the embodied carbon of construction; embodied carbon is that emitted producing a building's materials, their transport and installation on site, as well as their disposal at end of life (Figure 2). In the UK, 49% of annual carbon emissions are attributable to buildings and 20% of those relate to the embodied impact of new construction.

Wholelife carbon impact

To date, much of the construction industry's focus has been on reducing carbon emissions from operarational energy. As buildings decarbonise – through improved energy efficiency, electricfication and renewable energy generation – the operational carbon of buildings reduces, meaning that the embodied carbon of a building becomes a significantly higher percentage of the whole. While this will vary by building type, it is estimated that embodied carbon emissions represent 40-70% of the wholelife (operational + embodied) carbon of a new building (Figure 3). For example, the embodied carbon in the sub and superstructure of an office building can typically be around 65% of the whole, and therefore substantial reuse of a building's structure retains carbon and reduces the wholelife impact of construction (LETI Embodied Carbon Primer).

Figure 3

Councils are already taking a leading role on decarbonisation and at a time when they are resetting following the pandemic, driving a green recovery. The effects of the changing high street and hybrid working have been well discussed; in my home town of Sheffield, c70% of Fargate's commercial space, once the main shopping street, is now empty. Reimagining the purpose of town centres is another part of the bigger challenge – increasing footfall by creating rejuvenated, inspiring, inclusive places that people want to visit – but how can we ensure we harness heritage when buildings are not fit for purpose? In order to fully embrace a circular economy, we need to change the historical, linear lifecycle from "take-make-use-dispose" to a circular "take-make-use-disassemble-reuse". This requries not only a significant upskilling across the industry, but a whole re-imaging on the industry itself.

One of the barriers to this approach within the construction industry is the skills gap. Currently, the training of many indsutry professionals does not include sufficient focus on sustainability or retrofit, requiring people to upskill voluntarily. But few people want to deal with leaks, asbestos, and heritage issues – it's complex and difficult, and can be expensive (for everyone!). At HLM we are upskilling our people through the AECB's CarbonLite Retrofit Course, to supplement our team of PassivHaus designers and to deliver net zero carbon buildings. Ultimately, we want to see the same standards applied to refurbishment as new build, and accredited to AECB and EnerPHit standards. It can often be easier and cheaper to design new, and the challenge can scare people, as opposed to being seen as an opportunity. Dinton Activity Centre at Pastures Country Park, is Wokingham Borough Council's first net zero carbon operational building [Ed – see 2021 Autumn Terrier where this building was featured].

What can local authorities do?

Of course, local authorities are also uniquely placed to facilitate decarbonisation beyond that of their own buildings and assets. Of those authorities that have declared climate emergencies, the majority are setting net zero carbon targets of 2030, well ahead of the UK government's legally binding 2050 commitment. This is a huge challenge and therefore every policy and development decision must contribute to these goals (Climate emergency: time for planning to get on the case, 2022).

There are perceived inadequacies in the government's National Planning Policy Framework and the recent changes to the Building Regulations, including the Future Homes Standard for 2025. National policy lags behind changes in climate legislation, hampering the ability of local authorities to enforce climate targets, and there are calls to ensure that new developments demonstrate reductions in wholelife carbon emissions. A recent House of Commons Environmental Audit Committee Report acknowledged the need to set policy and standards relating to the assessment of wholelife carbon in buildings. The result is 'Part Z,' a proposed Building Regulations amendment which will require the assessment of wholelife carbon emissions, and limiting of embodied carbon emissions, for all major building projects

Figure 3

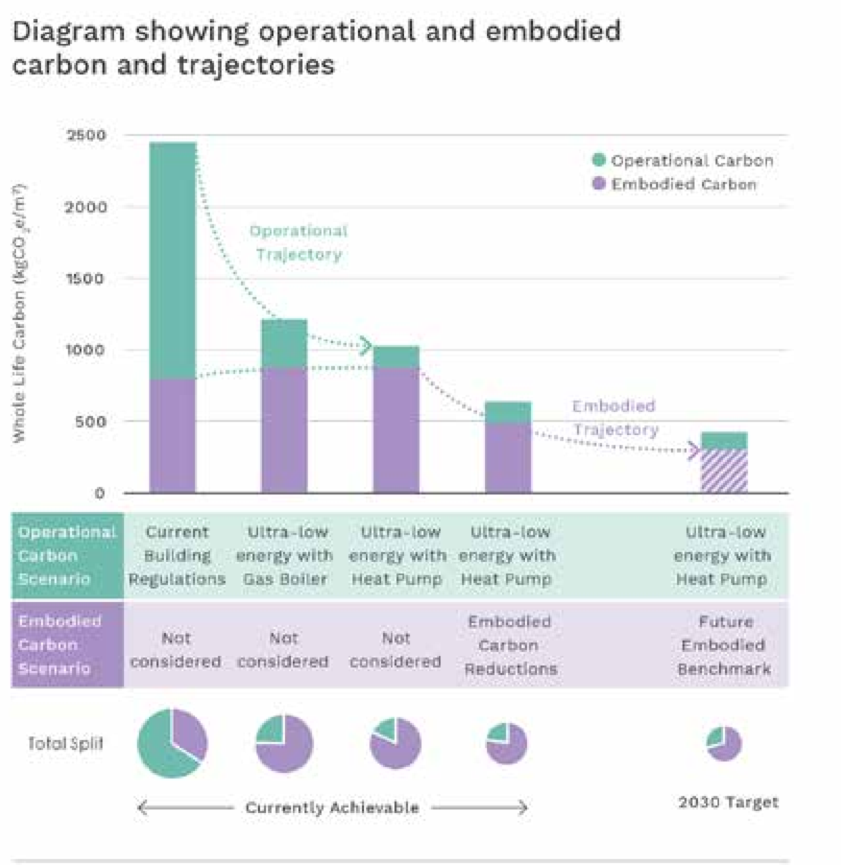


Image source: LETI Embodied Carbon Primer - Supplementary guidance to the Climate Emergency Design Guide

(House of Commons Environmental Audit Committee, 2022).

The impact of local government and authorities is therefore twofold:

- Mandating standards for net zero carbon development and wholelife assessment in adopted local plans, beyond national policy. There are few local authorities that have already taken such measures and there are advocates for rolling out the Greater London Authority's recently adopted approach as national policy
- Making wholelife carbon a fundamental consideration in the briefing and procurement of public sector construction projects, design teams, contractors, and supply chains.

Short-, medium- and long-term actions should be defined showing the direct impact local authorities can have, be that:

- Policy on wholelife, net zero carbon buildings
- Identifying where they can work with their residents, businesses, and institutions on the improved thermal efficiency of buildings

Dinton Activity Centre

Images of Lincoln Medical School courtesy of Will Roberts

- Where they need national support by lobbying and communicating on the need to increase direct funding for net zero carbon initiatives.

The UK government has allocated £6.6bn of funding to decarbonise buildings, of which over £2bn is aimed at low income households. Phase 3 of the Public Sector Decarbonisation Scheme is providing £1.425bn of grant funding over the financial years 2022/2023 to 2024/2025. It supports the aim of reducing emissions from public sector buildings by 75% by 2037, compared to a 2017 baseline. The guidance for the next application window, Phase 3b, will be published in July, with the application window planned to open in September 2022.

With climate deadlines looming and the effects of climate change already being felt, urgent action is needed. Are you up for the challenge?

Sources for figures

Figure 1 from page 20 of: https://iea.blob.core.windows.net/assets/28f84ed8-4101-4e95-ae51-9536b6436f14/Multiple_Benefits_of_Energy_Efficiency-148x199.pdf

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Is your workplace and asset strategy Fit for Future?
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Levelling-up or fighting back?
#bettertowns roadmap can lead you to the right solution

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Robert is a chartered building surveyor and a Fellow of the RICS. He leads the Project and Building Consultancy business unit for Cluttons LLP. He has wide experience across the public and private sector, and has worked with central and local government, charities and not for profit organisations, as well as funds, investors, banks, developers, occupiers, and landlords. Sectors of expertise include commercial, retail, industrial property, residential and hotel, student accommodation, leisure, schools and health care. He has acted as an expert witness in dilapidations and building defects. His work ranges across all things building surveying.

Robert also has a deep understanding and interest in the environment and sustainability, and believes that working together we can really make a difference to our environment and our impact.

THOUGHTS ON SUSTAINABILITY Green roofs, PV installations and power optimisation

Robert Burke robert.burke@cluttons.com

A regular author to ACES'Terrier, Robert here sets down some thoughts about our responsibilities in the built environment to make a real difference to saving our planet. While listing a whole range of areas, he has detailed 3 important initiatives – green roofs, solar PV and power optimisation.

Questions, questions

- Are we doing enough as property professionals to save our planet?
- Where are the real opportunities for public sector estates?
- Who is responsible for paying for any green initiatives and is the main driver still cost/savings or legislation – or is there something else?

I am really pleased, as I am sure we all are, that there has been a real turbo charging of momentum when it comes to saving our planet and being more environmentally aware in all areas of society.

Vegetarian and Vegan options are common and popular as much for reasons of awareness as health and ethics. Plastic is actually being reused and recycled and plastic containers now inform that not only are they recyclable but that they used to be something else. Retailers no longer provide plastic bags; at last (as if paying 10 pence would make it alright?), and even the fashion industry is taking more responsibility and talking about upcycling and vintage – I am well ahead of my time here – as a proud owner of some clothes that are many years old!

However, if we are honest, are we finding that the property industry is once again a last bastion of tradition and finding it harder to change, or is that not the case either? Whether landlord or occupier, property seems insulated from front line protests and demonstrations that have affected manufacturing energy industries and retailers, and therefore perhaps is in the news less in this regard.

That said, to their credit, developers and large commercial landlords are often leading the charge. They often embrace biodiversity on schemes, bee corridors, bird boxes and are aware of materials they use, whether large companies or small residential developers. SEGRO incorporates green walls and photovoltaic (PV) cells on schemes, as do many others. Features on such new refurbishments often include:

- Smart building sensors for energy efficiency
- Solar panels on the roof
- LED lighting throughout
- A 55 sq m living wall on the front of the building and an internal green wall in reception
- Air source heat pump for heating and cooling
- Water reducing products such as self-closing taps and waterless urinals
- Photocatalytic paint on all wall surfaces that purifies the air

- Electric vehicle charging points
- Secure bicycle parking with biodiverse growing roofs and wildlife habitat panels
- Additional bird and bat boxes, beehives and insect habitats.

And these in logistics property settings. I am pleased that we are, finally, reusing office furniture in refurbishment schemes and there is an increased awareness and pride in this.

Does the issue lie with cash strapped local and central government and margin conscious occupiers? There is often uncertainty about ownership models on leased property and perhaps an obsession with return on investment and payback. This is partly generated by lack of information on costs and returns of say PV cells on a roof, together with a misplaced drive for "cheapness" – often confused sometimes deliberately for value and a fixation on, "pay back period"; although, of course, photvoltaic cells can generate income and additional power if considered properly.

Cheap does not always equal good

At Cluttons we are working with a variety of clients to engage in discussions about costs, benefits and an understanding that cheap does not always equal good. In the same way that ethically sourced food and plastic free health products may cost more, a good green initiative may also cost more than one that quite simply either does not work or is not fit for purpose. A good example of this is PV roofing. A simple, tick box solution, might lead procurers to think that hiring a man and a van to fix a rack of cells to the roof works. While this may well get cells fixed in place, it almost certainly does not consider: fixing, damage, insurance, ownership of kit and power, connection, deal structure (landlord and tenant and to the grid), battery storage, timing and cost/benefit of over-generation of power, and therefore might not work in the way intended, if at all, and is likely to equal money wasted and reputation damaged.

Green initiatives are often put under more scrutiny than other elements. This drive for pay back maybe should be replaced with a desire for understanding and doing the right thing. While there is a cost, and it is right that this is understood - indeed clients have appreciated this aspect - a simple roof or security gate or CCTV installation does not have to have a pay back period. They have a life span, a cost and a value.

Green and brown roofs

While education is important, the property sector has also relied heavily on changes in legislation to force issues and change. Luckily this has also gathered momentum – with more on the way in terms of building regulations and EPC changes. The French Parliament recently approved a new law requiring all new commercial buildings to have their roofs partially covered with plants or solar panels. The new requirement will apply to all new buildings in commercial zones. Initially, the proposal posed by French environmental activists was for the roofs to be completely covered by greenery.

The new law adds costs for both building owners and developers, so the government decided to allow for the roofs to be partially covered instead of fully covered. This would be a major step forward for the UK, and something that we have been advising clients on as part of a drive to net zero, as well as increasing benefits for biodiversity and water run off control.

Green roofs, also commonly referred to as living or eco-roofs, are roofs of buildings that are partly or completely covered in vegetation. Green roofs can be divided into two major categories: intensive and extensive. These terms refer to the intensity of maintenance required, with extensive green roofs requiring little to no maintenance and intensive green roofs being designed to be more elaborate and require frequent maintenance. A brown roof differs to a green roof as it recreates the 'brownfield' site that existed before the building was constructed. It is left to self-seed with plants, via wind or bird, and self-populate with wildlife that was displaced by the build.

Both green and brown roofs are seeing a rise in popularity as urban areas try to mitigate the impact of global warming and the threat of 'urban heat islands', with city centres predicted to become 3 degrees Centigrade hotter than surrounding areas, as temperatures rise. Many of these cities, such as London, are not built to withstand these high temperatures and therefore solutions are needed to prevent the increasing threat of climate change. The latest iteration of the building regulations picks up some of these issues.

We believe green roof technology will be a key component in keeping buildings in urban areas cool, enhancing energy efficiency, improving stormwater management, and increasing biodiversity. With more and more green space disappearing due to urbanisation (two thirds of the world's population is expected to be living in cities by 2050), green roofs provide a solution to incorporate vegetation for greenery-starved cities around the world.

Some of the benefits of green roofs are:

- Maintains consistent interior temperatures, reducing energy bills
- Shields the building or area from the sun and other weather elements (doubling or tripling roof life expectancy)
- Water retention between 40%-95%; also thick vegetation improves sound absorption
- Provides natural environmental benefits for plants and wildlife, e.g. can provide habitats to under-threat bee populations and other pollinators
- Improves the drainage system: water is stored in the plants and reduces risks of flooding
- Can aid planning applications
- Improves wellness as opportunities can include growing produce and seeing the wildlife
- Can be used in conjunction with solar PV – massively improving a building's environmental performance.

In the USA, the Environmental Protection Agency (EPA) noted some key benefits of having plants on the roof. The EPA pointed out that green roofs have been proven to reduce "heat islands" by providing shade, removing heat from the air, and even reducing the temperatures of the roof surface.

The EPA even shared different types of green roofs, noting that for extensive ones, very little maintenance is needed once it is set up.

Photovoltaic installations

In the UK the business secretary has found himself under pressure on levies, but with estimates of over half a million hectares of south-facing commercial roof space in the UK, and increasing levels of heat and sunlight, there are some great opportunities to increase our PV installations and output. And this does not consider PV farms or canopies over carparks.

A couple of left field (or playing field) ideas that may work in the public sector:

- Sports halls as a source of local power generation – every local authority has several in their area, they have large roofs and some have playing fields. These can be used to generate power locally, and possibly wider, with PV cells on roofs and the use of ground source heat pumps
- Government has eased planning restrictions on glass houses – in concerns about food security. Maybe additional power created can be sold or used to power data centres or commercial properties, if they are close enough. Local authorities may be able to install these on unused land and allotments

Power optimisation

Finally – power optimisation is an important but misunderstood initiative. It is important to make sure that the right amount of power is used; often too much is provided.

The first step is to understand your business' energy consumption and identify where improvements can be made. Analysis is non-invasive, reviewing consumption and generation data. Following analysis, businesses can optimise and enhance energy efficiency in a number of ways:

- Regulate incoming voltage supply to protect against spikes and dips, protecting sensitive electrical equipment while reducing energy consumption and costs
- Reduce reliance on grid supply with on-site generation, minimise inefficiencies in the supply from out-dated electrical grid connections, and reducing energy bills
- Utilise battery energy storage technology offering greater control and flexibility of your electricity use, reducing costs and maximising output from on-site generation
- Improve high voltage infrastructure by replacing aged distribution transformers and protect from unplanned downtime through equipment failures
- Implement a sophisticated microgrid control system, with ongoing data collection and analytics to identify opportunities for energy efficiency measures to be developed.

Following a full system operation and design analysis, voltage optimisation utilises a transformer-based technology to optimise the incoming supply, to match the voltage required by the equipment and facilities on-site. An optimising system reduces overall energy use and costs, lowering the carbon footprint and CO2 emissions of the site at the same time. Overall maintenance costs will be reduced, with operational lifespans increased for all electrical equipment.

A voltage regulation solution has the online capability to be monitored remotely, with full visibility of asset performance and savings. Without voltage optimisation, spikes or fluctuations in voltage supplies or a consistent over-voltage can cause damage to equipment, disrupt operations, increase costs and waste energy. The importance of voltage optimisation and regulation should not be underestimated for any business looking to develop their net-zero strategy.

CARBON NEUTRAL WESTMINSTER Reducing carbon emissions in the operational estate

Claire Barrett

Claire presented the Westminster case study at a webinar by Cluttons looking at how to achieve net zero held earlier in the year (see 2022 Spring Terrier). Here Claire presents a very useful case study of her experience at Westminster, which is moving at pace to achieve the council's net zero target.

Claire is Director of Corporate Property and Strategic Asset Management at Westminster City Council and a Fellow of the Institute of Leadership and Management. Her passion is working to enable greater sustainability within the built environment across a range of sectors. She is a member of ACES.

The challenge of decarbonising operational portfolios

On 18 September 2019, Westminster City Council declared a climate emergency and is set to become carbon neutral by 2040, after overwhelming support from elected members in the borough. The declaration commits Westminster City Council to becoming carbon neutral by 2030 and for the whole city to follow suit by 2040.

Thankfully, Westminster is one of many councils and both public and private sector organisations who are prioritising action to reduce carbon emissions. However, when thinking specifically about the built environment, local authorities have a number of particular challenges.

Council property portfolios are often extensive and diverse, reflecting the historic nature in which they have been acquired and used over the years. Operational buildings host front line services, housing the facilities often for vulnerable people, and providing the backbone to the wider support that we provide on behalf of our communities. Against this backdrop, decommissioning buildings to undertake works can be problematic. In Westminster in particular, the operational sites are an eclectic mix of eras and designs, with around 17% of the buildings being historic.

Figure 1 - Marshall Street Leisure Centre – before and after

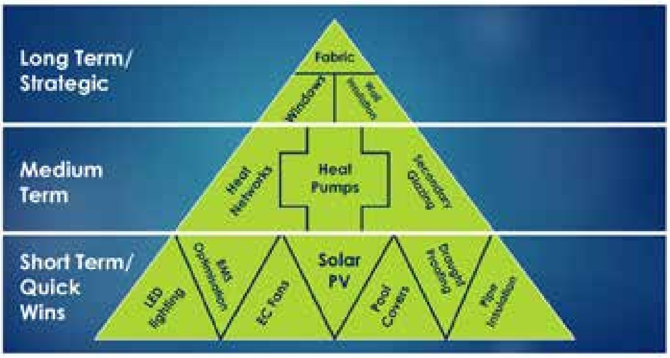
Figure 2 - Lisson Grove office building

GLA Retrofit Accelerator programme

It is against this backdrop that early in 2020, we engaged with the GLA Retrofit Accelerator programme to procure a provider to enable us successfully to implement retrofit projects across our buildings. The Retrofit Accelerator programme offered Westminster an opportunity to mobilise quickly, getting in place the right resources, through a tried and tested framework, and it was through this mechanism we appointed Vital Energi Utilities Ltd as our partner. In October of that year, the Department for Business, Energy and Industrial Strategy launched a £1bn grant fund to support public sector organisations to install energy efficiency and low carbon heating measures, reducing energy bills and carbon emissions, known as the Public Sector Decarbonisation Scheme.

The opportunity to bid for grant funding allowed us to speed up the programme of change, and we submitted an extensive

Fig.3 - Paddington Library



bid focused on 70 freehold operational assets of the council covering interventions such as pipework insulation and draught proofing, through to more innovative solutions such as air source heat pumps and solar photovoltaic (PV) at sites.

In February 2021, we received confirmation from Salix Finance that the council had been successful for a grant of £13m. Securing the grant funding allowed us to drive forward the Carbon Management Programme at pace, but the grant came with a number of criteria, including most importantly that practical completion on the works had to be achieved by no later than 31 March, later revised for elements to 30 June 2022, and that the cost of the resulting carbon reduction measures had to be below a £500 per ton threshold. Both of the above criteria meant that we needed to be selective over works, ensuring that we focused funding on the most efficient and deliverable elements.

The workplan for the programme was formed through a number of steps. Vital Energi, our procured partner, undertook feasibility studies at the 70 operational sites which formed the first stage of a high-level appraisal. The studies allowed us to understand the most viable Energy Conservation Measures (ECMs) to decarbonise energy use in those buildings; these were brought forward for agreement in investment grade proposals for the Programme Board.

Agile governance

The governance behind the programme included an agile Board, with a small core number required to be quorum and with members who each prioritised meetings, called often at short notice, to review progress, risks and issues, but also to agree the Investment Grade proposals for each of the ECMs so that implementation could proceed. The Board review assessed the cost against the carbon reduction and other benefits, including where there may be end-of-life equipment, and the benefit of standardising fixtures and infrastructure from the perspective of future maintenance. The programme which resulted was a blend of buildings that offered optimum energy savings deliverable within the timeframe. This included 9 heritage sites and 14 sites where planning permission was required to be obtained (21 applications).

Project implementation

The programme implemented:

- LED lighting upgrades in more than 50 buildings. This not only delivers carbon savings, but improved light quality, especially noted in schools where it enhanced the learning environment for pupils (see images of Marshall Street Leisure Centre, where a 400% increase in the LUX levels was achieved)
- Air source heat pumps have been installed across 10 sites. The most costly of the interventions, but with the highest carbon return
- Solar PV has been implemented across 12 buildings, with a total of 1,649 panels being installed as part of this project, with energy generation helping now to mitigate against the rising costs of energy (see Figure 2: Lisson Grove office building, and Figure 3: Paddington Library)
- Pipework insulation works and/or draught proofing works have been completed across 40 buildings
- Building Energy Management System upgrade and optimisation works have been carried out in 20 buildings
- Electronically Commutated fan replacement works completed in 3 buildings.

The programme concluded on 30 June and resulted in interventions across 63 operational buildings including care homes, leisure centres, offices, libraries, community centres, schools, dementia centre and many more, with an annual carbon reduction of c.1700 tons, or approximately 20% of the operating carbon of the portfolio. The annual energy savings are estimated at 8.8m kWh p.a. In addition to the energy and carbon benefits, the programme has enabled job creation and added social value through apprenticeships and a range of learning experiences involving school children at sites across Westminster.

Planned programme

Like many local authorities we are at the start of a longer journey of change. This first phase of work is complete and has brought great benefits, but there is still a long way to go.

The second phase of work will see us focus on the areas that we previously identified, but did not progress as part of the initial work. Phase 2 will have a greater focus on community buildings, schools and the council's investment portfolio. We plan to make greater use of PV panel installations. This is especially pertinent given the rising energy costs and this source of accessible green energy.

However, the challenge of tackling climate change cannot be met by one programme of work but several looking at the range of carbon impacts including travel and transport, recycling and re-use, construction development and embodied carbon, and green procurement, all underpinned by behaviour change. The move towards a low carbon future will be gaining (and sharing) knowledge and shaping all these elements, enabling a whole system approach to achieving net zero of the council's buildings.

As Managing Partner of Bruton Knowles, one of the country's top independent national chartered surveying firms, James Bailey leads the team in the delivery of the full spectrum of services across the built environment. The company delivers high quality, professional advice to its clients, many of whom operate within the public sector.

James has over 23 years of surveying experience and is a member of the RICS and a RICS Registered Valuer. He specialises in monitoring industry developments and advising clients on the challenges and opportunities that these present.

DECARBONISATION IN WALES Dealing with decarbonisation; how new support ecosystems are evolving

James Bailey James.Bailey@brutonknowles.co.uk

Bruton Knowles has been appointed by the Welsh Government to deliver its target to become net zero by 2030. James describes the early stages of delivering and developing proposals to achieve this target, set in the context of broader social value and environmental sustainability requirements.

Context

With the green transition across the UK gaining momentum and the government pledging more resources to support public sector bodies in stimulating investment and innovation in this sphere, there is no doubt that the start of something big is happening.

Indeed, the commitment to becoming Net Zero by 2050 was given more weight in Autumn 2021, with the publication by the UK Government of an overarching strategy which set out the trajectory for that decarbonisation work to have maximum impact.

The green revolution has now, it seems, begun in earnest, indicating that collectively, everyone has a pivotal role to play in this process. For public sector bodies, this means leading by example in their own business activities, while also creating the right economic climate for the green transition to gain pace across all sectors, in every community and across all walks of life.

Setting the pace

The Ystadau Cymru, the public assets network of the Welsh Government, is leading the way in its approach, having recently commissioned Bruton Knowles to provide advice on how best to decarbonise the public estate across the country. Wales has set itself an even more ambitious target than the rest of the UK, which is for the region to become Net Zero by 2030, in just 8 years from now.

This is no small challenge, yet it is highly admirable that the devolved administration has prioritised its carbon status as one of the most significant priorities within its remit.

"For us, securing this prestigious opportunity to support the Welsh Government in its green transition is more than just another project for our teams to deliver. It marks our own quest to be at the forefront of this work, driving the construction ecosystem to play its part in the seismic shift that is needed to achieve a more sustainable future." (James Bailey)

The carbon challenge

Although emissions from the built environment have dropped by 30% since the millennium, mainly due to electricity grid improvements and supported by more energy efficient buildings, it is clear there is a long way for the sector to go.

Buildings and infrastructure still account for 25% of the total greenhouse gas production across the UK, which is something that has to be tackled head on. As one of the least sustainable industries, more action is clearly needed to ensure the greater integration of green principles across the entire lifecycle of a property or land asset. The ever-increasing focus on social value, following on from the introduction of the Public Services Social Value Act in 2013, is intrinsically linked to this approach.

Although there are many different interpretations about what exactly it means in practice, the overall ambition ultimately boils down to ensuring that a wider range of social and environmental factors are given as significant a weighting as economic ones in any asset analysis.

Planning in carbon efficiencies at the outset of a project means we can help our public sector partners play their part in delivering Net Zero. Social value is slowly, but surely, becoming a core strategic objective for public bodies that is embedded across everything they do. The term itself covers a whole raft of measures - from the ethical sourcing of construction materials, to ensuring local labour market opportunities - all of which are fundamental to ensuring greater transparency across ever more complex supply chains.

In the case of Bruton Knowles' work with the Welsh Government, which involves experts based in its Cardiff office delivering a pilot study focused on the North Wales region, the objective is to take a step-by-step approach towards the decarbonisation of the public estate by first ensuring a robust baseline of the current position. By identifying the types of public buildings where quick wins can be achieved in the decarbonisation of assets, as well as those which are likely to be more problematic to retrofit measures, Ystadau Cymru will be able to use this assessment in its ongoing work with public sector partners.

The idea is that together, they can then find appropriate solutions that ensure social value, while also identifying where investment can best be directed across the estate, to ensure key milestones along the way to Net Zero are achieved.

An environmental conscience

In its most recent environmental risks and the global real estate guidance note, the RICS places a real emphasis on the crucial role that chartered surveyors play in environmental stewardship. It says increased awareness of climate change has triggered a greater appetite within property market participants and their financial backers, to seek greater clarity on sustainability considerations that may affect their interests.

Bruton Knowles has re-positioned itself in recent years as an enabler in this process, having restructured its network of surveyors across 4 national teams: Commercial, Valuation, Utilities and Infrastructure and Building Consultancy. The firm's extensive expertise and detailed market knowledge of local and national property markets throughout the UK complements the overarching objective of the business to deliver advice that will aid the transition to a low carbon economy.

"We always explain to our clients that economic goals must not be the primary driver in property or land asset evaluations, because social value and the merits of decarbonisation go so much further than just the bricks and mortar footprint of a building or a plot of land. In using our services, and as our relationships with our clients develop, we find that so many more are able to fulfil their corporate objectives because we help them to align these far more closely with social responsibility and the overarching environmental considerations their stakeholders are prioritising."

Pitching for progress

In addition to the firm's work in Wales, Bruton Knowles has, in the past few months, also secured a number of additional bid win successes for other public sector clients around the country. The firm already acts on behalf of a significant number of other public organisations across England and Wales, on both a retained and a project basis, to deliver high-quality surveying advice that hits the sustainability mark.

Bruton Knowles' experiences of developing bid tender proposals hinges around a demonstration of its own carbon credentials. From a procurement perspective, bidders are increasingly being asked to demonstrate their own sustainability journey and what they can bring to the table in delivering their services to public sector clients. There is a growing expectation for firms to be measured against social value and sustainability key performance indicators, so we are always striving to find new and innovative ways as a business to highlight our own carbon commitment.

Bruton Knowles has to be able to lead by example, setting its own high standards in order to maintain credibility with those partners who entrust us with their own sustainability work. Its goal is always to have our finger on the pulse, so we can enable and catalyse a more environmentally conscious approach towards our own assets as well as those of our clients.

A united opinion

A recent Office for National Statistics survey showed 75% of adults across England and Wales were very concerned about climate change, yet research by the Corporate Climate Responsibility Monitor concluded large firms were failing to meet the Net Zero climate pledge test.

With this significant gap between the ambition to deal effectively with climate change and the reality of the situation on the ground, it seems that closer collaborations will be key in moving forwards. Industry and policy makers have to come together to accelerate change, so that a more planned, strategic approach to delivering greater economic, social, and environmental resilience can be integrated in the approach of all stakeholders.

No one can argue with the facts of this code red situation, and the warning from scientists across the globe that climate change is the most significant challenge facing the contemporary world today. It really is time for everyone operating in the built environment to step up and forge new partnerships, because these will provide new perspectives across the property ecosystem. Finding different approaches to tackling decarbonisation will help more property owners look across the entire life cycle of their buildings and infrastructure to determine the next steps.

The challenge is always to keep an eye on the legacy of a commercial commitment, and its lasting impacts, because they must continue long after the operational timescale for that contract has expired. Social value is about leaving a mark long after the construction process is completed, so that properties become green assets within the carbon neutral communities they serve.

MANAGING SURPLUS PROPERTY What should we do with our surplus property?

Dave Ayre david.ayre@cipfa.org

Dave here raises some questions about property requirements associated with new ways of working. These questions were addressed in a webinar held on 27 April 2022.

Dave is the Property Networks Manager for the Chartered Institute of Public Finance and Accountancy (CIPFA) and advises and presents on asset management, partnering and wider property issues throughout the UK. He has written guidance on collaboration between public sector organisations and public sector asset management.

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

CIPFA performance in public services

A legacy of C-19 has been the revolution in new ways of working. But where we go from here will determine whether asset managers can contribute to "building back better and greener" and make savings to protect front-line services. Asset managers have been struggling for years to make the most efficient use of their property estate and have suddenly seen a transformation in hybrid and home working. The previous cynicism of managers that their staff cannot be trusted to work from home has all but evaporated and the majority of employees now value the improvements in work-life balance that hybrid working can bring. This has prompted employers across public and private sectors to carry out a fundamental review of their accommodation.

For the public sector this brings with it a dilemma. Should we follow the Cabinet Office lead which has tasked the civil service with ensuring their offices can return quickly to full occupancy following the lifting of work from home restrictions in England? Or is this a missed opportunity to consolidate and build upon the new ways of working and use surplus assets to generate capital and/or revenue income and contribute to the regeneration of town centres and building more homes?

The rationale of central government and any local authorities wishing to emulate this approach is the understandable concern that the dramatic reduction in office workers from our town centres will permanently damage town centre economies, as shops, restaurants and coffee shops see an ongoing reduction in footfall and turnover. The simple solution is, therefore, to instruct everyone to return to the office.

But there may be a broader benefit to the wider economy from hybrid working. The drop in productivity in the UK economy since the 2008 financial crisis is well documented and it has failed to keep up with its major G7 competitors. Traditionally, productivity increases are crucial for economic growth and shape the living standards of workers. While the reality is more complex and wage growth has stopped tracking productivity growth, an ongoing downturn in productivity forces us to confront important questions about how our economy operates and where a rise in living standards will come from. The government's solution is to invest modest funds into research and development which are significantly below our competitors, and set up freeports which critics have argued are mere tax havens that will move jobs from one part of the country to the other.

But what has this got to do with new ways of working? There is growing evidence that working from home and hybrid working increases productivity. If well-designed new ways of working that learn from best practice are deployed across the economy, it could make a significant difference to stubbornly low levels of productivity. If the government's fixation on turning the clock back to pre-C-19 ways of working for the civil service is mirrored by the rest of the public sector, we risk a growing productivity gap between the UK and its competitors and between public and private sectors.

Fortunately, many local authorities are developing their own solutions to embed the new ways of working into their operating culture and use surplus property to design developments which provide social and economic value to their communities. The management of surplus property on a much bigger scale will be a growing challenge for asset managers but the need for greater revenue savings and the maximisation of capital receipts to repay debt or invest in low carbon green growth has never been greater.

How do we decide whether property should be retained, re-used or declared surplus? And how does a decision to declare property surplus for disposal affect its valuation on the balance sheet? How should the growing list of surplus properties be managed? What happens to it while it is vacant and what should our disposal strategy be to maximise capital receipts, revenue savings, and social and economic value?

Chris spent nearly 25 years working in local government, involved in estate management and strategic asset management. Having moved on to CIPFA in 2003, Chris has been delivering property consultancy and training across the public sector. In 2019, he established his own consultancy, Chris Brain Associates, and he continues to support the public sector with property consultancy and training throughout the UK, in strategic asset management, organisational efficiency, and asset valuation.

Chris is a member of ACES and is ACES' Valuation Liaison Officer.

SUSTAINABLE PROPERTY SERVICES

Delivering a financially sustainable property service

Chris Brain FRICS chris@chrisbrainassociates.com

Chris explains how a property service may remain a viable unit by making, not saving, money, and involving non-property colleagues.

The C-19 health crisis has placed great pressure on council budgets, and many are struggling with financial sustainability. This creates challenges to ensure continuity of services, including property services.

As a manager of a council property service, what are the things you need to be considering to meet this challenge? For me it boils down to just two things; the opportunity to save money, and the opportunity to make money.

Saving money

It is important to identify areas where, in the delivery of your property service, you may be leaking money, and then developing strategies to plug those gaps. In theory that sounds very simple, but from my experience it is often not that straightforward.

Saving money is all too often associated with service cuts. Successive years of salami slicing of budgets has eroded property service resources, resulting in smaller teams and less to spend on property maintenance.

Taking a longer-term view to the delivery of the service is rare, not through choice but through necessity. But that long term view is key to tackling budget challenges. Of course, you need to identify savings, but in a way that prioritises those which will improve efficiency, and enhance the service, not that takes something away.

In my experience, people involved in the delivery of these services can often be too close to the numbers, to be able to see where the leaks are. Or they know where the leaks are, but the challenge of tackling them just seems too big and they are constrained by available resource. Sometimes it needs an extra pair of eyes.

Benchmarking can provide a useful indication of where some of these holes may be. However, benchmarking has its limitations and will often only scratch the surface; from my experience it should be seen as a guide of where to look, not as a means to provide the final answer. For instance, if a council is spending way less than others on building maintenance (say measured as £ per sq m) the reason must be understood. Is this because the service is extremely efficient and buildings are in good condition, or because budgets have been massively cut, and the buildings are falling apart? Without this key contextual information overlaid against benchmarks it is quite possible to be led up the wrong path, and to attempt to patch the wrong leaks.

While there may be some 'quick wins', chances are most of these have already been found. Property requires joined up working, no more so than between different property disciplines. This is where you can often find inefficiencies in process and duplication of effort. It requires the discipline of process mapping, and engaging people at all points in a process, to streamline those processes. That demands an ability to stand back and challenge perceived ways of doing things.

A technique sometimes deployed in the business world to find different ways of doing things, and innovating new products or services, is something called Blue Ocean Strategy (Harvard Business Review Press; Revised edition (20 Jan. 2015) ISBN-13 978-1625274496). In a business context, it involves the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand. It is about creating and capturing uncontested market space, thereby making the competition irrelevant. It is based on the view that market boundaries and industry structure are not a given and can be reconstructed by the actions and beliefs of industry players.

Often associated with Blue Ocean Strategy is something called the Four Actions Framework, which comprises:

- Raise: What can we do to raise standards above industry norms, and thereby add extra value?
- Create: What new activities or processes could we create to add value?
- Reduce: What activities or processes could be reduced below accepted industry standards, without impacting on value?
- Eliminate: What activities or processes could be eliminated to add value?

When seeking efficiencies and innovative responses to challenges you face, this can be a very useful framework. I used the technique very recently with one of my clients.

Making money

When it comes to making money, many councils have been developing commercial strategies, often appointing commercial directors to identify and exploit new opportunities. Councils are often attracted to the bright lights of large sexy commercial projects or programmes fuelled by the need to generate big new sources of income. This is often seen as being less stressful than identifying and managing multiple, smaller projects which take up more time and are stretched over a longer payback period.

But the bigger the opportunity, the bigger the risk and uncertainty. That is all well and good, if the organisation is set up properly to identify and evaluate those risks and uncertainties, but all too often the robustness of the business case development and challenge is not as it should have been. Business cases can be framed to justify proceeding with a decision already made. There are numerous examples of well-intentioned commercial projects coming unstuck. If all your eggs are in one basket, project failure has a massive impact.

I often ponder how remarkable it is that a sector famed for its aversion to risk can reach decisions to take a large commercial risk without a robust process of business case evaluation in place. It sometimes feels the bigger the risk, the more likely a council will take that risk on.

Following the last financial crisis in 2008 and the period of austerity that followed, there was a sustained drive by the sector to become more financially self-sufficient. Many councils identified this as an opportunity to expand their commercial property portfolio, acquiring property assets, such as land for development, industrial units, shopping centres, retail parks, distribution warehouses and offices. This sometimes came to serve a dual purpose, both underpinning a redevelopment agenda, while also generating rental income and capital receipts. Indeed, many councils have been hugely successful in this approach. However, some of these councils now find themselves in deep financial difficulty because of weak risk assessment and lazy investment management.

As we move forward, councils are now starting to consider the long term composition of their commercial portfolios. Indeed, some are actively changing or pausing their property investment plans.

The clear alternative is not to focus on the big shiny commercial opportunities at all, but instead to develop a program that develops a commercial mindset throughout the organisation. Instead of limiting the responsibility of developing and delivering the commercial strategy on a single commercial director, make it everyone's responsibility to think and behave commercially. As the old saying goes, look after the pennies and the pounds look after themselves. There are opportunities to develop a commercial mindset and to generate fresh income across the whole organisation.

This is not a binary choice. Councils can pursue bigger projects and smaller projects at the same time, but key is developing a balanced pipeline of these opportunities, and diversifying risk across a range of projects, some larger, some smaller.

A people issue

Whatever savings or income opportunities you are looking to pursue, everything comes down to people. People can often be the biggest barrier to any change programme but, conversely, people can also be your biggest vehicle for success.

Fundamentally, people often don't like change. We all have tendencies to stick to what is familiar to us, even if it means the gradual erosion of a successful and a healthy property service. Being or acting commercially is not always hard-wired into our thinking. Staff quite rightly see themselves as public servants and if they wanted to work in a commercial environment, they would have taken a job in the private sector, often for more money! That was the vocational choice they made, and it's embedded into the culture of local government. It takes effort to mould that mindset and use it to your advantage in bringing about change.

Culture change is one of the key pillars of transformation, without which people can invariably revert back to comfort blanket or old habits and processes. It takes time, and might be seen as a costly investment in the short term, but in the longer term, the benefits are potentially huge and the change more sustained.

When people see the connection between identifying commercial opportunities and saving the jobs of themselves or their colleagues, they begin to warm to the idea. When that button is switched on, you begin to see people as the vehicle for good, and a vehicle for change. They start to see opportunities everywhere. And they each become part of something much, much bigger.

People start to see themselves as savers of jobs, savers of their service, and supporting other frontline staff. This feeds the 'inner self' that brought them into the public sector in the first place. They begin to weld public service with commerciality. They become your ambassadors of commerciality.

REDUCING HEALTHCARE INEQUALITIES
The Fuller Stocktake review of primary care

ACES

Neil Webster and ACES' colleagues

This paper was promised to the Editor just after the Fuller Stocktake had been launched (it now has) and before ACES had contributed to the NHSE/I Healthcare Inequalities Improvement Team Toolkit on estate contribution to reducing health inequalities (launch due 30 June). Focusing on the two papers, it is a collaboration among a number of members, coordinated by ACES' Head of Engagement, Neil Webster. A glossary of acronyms used is at the end.

Context

1. Led by Clare Fuller, the ICS CEO Designate and CCG Interim Accountable Officer Surrey Heartlands, the Fuller Stocktake was a comprehensive review of primary care across the NHS of which one workstream was estates
2. The NHSE/I paper considers how estates can help reduce inequalities in health, as opposed to just produce good buildings in the eyes of property professionals.

The Fuller Stocktake posed 4 questions in the estates workstream and we drafted responses to all 4 questions (see later) and are delighted to see that our suggestion in one case has been taken fully on-board. Our draft was:

> They (system wide estate strategies) should also be supported by a wider range of targeted resource. Some ICS estates groups still have a greater representation from engineering and facilities managers rather than strategic property experts which steers the conversation to minutia rather than strategy.
>
> We would advocate for a pool of experts to be set up to support ICS estates plans nationally but this has its counter argument as such plans are likely to be drafted at the same time nationally.

…..and one of the 2 estates related recommendations made was:

> DHSC and NHSE should provide additional, expert capacity and capability to help offer solutions to the most intractable estates issues, and practical support to work through them, as well as building ICS estates expertise.

For completeness, the second recommendation was:

Develop a system-wide estates plan to support fit-for-purpose buildings for neighbourhood and place teams delivering integrated primary care, taking a 'one public estate' approach and maximising the use of community assets and spaces.

The link to the main report https://www.england.nhs.uk/wp-content/uploads/2022/05/next-steps-for-integrating-primary-care-fuller-stocktake-report.pdf

The four questions

Comments under each specific question we summarise below:

1 How can systems be supported to produce comprehensive, strategic estates plans, that consider primary care estate fully?

We are not aware of anyone systematically reviewing and developing a strategic health estates plan – national best practice guidance (that cuts across several organisations) would help. From memory, when PCTs were asked to do this some years ago – it never approached it as a whole system.

Estate strategies have been produced by ICS/CCGs for some time now, but the key word here is "plan". Our experience is that strategy documents have been too prescriptive (filling in forms, ticking boxes), less about planning, nor fully cohesive as stories (start to finish). The other missing feature is the link between a clinical plan and an estates plan. The clinical plan should come first but sometimes estates projects are required before the new iteration is in place. Too many places have tried to be all things to all people. They need to demonstrate that estates change directly impacts health inequalities (NB this creates a link to the NHSE/I/HALN toolkit).

ICS should be allowed freedom to write the documents to suit their geography, culture, structure and local nuances. They should also be supported by a wider range of targeted resource. Some ICS estates groups still have a greater representation from engineering and facilities managers rather than strategic property experts which steers the conversation to minutia rather than strategy.

We would advocate for a pool of experts to be set up to support ICS estates plans nationally, but this has its counter argument as such plans are likely to be drafted at the same time nationally.

2. The Health and Social Care Bill makes provision for ICSs to own, control and maintain clinical assets, including primary care assets. What levers can ICSs use under this new legislative framework to improve primary care estate with their patch?

Primary care assets are more disparate in their type, age, condition, size of asset, compared to say a hospital – generally a large single asset class. So there are opportunities as well as challenges.

The opportunity is to use the scale of the ICS versus, say, PCN level to own and manage assets for the benefit of the whole of the local primary care system. The ICS scale allows for a system-wide strategy not just a silo primary, acute or community approach. National operators have the challenge of being able to understand the local needs and be able to be responsive.

Primary care processes are slightly different to Trusts; however, the large number of smaller primary care assets poses a challenge. The counter to this is that combining/rationalising primary care assets is the opportunity and can be done at an ICS level, although one could question whether that is true in devolved London.

The 3 key words here are 1. own, 2. control and 3. maintain. These 3 functions need not be provided by the same party. For example, the ownership could be an SPV owned by one or more of the ICS partners, one of the acute Trusts (if they can be shown to be holding the assets as a steward on behalf of the ICS), by the new Integrated Care Board?, or by the private sector (less likely but could be a part investor). "Control" needs to be retained by the ICS as the accountable body, but management and maintenance could be outsourced to one of its partners e.g. an Acute Trust or even to the private sector if value for money can be proven.

The Stocktake also suggested that there be a review of the Premises Cost Directions, to "consider what flexibilities and permissions should be afforded to systems to allow shaping and influencing of the physical primary care estate……. DHSC should ensure that the primary care estate is central in the next iteration of the Health Infrastructure Plan".

The other theme which has been developing is the transfer of assets from NHS Property Services to the local partner – only Trusts to date. It would be good to see a review or business case on these from DHSC.

Hopefully we will see capital allocation and decisions delegated down to a local level – the current capital funding system is too long, too bureaucratic and not responsive to local need.

We also wonder if ICSs has the ability to deliver large/complex capital schemes before they fully staff up. Is there an over reliance on external consultants etc?

3. How can ICSs think differently about how to address issues such as high levels of personal liability on GPs, perverse incentives and negative equity that we have heard associated with the current model of estates ownership in general practice?

The model where a GP, or several, own their asset has had its day. As per the housing market, younger people (GPs) are less interested in owning assets. With the advent of portable pensions, the asset need not be the doctor's pension.

With the adoption of ICSs, and local authorities as stakeholders, there are opportunities for a local i.e. ICS level of ownership e.g. Leeds GP Confederation model. Primary Care Networks have a role to play here also. We have seen PCNs starting to take leases of space rather than single GP practices, which allows the space to be used and services delivered holistically.

Opportunities also exist where a GP(s) are coming to the end of their working life and wish the GMS contract to be novated and the asset sold. The two interested parties aren't necessarily the same. We have witnessed examples where a property owning business has teamed up with a primary care provider to allow the GP(s) smoothly to exit from both contracts.

ICSs could look at proactively 'buying' or acquiring existing GP owned practices – perhaps working through a clear methodology (i.e. a bit like CPO) or with greater allocation of capital funding to a 'nationalised' GP estate. More explicit links to future capital (or prioritisation of new services) which met these criteria would help.

We know there are practices (particularly in more rural areas) where they struggle to attract GPs, but cannot attract more recently qualified GPs as they have no capital to buy into the partnership and/or are not at that stage of life. It feels as though the tide is shifting with those wanting to retire and those wanting to join practices. This questions the model for GP practices. Whether there should be (more) salaried GPs rather than partnerships to attract new GPs (NB this is being considered elsewhere as part of the pay/conditions).

4. How can ICSs think more creatively about the opportunity to use the full range of community assets at their disposal for health promotion and creation? What are some of the best examples of this?

The pandemic has shown that some health services can use non-health specific buildings. Vaccinations at racecourses, village halls and in shopping centres proves the point. Now we are seeing diagnostic centres in shopping malls and we are aware of a GP surgery which (not ideally) operates from a church.

There are some "community" buildings not seen as assets through a health lens but the above challenges this. Local authorities and the third sector are rooted in the community and have probably got a better understanding of which assets the community has empathy with: places they naturally migrate to rather than being signposted to the big hospital site by car and arrive at the chargeable car park.

In this new world of the 15-minute city, buildings need to be easily accessible, possibly by walking and/or cycling, and certainly by bus. As a result of these drivers, the high street is the big opportunity. Working closely with local authorities can produce solutions with economic benefits, through increased footfall as well as social (health) and impact the wider ESG (net zero) agenda. We are aware from members of examples of these types of projects already being worked on.

In addition, working from home and hybrid working, driven by the pandemic, have shown that the non-clinical elements of the workforce do not need dedicated desks. The office sector generally has not fully got its head round this so it is unlikely that set solutions are ready to implement, but the need for different, not more, real estate is proven. Examples where hospitals have moved their administrative functions off the acute site are scalable and is probably best done at an ICS rather than partner level.

There needs to be a better link to public health and also thinking. We could define community assets as being those outside of the public sector - too much focus on looking to combine health functions on existing public assets (i.e. libraries/leisure centres) which do not pick up some core target group. Social prescribing initiatives at assets are part of this theme too.

An example is a gentle outreach/testing (blood pressure/blood sugar etc. for the over 40s) in one corner of a football stadium - which we would suggest picking up a group of people who don't frequently venture onto 'our local government assets'. Equally, using faith facilities – so for example the Catholic churches (for many of the Eastern European workers who work in food processing in one county) or mosques etc. We appreciate that higher end intervention cannot be done, but public health responses often seem to be quite middle class driven and this exacerbates health inequalities (seen in vaccine rollouts) …. So the Eastern European workers would largely socialise, work and live within small and enclosed groups.

This is the link to the main report https://www.england.nhs.uk/wp-content/uploads/2022/05/next-steps-for-integrating-primary-care-fuller-stocktake-report.pdf

Estates and reducing health inequalities

NHSE/I Healthcare Inequalities Improvement Team and Health Anchors Network commissioned a piece of work looking at how estates activity can help bring improved health outcomes. Neil Webster, representing EELGA and ACES, joined the workshops and steering group. The toolkit, still to be launched at the time of writing, will be available only after this edition of ACES' Terrier is published [Ed – maybe a follow up article, Neil?].

The synopsis of the toolkit is:
Other than using buildings to support communities, how can estates and planning increase its contribution to tackling health inequalities? Last year NHS England and NHS Improvement held a roundtable on 'Building for Health' which focused on exploring the links between NHS estates and planning and optimising social, economic and environmental impacts, with a specific focus on enhancing the social determinants of health and reducing health inequalities.

This work identified some key next steps including the need to:

- increase awareness and understanding of the valuable contribution estates and planning can make in reducing health inequalities and delivering wider community benefits
- Inspire and 'mainstream' – sharing and showcasing examples of practice and the art of the possible; and developing tools and guidance to enhance practice.

To support further activity, an external party was commissioned to produce a short 'guide' on the role of estates in reducing health inequalities - which sets out the strategic value, nationwide examples of practice and a call to action.

ACES has agreed to help promote the publication, hence the reference in this article. The document contains refence to some case studies which may be of use to members. Once we have the link it will be published on the website.

Both publications are welcomed in the ACES' community. The themes of strategic planning, linking estates to social benefits and collaboration among public sector property people is what we are about. We look forward to socialising the work further and helping drive the change needed.

Glossary

ICS – Integrated Care System
ICB - Integrated Care Board
CCG – Clinical Commissioning Group
PCN – Primary Care Network
EELGA – East of England Local Government Association
GMS – General Medical Services
ESG – Environmental, Social and Governance
Control totals – financial limits on revenue and capital imposed by NHSE/I on NHS regions
DHSC – Department of Health and Social Care

David is an authorised High Court Enforcement Officer with over 35 years' experience in specialist evictions and enforcement. He is the director for corporate governance and compliance at The Sheriff's Office and regularly works with the National Eviction Team, both companies being part of High Court Enforcement Group.

He has a wealth of experience in dealing with high profile enforcement operations and has planned and led operations to remove demonstrators from complex locations, including St Paul's Cathedral (OCCUPY!), Admiralty Arch, Parliament Square, Bexhill-Hastings by-pass, nuclear power sites and numerous fracking sites, including Balcombe.

RENT ARREARS REMEMDIES Moratorium on commercial landlord remedies comes to an end

David Asker property@hcegroup.co.uk

Practitioners who manage commercial portfolios will find this informative article useful in managing bad debts due to the pandemic.

Just over 2 years since it started, the moratorium on landlord remedies to effect commercial rent arrears recovery (CRAR) and forfeiture of lease ended on 25 March 2022. This has undoubtedly come as a relief to many landlords in both the public and private sector who have tenants in arrears or need to retake possession of their property.

However, the Commercial Rent (Coronavirus) Act, which came into force on 24 March 2022, will have an impact on both CRAR and forfeiture, should the rent arrears come under the criteria for protected rent arrears, due to requirements on the tenant to fully or partially close under C-19 regulations – we cover this in more detail later in this article.

CRAR – an overview

If the rent is not paid by the due date, the landlord may recover the arrears using CRAR which was introduced in April 2014 under the Tribunals Courts and Enforcement Act 2007, Part 3.

CRAR does not require a court order. It may only be used for the recovery of rent (and VAT) in purely commercial premises. It cannot be used to recover any other charges due, such as service charges or insurance.

There must be a written rental agreement or lease in place to use CRAR, and the lease may not have been terminated.

Forfeiture of lease – an overview

When a landlord wishes to regain possession of commercial premises prior to the expiry of the lease, they can forfeit – or terminate – the lease. The breach of the terms by the tenant must be due to non-payment of rent (other breaches require that the landlord give the tenant time to remedy the breach). There must also be a clause within the terms of the lease which permits forfeiture.

Forfeiture entails the peaceful re-entry to the unoccupied property by a certificated enforcement agent, normally assisted by a locksmith. Once they have secured access to the premises, the locks will be changed and the tenants', and any sub-tenants', rights to the property will end.

Commercial Rent (Coronavirus) Act 2022

While the process of CRAR and forfeiture of lease remain unchanged, there is new legislation, the Commercial Rent (Coronavirus) Act, which came into force on 24 March 2022, which will continue to impose restrictions on some enforcement action.

This is with regard to "protected rent arrears" and the legislation covers CRAR, forfeiture and winding up petitions.

Protected rent arrears

These relate to a business tenancy, as defined by Part II of the Landlord and Tenant Act 1954, where the business and/or premises were required to fully or partially close under C-19 regulations. It is immaterial if some limited activities were permitted despite the obligation to close.

To be protected, the arrears must relate to the "relevant period" which is beginning at or after 2pm on 21 March 2020 and ending at or before 11:55pm on 18 July 2021 (in England) or 6am on 7 August 2021 (in Wales).

The protected arrears relate to rent, service charges, including repairs, maintenance, management costs and insurance, as well as interest on the unpaid amount.

Relief from payment can mean one or more of:

- Writing off the whole or part of the debt
- Giving time to pay, including via instalments
- Reducing the interest on all or part of the debt.

Arbitration

Where the arrears fall under the criteria for protected rent arrears, the only option available to the landlord and tenant is to undertake arbitration, using a government-approved arbitration body.

The arbitrator's guiding principles will be preserving the viability of the tenant's business and the landlord's solvency.

During the period which begins the day the Act was passed, and ends either when arbitration has concluded, or when the 6 months' arbitration application period has passed, the landlord is prohibited from using these remedies:

- Making a debt claim in civil proceedings
- Using the CRAR and the protected debt is to be disregarded when calculating the net unpaid rent for CRAR
- Give notice of enforcement in relation to the protected debt
- Enforcing a right of re-entry or forfeiture
- Using a tenant's deposit.

If payment had been lawfully taken out of the tenant's deposit before the moratorium period, and that rent owing is deemed to be protected, the debt will be deemed to be unpaid protected rent and the tenant is not obliged to top up the deposit during the period.

Any debt claims for protected rent arrears, including court judgments or a bankruptcy petition based on a statutory demand, issued between 10 November 2022 and when the Act came into force, will be stayed. Landlords will not be able to issue debt claims for these arrears until either the end of the arbitration application period or the arbitration process.

Arbitration is, however, not an option should the tenant be subject to:

- A company voluntary arrangement which relates to any protected rent debt that has been approved under s4 of the Insolvency Act 1986
- An individual voluntary arrangement which relates to any protected rent debt that has been approved under s258 of that Act
- A compromise or arrangement which relates to any protected rent debt that has been sanctioned under s899 or 901F of the Companies Act 2006.

What if the tenant defaults?

If the tenant defaults on the payments needed in the award, the arbitration award can be used as the basis for enforcement. The Bill has been drafted with the aim of enabling the landlord to enforce any default under the award by the tenant in the same way as a default on rent under the lease.

It will be for the landlord to decide what method of enforcement to use in respect of the default. However, one option would be to seek the leave of the court to enforce the award in the same manner as a judgment or order of the court (under s66 of the Arbitration Act 1996).

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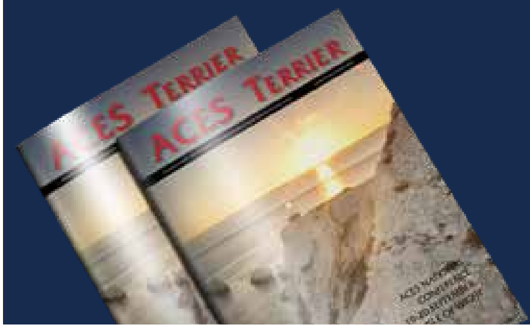

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CUSTOM AND SELF BUILD Increased support from government for a "self build revolution"

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Andrew is the CEO of the National Custom and Self Build Association (NaCSBA), the body that lobbies for policy and wider support to boost the delivery of custom and self build homes. NaCSBA's aim is to make custom and self build a mainstream choice for all those seeking a home of their own.

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On 24 June 2022 the government made the latest announcement on its plans to bring about a "self build revolution", which represented the most significant step forward for a generation for the custom and self build sector. The sector has not kept pace with the speculative homes market, due to the lack of access to Help to Buy finance, but underpinned by the dominance of major housebuilders. Maybe at last there will be a change?

Introduction

The custom and self build sector is, at long last, receiving increased interest and support from national government. It was in April 2021 that Boris Johnson said: "We know that self and custom builders deliver high quality, well-designed homes that are energy efficient, accessible, affordable, and welcomed by their communities." In stating this, he commissioned Richard Bacon MP to undertake an independent review to develop a plan for a major scaling up of self-commissioned new homes [Ed – see 2021 Summer and Autumn Terriers].

The Bacon Review was published in July 2021 and on 24 June 2022 the government made the latest announcement on its plans to bring about a "self build revolution". The response also accompanied the opening of Help to Build, and confirmation of further funding for the Right to Build Task Force.

Together, these have created the most favourable environment for custom and self build in decades, but – as always – routes to land remain a core part of the problem. The NPPF's commitment to 10% small sites is a source of land, and we hope this remains and is strengthened in the new iteration to come. But we hope ACES' members will find the following overview enlightening, as we explain the conditions that frame the current favourable climate for custom and self build homes to emerge.

Serviced plots offer the most risk-free solution for most novice self builders, and are ideal for Help to Build, here at Graven Hill https://www.gravenhill.co.uk/ Image courtesy of NaCSBA.

Help to Build

Help to Build is an equity loan scheme that is similar to Help to Buy, but which was developed specifically for the self build

Dan-Wood, Windsor - Image courtesy of Dan-Wood House

sector. The scheme allows custom and self build (CSB) to be undertaken by those with just a 5% deposit – compared to around 25% currently. The Help to Buy scheme has to date supported the building of over 350,000 new homes – but the design of the scheme meant that it was largely unsuitable for custom and self build.

This was not just unfair, but it had very real consequences. The proportion of new homes that are custom and self build has fallen by 25% since Help to Buy was launched – a reduction that Help to Build will help redress as it supports the delivery of more owner-commissioned homes. The share of new homes that are custom and self build are currently at the lowest since the 1980s.

Blenheim Grove

The scheme works by the government lending up to 20% of the total land and build cost of the home build (40% in London) in return for interest (after 5 years and an up to 20% (40% in London)) share of the value of the home when it is sold. In effect the government is saying that it has confidence in this market and in the homes that will be built and is willing to lend its/our money to enable more homes to be built. The structure of the scheme means that, were a home to be worth less than it cost to build, then the government loan would be at risk before that of the mortgage lender.

In addition to significantly expanding access to the market, the scheme also allows the borrower to borrow more and at a cheaper rate than would otherwise be the case. This is because the scheme lowers the risk to the mortgage lender and the cash flow cost to the borrower. This scheme is needed because most current lenders in the self build market are smaller building societies that are limited by their regulator as to the amount of this type of lending they can undertake. Lenders will continue to underwrite each loan as they would a normal self build mortgage. This means that they will assess the lender and the planned build.

This involves ensuring that the build plans are sound and affordable and that the homes that will result offer sound security for the lender. Like any self build mortgage, the scheme will require the home to be built within a set period. Also, and importantly, the home built must be lived in as a home and must be the only home owned by the borrowers. While they can have an existing home, they must sell it within 12 months of moving into their self build home, and to qualify they cannot have a rental property or a second home.

Making self and custom build more accessible to more people is important because the sector is often challenged on its "Grand Designs image". While this is far from the case, it is true that self build is easier for those with more time and deeper pockets – not least because permissioned land for a self build is so hard to access.

It follows therefore that those with smaller deposits can self build and, if more plots become available, then we will see

Pound Lane, Basildon, Images courtesy of Unboxed Homes/French and Tye

a greater number of self builders among those with more limited resources.

This is an important time to reiterate that self build can apply to all build types and not just detached homes – it can be used for terraces and apartments and for conversions of existing buildings into homes. Where the homes are not detached, they are often delivered to a shell finish – that is the homebuyer will have full design control over everything within the homes, and this may extend to the outside elements as well – doors, windows and exterior finishes.

An example is Dan-Wood Homes which offers over 80 standard house styles which can be modified, including more affordable, smaller homes, such as the 1.5-storey one illustrated https://www.dan-wood.co.uk/en/projects/point-206e

Another example is London's first custom build, Blenheim Grove – a row of terraces built to shell by Unboxed Homes for purchasers to fit out themselves. Unboxed Homes is also offering a 12-home custom build site in Basildon, offering 2 routes to ownership, with designs from the group of architects and enablers that are bringing forward the site. https://unboxedhomes.com/ and

https://poundlaneplots.co.uk/

The Bacon Review response

The launch of Help to Build was one of the key asks of the Bacon Review. Richard Bacon MP did not hold back in his challenges to the way in which we deliver new homes. He stated that new housing is "feared" and "thought of as pollution". He noted that one witness commented that "the planning system rewards mediocrity". The Review made a strong case for change stating: *"When we have fully opened up the housing market and the planning process to the power of consumer choice, we will see more great places being developed which are warmly welcomed by their communities, with beautiful and more spacious houses, at keener prices – and that are better designed, better built, greener and which cost less to run, which enrich the lives of the people who live there – while driving innovation and inward investment. And when afterwards we have done this, we will look back and wonder why it took us so long."*

The Review was "warmly welcomed" by government, words that are repeated in their response. We have reviewed their responses and our thoughts on the overall response and on each of the recommendations are as follows:

Ministerial forward: The ministerial forward is strongly supportive of custom and self build and its role in housing diversification and housing delivery.

Recommendation 1: *a greater role for Homes England. The government should create a new Custom and Self build Housing Delivery Unit within Homes England to enable the creation of serviced building plots on small and large sites and support the delivery of custom and self build housing at scale across the country.*

The commitment to create a new team in Homes England is key with regard to Help to Build, access to Homes England land and improvements to the Home Building Fund. All 3 aspects will increase the numbers of custom and self build homes, and the leadership of Homes England will enable more exemplar sites to come forward across the country. Importantly, community led housing as an example of self-commissioned homes are included within the unit's remit.

Recommendation 2: *raise awareness of the Right to Build. The government, working through Homes England in partnership with the custom and self build industry, should create a custom and self build housing Show Park and should strengthen existing legislation to mandate the wider publicity of self build and custom housebuilding registers and the sharing of key data between willing landowners and people on registers.*

Actions in respect of this recommendation are largely contained within the government responses to

Recommendations 1 and 5. While the show park is not to be progressed at this time, we continue to work towards greater opportunities to show the public that custom and selfbuild is an option for all those seeking a home of their own.

Recommendation 3: *support community led housing, diversity of supply and Levelling Up. The government should reignite the successful Community Housing Fund; create accessible opportunities for communities to help themselves by introducing a Self-Help Housing Programme; and introduce a Plot to Rent Scheme.*

The response is a powerful reminder custom and self build is relevant for all tenures of housing delivery, and that the government would like to see more affordable custom and self build schemes come forward, for which we also need to see such schemes be received favourably within the planning process.

Recommendation 4: *promote greener homes and more use of advanced manufacturing. The government should recognise and support the pathfinding role of the custom and self build housing sector in advanced manufacturing and in greener homes to accelerate the delivery of its wider modern methods of construction and net zero housing ambitions.*

The response recognises the role of custom and self build in the delivery of more sustainable homes. It recognises that many of the solutions lie outside the government's direct control. It lists a range of actions that are underway, but it is clear that the pace of change needs to accelerate, and mindsets need to change and change fast.

Recommendation 5: *support custom and self build housebuilding through the planning reforms. The government should ensure that the planning reforms in its White Paper "Planning for the Future" maximise the opportunities for access to permissioned land for custom and self build across all tenures, including making-focused changes to the Right to Build legislation to ensure that it achieves its objectives.*

We strongly welcome the proposal by government to use both primary legislation changes and the other tools at its disposal to address some improvements to the failures we have seen among a minority of local authorities to abide by the letter and the spirit of the right to build legislation. Analysis derived from government data shows that over 5 years after the duty was imposed, the Right to Build legislation is yet to have any material impact on the numbers of custom and self build homes being completed. The publication of data by government has helped highlight performance over time at local authority level, and we are seeing planning inspectors place a higher weight on the registers and practices of local authorities in their decisions.

Recommendation 6: *iron out any tax creases. The government should investigate the perceived disadvantages in the tax system between the custom and self build delivery model and other forms of housing, identifying specific actions where necessary to neutralise them.*

This recommendation included important barriers to custom and self build growth within the tax system including that of "golden brick". The response from the government is more non-committal than we would like, but we recognise that the tax system in particular moves at its own pace and through its separate mechanisms. We understand that detailed deliverable proposals have been submitted and we remain positive that the required changes will be made in the near future.

Read the response: https://www.gov.uk/government/publications/government-response-to-the-independent-review-into-scaling-up-self build-and-custom-housebuilding/independent-review-into-scaling-up-self build-and-custom-housebuilding-government-response

The Right to Build Task Force

As part of the recent announcements, government agreed to fund the Right to Build Task Force for the next 3 years, which is excellent news for both the public and private sector. The increased and extended support is an important recognition of the need to continue to support local authorities with regard to the policies and practices needed to bring forward more custom and self build homes.

It is clear that understanding among both councillors and officials remains low in many areas, and that progress is best made within individual councils when each of these groups is sufficiently informed as to their duty, the benefits of CSB and the routes to delivery.

This funding will support both existing services and new offerings, including "health checks" and a Custom & Self Build Officers Working Group. Where specific professional support is required, the Task Force will continue to supply expert paid consultancy services, whether that be for public sector authorities or private businesses, such as land promoters.

For more details visit the web site https://righttobuild.org.uk/

In summary

The announcement last week represented the most significant step forward for the custom and self build sector for a generation. This is needed because while the sector continues to grow, it has not kept pace with the speculative homes market, not least due to the lack of access to Help to Buy, but underpinned by the move towards delivery of new homes on larger sites.

These actions switch the focus back to planning as the key constraint to the growth of the sector, but beyond this, there is a wider need for the entire sector to get to grips with the benefits the route to ownership involves, and the mechanisms needed to bring forward these diverse and desirable homes.

Ultimately this is about delivering more homes that wouldn't otherwise get built, that are more beautiful, better built, more sustainable, and more welcomed by communities. What is not to love about that?

Visit NaCSBA for more on our work www.nacsba.org.uk

Find out more:
https://www.ownyourhome.gov.uk/scheme/help-to-build/

Kevin is a Director in the Savills Research team where he heads up research capability into industrial and logistics markets. Kevin co-ordinates market data collection across Europe, the Middle East and Africa, and is author of the periodical Big Shed Briefing reports.

He specialises in topic and trend based research by applying "real life" issues to logistics and industrial property. Key examples are a landmark study in conjunction with the British Property Foundation advocating for a more responsive planning system to meet the needs of the industrial and logistics sector and the landmark 'Warehouse of the Future Report'.

LEVELLING UP - LOGISTICS
Levelling up – the logic of logistics

Kevin Mofid KMofid@Savills.com

Kevin argues that Planning Policy Guidance fails to provide a clear and robust approach to ensuring the industrial and warehousing sectors needs are met: too little land is being allocated to meet current and future market demand for a rapidly expanding logistics sector, which is restricting economic growth.

Suppressed demand

To many outside of the industrial and logistics sector it can be hard to pinpoint the benefits of large scale developments, with observers perhaps having an outdated perception of warehouse space and its occupiers. However, the C-19 pandemic has proven that it is a critical part of our national infrastructure.

In fact, it supports the functioning of the UK's economy and the way we live our lives, by ensuring we have what we need, when we need it. What many fail to realise is just how essential the sector is, providing upwards of 3.8 million jobs in England and contributing £232bn of gross value add, and making up 14% of the total economy.

Despite this, the UK planning system is restricting growth in the sector by failing to allocate enough land for industrial and logistics use in the right locations. The historic lack of supply has suppressed demand by as much as 29% nationally, meaning that the take-up of warehouse space is almost a third lower that it could have been, had enough land been available. This needs to be provided for moving forward, while also considering future demand for housing, e-commerce and freight growth.

To help address the supply/demand imbalance, Savills, along with property investment and development firm St Modwen, has developed a new methodology to build upon this principle of 'suppressed demand'. In simple terms, this examines a property market's natural availability rate, combined with the relationship between net absorption and historic rental growth, to estimate how much leasing demand any given geography has historically missed out on. By accurately calculating this figure, it can then be added to historic projections to give a more precise picture of likely future requirements.

Using this methodology, Savills and St Modwen have estimated that future demand could equate to a minimum of 44m sq ft p.a.

With this in mind, the "Levelling-up: The Logic of Logistics" report, authored by Savills for the BPF, provides evidence of the importance of the sector. Not only is it an economic powerhouse, but it also has significant social value and green credentials that help to build a strong case for changing the flawed methodology around future demand and land needs.

So what does the sector have to offer?

Social value

More often than not, warehouse occupiers can provide significant economic benefit via their wider supply chains, in particular through employment such as apprenticeships, training and upskilling opportunities within the local community.

Jobs within the sector can range from entry level graduates to highly skilled engineering and management roles. Yet, when it comes to the planning process, wider supply chain employment is often overlooked in favour of the higher on-site job densities for retail and office uses.

Given the significant future demand, if this construction is facilitated, this should give rise to a vast building programme that will support as many as 45,000 jobs annually. Taking into consideration local procurement benefits, the construction programme is likely to generate £440m of social value for local communities.

What's more, the sector also delivers on average 41,400 apprenticeship starts per year. This is particularly important, given the high levels of youth unemployment in England. If this expansion remains consistent with Savills' estimate of future demand, the number of apprenticeships could grow to 53,000 starts annually; this is the equivalent to over half a million apprentices over the next 10 years.

Green credentials

The industrial and logistics sector is also well placed to lead the green recovery within real estate, making great strides in reducing carbon across the lifecycle of its warehouse buildings. From an embodied carbon perspective, facilities can now be built with recycled, low carbon and sustainably sourced materials. Additionally, at end of life, modern logistics buildings have the advantage of being lightweight structures that are highly adaptable for a large range of uses. For instance, the steel frames used in warehouses are much more easily recycled than the concrete more common in other commercial uses.

Operationally, the sector is also highly innovative when it comes to reducing carbon, implementing everything from solar PV panels to wildflower meadows. Energy efficiency during operations can be achieved by addressing both energy demand, which is about reducing the inherent energy a building requires to operate, and energy supply, that will see a building's energy supply decarbonised via the use of renewable sources.

This should help to mitigate increasing energy demand that is being driven by certain occupier types, such as data centres and cold storage. This trend is only set to continue over the next decade as we see the increased use of automation and the electrification of transport.

The sector's drive to decarbonise doesn't stop at its facilities. With transport accounting for a large portion of the UK's carbon emissions, the industrial and logistics sector can make a significant contribution to its reduction by taking a closer look at its distribution networks. For example, the implementation of electric vehicle fleets.

What now?

Given the benefits, what must be done now to ensure that the sector is able to grow as required?

Currently, the strong growth expected in the industrial and logistics sector and the jobs, investment and productivity it will bring as a result, won't materialise unless sufficient land is allocated in the right locations. It is therefore critical that the employment evidence which supports local plans do a more accurate job of assessing future demand.

Although the National Planning Policy Framework (NPPF) provides a clear and positive policy context to assess future economic needs; the Planning Practice Guidance (NPPG) that accompanies the NPPF lacks the same clarity. At present, a great deal of policy attention is focussed on the residential sector, with industrial and logistics often considered an afterthought, residential being subject to a standard methodology with a series of unambiguous steps set out to establish the minimum annual housing need for each local authority area.

While there is specific reference to the critical role of logistics, the guidance fails to provide a clear and robust approach to ensuring the sector's needs are met. Consequently, an array of local authority strategies is being adopted resulting, in most cases, in too little land being allocated to meet current and future market demand. This is primarily due to these strategies being backwards looking and projecting historic trends as a proxy for this future demand. Consequently, modern day growth drivers are not taken into account.

The inadequacies of existing models and their application is evident in that supply historically has not kept pace with demand. When demand cannot be fully satisfied, occupiers compete for limited available space, pushing up rents. This is what we have seen happen over the past decade, with rental growth of as much as 61%.

Ultimately, there is more than sufficient evidence to call for an improved method to estimate future industrial and logistics land demand. So, in order for the sector to grow to its full potential and generate the jobs and investment the national economy requires, the planning system has to better evaluate these needs. With this in mind, it has been recommended that the Savills and St Modwen 'suppressed demand' methodology is incorporated moving forward within the NPPG to help inform local plans.

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CPO AND HOPE VALUE
CPO reforms and the future of hope value

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Simon presents a thought provoking article about the implications of the government's proposals of radical reforms to the assessment of CPO compensation for hope value, including a suggestion to remove or cap it at a certain level. See also Ian Tasker's article on another aspect of the Levelling-Up and Regeneration Bill – Development Corporations.

Introduction

When it comes to regeneration, Compulsory Purchase Orders (CPO) – the power to acquire land and property without the consent of the owner – have long been an important tool for assembling land needed to help deliver developments which provide for social, environmental and economic change.

Now, a number of changes to the system are coming forward that will impact the way CPO can be achieved, with wider impacts on new housing, regeneration and town centres. The Levelling-Up and Regeneration Bill seeks to make this current process clearer, faster and fairer, empowering local decision making and improving transparency regarding local authorities' power to acquire land compulsorily for regeneration and housing in their area.

But in addition to the Bill, its accompanying Policy Paper and Consultation Document propose radical reforms to the assessment of CPO compensation for hope value, including a suggestion to remove or cap it at a certain level. Understandably, this has caused a lot of commentary and concern in the property sector, especially the removal of hope value and the impact this may have on the ability of an affected landowner to obtain fair compensation for the compulsory acquisition of their land.

Looking wider, it may also have an impact on certain types of regeneration projects, such as urban extension and new settlements, which often require large areas of land close to existing settlements, but also require significant amounts of enabling infrastructure.

With consultation now open and the Department of Levelling Up, Communities and Housing intending to present an updated Bill for passage through both Houses later this year, below is an examination of the issues and possible impacts.

Hope value – where we are now

A landowner who is subject to a CPO is entitled to compensation for their reasonable losses, including a payment for land taken based on its open market value which may include an element of hope value, taking account actual or prospective planning permission for alternative use where appropriate. Any increases or decreases in the value of the land attributable to the underlying scheme subject to the CPO (e.g. regeneration project, new town, new road) are disregarded. This is commonly known as the 'no scheme world' principle.

Hope value can be demonstrated in two ways:

I. Where there is value attributed to prospective planning permission (i.e. the likelihood of planning permission for development at some point in the future)

II. Where a landowner can demonstrate appropriate alternative development (AAD) through the issuing of a certificate by the local planning authority which confirms which planning use class(es) the land may have been suitable for if it were not for the CPO. Currently the costs of obtaining a certificate are claimable as compensation.

Why change?

Compensation claims for the value attributed to prospective planning permission and the costs associated with those claims are often contentious, and there have been a few instances of cases being referred to the Upper Tribunal for determination, requiring significant costs being incurred by both parties.

The recent announcement signals increasing thought in government that compensation for land value needs to be adjusted to remove any 'value uplift' arising from a planning decision and/or where government funding provides enabling infrastructure (e.g. a new link road).

Back in September 2018 a Select Committee report on Land Value Capture recommended that increases in the value of privately owned land arising from public policy decisions should be shared with the local community. The report referred to the first generation of new towns where land was acquired at existing use value and uplifts in land value were captured to fund new infrastructure required for the new developments through the Town and Country Planning Act 1947. The practice was available until the assent of the Land Compensation Act 1961 which introduced new compensation arrangements for landowners.

The June 2022 consultation document takes its lead from this report and refers to "elevated levels of compensation and costs being paid for prospective planning permission that would result in more than a fair value being paid."

Challenges around the new proposals

The same consultation document invites comments on proposed changes to the assessment of land value and in particular, value arising from prospective planning permission. There are two areas where comments are sought on proposed changes:

1. Certificates of Appropriate Alternative Development (CAAD)

- Will require a landowner to obtain a CAAD in all circumstances to demonstrate appropriate alternative development rather than simply rely on the prospect of future planning permission
- Recommends establishing a uniform route for determining hope value based on the CAAD
- Suggests a landowner to be responsible for the costs of obtaining a CAAD.

While there may be good sense in asking a landowner to be responsible for the costs of obtaining a CAAD, as this mirrors a cost they would have to incur in 'real life', the proposal to make it mandatory to obtain a CAAD in order to demonstrate 'hope value' does not mirror normal market practices where land, depending on its position and circumstances, does attract hope value independent of a planning permission.

2. Removal of Hope Value

These are radical proposals within the consultation document which seek to remove the payment of hope value in its entirety, allowing land to be acquired at (or close to) existing use value. The argument being presented is that this will enable more land value to be captured and then invested for public benefit, such as the provision of more affordable housing, public realm or enhanced infrastructure improvements.

As part of bringing forward a scheme, the acquiring authority may request a direction from the Secretary of State that for its scheme, compensation for land value may be capped at existing use value and/or include a fixed amount above existing use value where it would be in the public interest to do so. The direction may avoid dispute and litigation costs, as effectively there will be nothing to debate and disagree as it has all been agreed upfront.

For local authorities involved in the promotion of urban extensions or new settlements this may be attractive, as acquiring land in this environment can be challenging. There are often big divergences on land values and the application of planning assumptions. The proposals may provide acquiring authorities with more certainty on their compensation liabilities, which again could help scheme viability and provision of infrastructure.

These proposals may allow more schemes to come forward and land values to be fixed, which in turn will instil confidence in local authorities to use their CPO powers where landowner negotiations are unsuccessful. However, they are facing stiff criticism and challenge from landowners, landowner associations and professional bodies who argue that by removing or capping hope value, there is a material breach of human rights which allow a deprived landowner to seek 'fair compensation' for their loss.

Many would say it does not seem equitable to remove or cap value above existing use as effectively it deprives a landowner of achieving market value (being a combination of existing use and 'hope value').

So while these proposals may intend to create a wider platform for the use of CPOs and enable more local authorities to use them to bring forward new developments and housing in much needed areas, they could ultimately create more challenge and distrust in the process.

They may also inadvertently create more demand for council-led CPOs where resources are already stretched in trying to deliver local plans and determine existing planning applications. But at the same time, in most if not all cases, urban extensions and new town schemes require private developers to deliver significant parts of a scheme. It may actually be the private sector developers who benefit from the removal or capping of land value which will improve scheme viability and, in turn, developer profit. Meeting the original objectives of this consultation will need very robust legislation which truly captures any land uplift and directs it instead towards infrastructure.

Lastly, more work is needed on the interaction between land value capture and other planning-led levies (s106, CIL, Infrastructure Levy). Clarity here will be essential.

Summary

These new proposals may achieve the goal of making CPOs both more affordable and accessible to local authorities. Notwithstanding resourcing issues, this approach may speed up the delivery of urban extensions and new settlements which can be slow in coming forward due to land ownership complexities.

However, there is a risk that the proposed alterations to the assessment of compensation may have the opposite effect. This is likely to attract strong challenge from landowners which may slow down or frustrate the process.

The CPO law around planning assumptions is extremely complex and proposals to simplify it are welcome, particularly reforms to CAADs. However, the removal or capping of hope value may deprive landowners of their right to fair compensation at market value which can include additional value from the prospect of future planning permission.

Ian is a Partner and the Head of Public Sector Advisory at Knight Frank. He specialises in supporting the public sector with delivering regeneration projects, strategic and commercial advice and the production of business cases.

Ian was part of the team which created the Business Case for the East Midlands Development Corporation, which has become the case study for part of the Levelling-Up & Regeneration Bill that is currently passing through Parliament.

NEW DEVELOPMENT CORPORATIONS

A new form of Development Corporation will be a game-changer for regional development

Ian Tasker ian.tasker@knightfrank.com

Ian explains why the new hybrid form of Development Corporation being proposed will be a game-changer for regional development. Ian covers another aspect of the far-reaching Levelling Up and Regeneration Bill. See also Simon Mole's article on CPO proposals.

The Levelling-Up and Regeneration Bill, originally introduced in May 2022, has already gone through a first and second reading in the House of Commons, and is currently at Committee stage. There is still a long journey ahead in the Bill's passage before it reaches Royal Assent; however, we already have a glimpse of what the reformed system will look like when the Bill is passed into legislation later in 2022-23. The potential for local authorities is enormous.

The Bill aims to drive local growth, empower local leaders to regenerate their areas, and ensure everyone can share in the United Kingdom's success. Since first being published earlier this year, much of the focus to date has been on the Bill's levelling up standards, devolution measures and extensive planning reforms. The section of the Bill that has received little airtime, however, has been the proposals for creating a new form of Development Corporation.

Despite there being little publicity, the proposed powers – which will allow the formation of a new type of Development Corporation – are extremely important and will fundamentally change the way local authorities can deliver large-scale regeneration in their area.

The new vehicle being proposed in the Bill will provide public sector bodies with the ability to create delivery vehicles that can operate across local authority boundaries on a regional basis, providing the powers and benefits associated with a statutory vehicle, while at the same time being wholly locally led. Essentially, a model that combines the powers of both a 'Locally-led New Town Development Corporation' and an 'Urban Development Corporation'.

This type of vehicle has never been created before, and provides an extremely important basis for crystallising regional visions and capturing inward investment. Indeed, these new powers give local authorities an alternative option for delivery, which will allow them to combine large-scale residential economic development into areas that statutory and non-statutory vehicles currently do not allow.

This section of the Bill will provide local government with the powers to control and influence inward investment into their local area in a way that is consistent with the concept of local democracy. The ability for local authorities to collaborate with each other, as well as with the private sector, to regenerate and revive areas that cross boundary lines is hugely significant. Indeed, this type of development vehicle has the benefit of a private sector-led board, in place to deliver the strategy set out by a public sector oversight authority.

Overall, the new Development Corporation will act as a catalyst to create region-wide regeneration and inward investment. The possibilities and benefits of accessing these new kinds of powers are extensive, and local authorities should be primed and ready to tap into them as soon as the Bill is finally passed into legislation.

The provisions in the Bill had their origins in the vision of five local authorities in the East Midlands. Their aim is to create a region-wide vehicle to unlock greater, faster, sustainable and inclusive growth that will increase jobs, catalyse innovation, and connect communities. I was part of the original team that wrote the Business Case for the East Midlands Development Corporation (EMDC), which has become the case study for this Bill.

Ahead of the Bill going into legislation, the 5 East Midlands councils have formed an interim vehicle that mirrors the governance and delivery structure of this new form of Development Corporation. They have already started early pre planning activities in connection with three identified development sites at Toton (the High Speed 2 hub) and Chetwynd Barracks, Ratcliffe-on-Soar Power Station and the East Midlands Airport Area. These 3 development schemes are anticipated to create 84,000 jobs and add billions in value to the regional economy.

The business case for EMDC was developed using HM Treasury's 'Five Cases' approach, which comprises strategic, economic, commercial, financial and management cases. It was prepared by an expert consultant team of which I was a part.

Despite the lack of publicity, interest has been shown by a number of local authorities in this new form of Development Corporation, which want to explore the concept in their own regions. It will truly be a game-changer for regional development, and help achieve the Bill's wider strategic aims of fuelling local growth, empowering local leaders to regenerate their areas, and ensuring everyone can share in the United Kingdom's success.

Lucy is a Partner specialising in the provision of advice on major projects and procurement, particularly in the areas of outsourcing, regeneration and housing. She has acted as lead solicitor on a number of large-scale infrastructure projects and has particular expertise in running and advising on the different procurement procedures available. She regularly advises on issues such as evaluation criteria, de-selection, scoping of contract notices, and the interpretation and implementation of case-law, guidance and legislation.

She has particular experience of working with both the public and private sector on real estate projects, both procured and non-procured land deals. She has been recommended for her work in local government, PFI and PPPs by Legal 500.

LAND DEALS

Public Sector land deals – unlocking regeneration opportunities

Lucy Doran LDoran@trowers.com

Lucy describes a procurement procedure to unlock regeneration opportunities which doesn't involve excessive red tape. "Faced with the reality that often all a public body brings to the table is the land itself, teaming up with a developer or another public body for a land deal is an attractive option."

When it comes to public sector real estate deals, frustration is often expressed that redevelopments do not go ahead because of the perceived amount of red tape, resources and expense involved – often such projects can stall before the public sector body has even engaged with the market. Whether the public sector body is a local authority, registered provider, NHS Trust or one of many other public sector organisations, it can sometimes feel to both the public and private sector parties involved as if there are ever increasing barriers to maximising the potential of underdeveloped areas. This need not be the case and we are seeing more and more public sector bodies opt for "land deals" as a way to navigate these obstacles – they may not be appropriate for every project, but they are a useful tool in unlocking regeneration opportunities.

For those of us that can cast our memory back some years, redevelopments used to seem relatively straightforward. With deeper pockets, public bodies were more readily able to identify sites for development, allocate expertise and resources to progress the site, and then engage with and pay a developer to deliver the project.

Prior to 2007, it was also widely understood that development deals sat outside of the procurement rules, so deals were struck directly between private and public sector parties, or informal competitions were run. A series of European and then domestic cases put paid to this; from 2007, public bodies were put on notice that they should either formally procure their developments via a regulated process, or structure them without falling foul of the relevant anti-avoidance rules, so that they did not amount to public works contracts and thus fell outside of the procurement rules. We often refer to these latter type of arrangements as "land deals".

Although these land deals do not allow for the same level of control that a typical development agreement might allow, if structured carefully, a formal procurement process is not required and the public sector can engage directly with a developer of choice. This is not a "ruse" to get around the rules, as the public sector will have to accept much less control over what a developer does to and on the relevant site. However, over the years, case law and guidance has afforded a number of protections which can be employed by the public sector over the land and subsequent development to provide some degree of comfort. As the Courts have acknowledged, it is a trade-off that a public body will have to accept, in that it has much less control in exchange for not having to go through a procurement process.

While there are still a number of formally procured development deals in the UK, we have seen the frequency of such deals, diminishing as the public sector is increasingly being told to cut back on spending and reduce budgets. What we have noticed in response to the viability challenge is an uptake in the amount of land deals going ahead; whether it is with public and private sector, or even public sector, collaborating with other public sector bodies.

Faced with the reality that often all a public body brings to the table is the land itself, teaming up with a developer or another public body for a land deal is an attractive option. Granted, the public body will need to fully understand the parameters and restrictions on opting for such a model, but often it will make the difference between a site being redeveloped or remaining dormant for several years.

With huge demand for housing in the UK, land deals are becoming a popular solution to this demand. An increased government focus on public sector collaboration has also led to more interest in the models, particularly for areas such as key worker accommodation, where the NHS and registered providers have shared agendas and objectives and can work together to achieve these.

With the publication of the Procurement Bill in May, it is reassuring to see that the provisions underpinning the structuring of land deals are relatively unchanged, and we understand that it is not the intention to change the position that we currently have. This gives the sector the green light to carry on with these arrangements going forward, and to encourage more public sector bodies to consider it as an option, alongside more traditional routes to market.

Andrew is an Equity Partner at Wilks Head and Eve and has been with the company for over 25 years. He leads the firm's Business Rates department and has extensive knowledge and experience in Business Rates in many different classes of properties. Andrew also carries out Landlord and Tenant issues including rent reviews, lease renewals and preparing valuations for capital gains purposes.

BUSINESS RATES MATTERS

Business rates and the extension of the rating revaluation to 1 April 2023

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Andrew explains the current position with regard to the frequency of revaluations, and possible changes to transitional relief and the appeal procedure.

The current situation

The VOA Agency (VOA) is responsible for maintaining the Rating List and regularly reassess the rateable values of all business properties, which historically has been every 5 years. This is done to maintain fairness for businesses in the amount they pay, to reflect changes in the property market. The VOA assesses a property's rateable value based on the annual rent the property would rent it for, if it was available to let on the open market at a fixed valuation date.

The current Rating List began on 1 April 2017 and is based on rental values as at 1 April 2015 (Antecedent Valuation Date, AVD).

The next revaluation was postponed as a result of Covid and other factors, so instead of being on the 5-year cycle, this current revaluation has been extended to 6 years, meaning the next revaluation will take effect on 1 April 2023, with AVD as at 2021.

With a 7-year revaluation on the 2010 rating list, and a 6-year revaluation on the current rating list, this means that changes within the market over these periods have not been factored in. Therefore in some cases such as retail, where there is evidence of a decline in market rents, these businesses are paying based on historic rental values, and so more in business rates than they otherwise would be if there were more frequent revaluations to take account for these shifts in the property market.

The move to 3-yearly revaluations will hopefully make the system fairer and more responsive for all ratepayers, meaning bills will more closely reflect current rental values, which are due to take place with effect from 1 April 2023, meaning the next revaluation will be 1 April 2026.

Revaluation 2023

Call for evidence and changes

So what does the next revaluation look like? The Treasury launched a Call for Evidence that sought views on how the business rates system currently works, issues to be addressed, ideas for change, and a number of alternative taxes. The review confirmed the importance of business rates within the tax system and the government confirmed plans for some changes to improve the current system, rather than ripping it up and replacing it with a fresh strategy. The report also stated that the government is not proposing changing the nature of the tax, nor the basis of valuation, but rather undertaken what has been considered fundamental changes to create fairness and accuracy within this tax base.

After the consultation period, the government said it was committed to supporting the high street and to reduce the burden of rates on businesses by freezing the business rate multiplier for 2022-2023, introducing a new relief to support investment in property improvements, introducing new measures to support green investment and the decarbonisation of non-domestic buildings. The government also stated that it would make the system fairer by moving to 3-yearly revaluations from 2023 and invest in the VOA as part of the Spending Review, and that this would provide some stability ahead of the 2023 revaluation by extending Transitional Relief and protect small businesses from significant bill increases in the final year of the 2017 Revaluation.

Transitional relief

The government is also required to introduce at each revaluation transitional arrangements which have previously helped to support businesses to adjust to their new bills. Since the first revaluation in 1990, the transitional arrangements have been designed to provide support to businesses facing increases in their bills; therefore the revaluation serves as an important role in the rating system by ensuring rates bills reflect the up-to-date value of properties. The government is also required to have regard to the total amount of business rates collected to be unaffected by the transitional arrangements scheme.

For some businesses whose rental values have been falling in comparison to the national average, the revaluation will mean reductions in bills, but those whose rental values are doing better than the average will see their rate bills rise at the revaluation. Therefore, with the introduction of the 2023 Rating List there will be winners and losers, but we believe more businesses will benefit than lose. However, the transitional arrangements have been used at previous revaluations to provide that these changes in bills are gradual and phased in over time.

Typically, the transitional arrangements have capped increases in bills due to the revaluation at a set percentage level. Previous schemes have included different caps for different sizes of properties, recognising that occupiers of smaller properties are less likely to be able to manage large increases in their rates bills. Therefore, there is a trade-off in the design of the transitional arrangements between allowing the full impacts to take affect quickly, or allowing the increases or decreases to happen over a period of time.

If a generous transitional arrangements scheme is announced, this will provide more support to those facing increases, but has the detrimental effect of the rating revaluation being felt more slowly, allowing businesses longer before they pay the correct amount. Transitional arrangements have been calculated based on changes in rates bills. In past revaluations, the transitional arrangements have had capped increases in bills due at a set percentage level each year, with the schemes also including different caps for different sizes of properties, which recognises that smaller properties are less likely to be able to manage large increases in their rates bills. Transitional relief scheme gives all ratepayers a degree of certainty over the annual change in the new bill. However, the fallback of the past transitional relief is that businesses see their increases capped at the same percentage irrespective of the underlying increase in their full rates bill.

Perhaps for the 2023 Rating Revaluation the transitional scheme will be altered. One proposal is that the scheme should be redesigned so that all businesses reach their full bill by the end of the rating list, irrespective of the size of increases or decrease that might involve.

As the government has announced that future revaluations will be every 3 years, a scheme could be introduced that all businesses will pay their full bill in even steps over the 3-year life of the list, that is, paying one third of their increase in the first year, two thirds in the second year and their full bill in the third year. If this scheme was introduced, transitional relief would end after the 2nd year. This could put a substantial burden on businesses at a time of possibly coming into a recession. However, this approach would ensure all ratepayers transition to their full bill within the life of the list. It also means that compared to introducing a capped transitional scheme, such an approach would provide less relief to those ratepayers most affected by the revaluation. It would also be more complicated than the previous schemes.

When introducing a transitional relief scheme, the government must also have regard to the object of securing that the scheme is revenue neutral over its life. We will have to wait for the outcome of the consultation on the transitional arrangements.

Online Sales Tax?

The government has most recently gone out on consultation on the 'Online Sales Tax', which would be another way to raise much needed revenue through a tax on online sales. Responses to this - for and against - will be considered as to whether this is a viable solution for additional revenue to fund business rate reductions.

Check and challenge appeal for 2023?

The appeal procedures for 2017 were also very different to previous revaluations and requires a full review of the rateable value to be undertaken prior to lodging a check and challenge appeal. Under the current legislation the check stage must be completed before a proposal can be made. The VOA originally envisage the check stage to be a quick process but, in most incidences, this has not been the case. If at the end of the check stage the ratepayer believes the Rating List entry is still inaccurate, they can challenge the valuation. This in effect involves a full proof of evidence.

Should the ratepayer believe the result of the challenge is still unfair, he is entitled to 'Appeal'. The appeal is to the Independent Valuation Tribunal for a fee which will be levied, which is refundable on appeal success.

Will the same appeal procedures of check, challenge and appeal apply for 2023? At present we believe it is unlikely as the consultation process looks as though we could be moving towards a stricter appeal process. There could be more requirements from business occupiers to provide information. We already have seen more fines being issued for the late return of forms.

The check stage could be removed, and we move straight to the challenge stage with a fee for making the challenge. If the government sticks to the 3-yearly revaluations, there will be no time for all 3 current stages. The legislation may put far more onus on a ratepayer, making the system more complex/difficult and perhaps not ultimately what the system is designed to achieve.

Under the current appeal procedures, there have been discussions and agreements between rating agents and the VOA on particular classes of property. This has been through Group Pre-Challenge Review and is an important function to enable agents to review particular categories of property and the components of how they have been valued, to reach an agreement with the VOA on particular elements of these classes of property. We believe that this should continue on the 2023 list with some changes incorporated.

Conclusions

As can be seen, there is a lot to sort out in a very little time. The VOA has been sending out forms of returns requesting rental information for staff to prepare the new Valuation List. We do not have a date when the list will be published, but it will be sometime at the beginning of 2023. Business can only make a formal appeal against a 2023 rateable value once it comes into effect on 1 April 2023.

So at the moment there is still time to make all those outstanding 2017 appeals!

Will is Associate Director, Service Charge Consultancy at Avison Young. He works with national public and private sector landlord and occupier clients, providing in-depth examinations of the costs of services to ensure recovery is compliant with lease terms, best practice, and that costs represent value for money.

MITIGATING SERVICE CHARGES

Service charge increases across public sector estates – how can occupiers mitigate against rising costs?

William Frost william.frost@avisonyoung.com

Will outlines the reasons for large service charge increases and makes suggestions as to how to mitigate these – which can be difficult for tenants in some cases. The same measures may apply to owner occupied assets.

Service charges are mounting, with increases even outstripping rent rises for some occupiers. Across our portfolio, we are seeing a 6.7% increase in service charges from the first half of 2021 to the first half of 2022. There are notable variations across different property types, with healthcare estates, for example, seeing an 11% increase, but offices experiencing a much lower rise across the board.

While these figures may seem lower than what has been widely reported across media outlets, it is worth remembering that most budgets have been set in 2021 or early 2022, prior to most recent events, including rising interest rates and the war in Ukraine, which are now having a direct impact on bottom lines. The deterioration in the financial outlook is rapid - in January, when 2022-23 budgets were agreed, councils, for example, were typically factoring in average pay and inflation costs of about 3%. However, inflation is currently at 9%, with the Bank of England predicting it to hit 11% by October.

What is driving service charge increases?

Major works deferred during C-19 and increasing utility prices make up a large proportion of rising costs across estates, but there are other areas to watch out for.

Each type of occupier can examine charges and make savings. While cost mitigation is important, and both landlords and occupiers should communicate openly to ensure where extra money must be spent, tangible value can be derived for the occupier.

Where to start?

With rapidly changing wider economic considerations, it can be daunting to determine where to start. Here, we share a few areas where hidden costs can lie and what can be done to address them.

Utilities

Perhaps unsurprisingly, a rise in electricity (for example we are seeing an average increase of 19% for public sector healthcare properties) and gas (we are seeing an average increase of 51% for public sector healthcare properties) mark the most significant budgetary percentage increase for public sector occupiers so far this year.

Many managing agents have planned ahead and agreed a set price for a period of time, which has temporarily reduced the impact – however this only delays the inevitable. To mitigate costs in the longer term, most landlords have been installing energy saving initiatives such as LED lighting or Passive Infrared sensors to reduce usage. Seemingly small and simple changes can have a profound benefit. At one site Avison Young recently reviewed, the increase in costs for electricity has been offset by reduced usage thanks to LED lighting.

Many public sector clients have already made commitments for energy efficiency. The limitation is that while occupiers can control their own spaces, common parts in shared buildings may be harder to manage. Speaking to the landlord or their agent about what energy efficiency initiatives are planned is therefore imperative. While this could save money, it also helps to examine changes through a green lens.

<u>Marketing</u>

We have seen a 78% increase in marketing costs across service charges in our portfolio. This is driven largely by shared sites, often located within retail and leisure properties, which are seeing rising marketing costs. As we return to city and town centres post-Covid, there is a drive to encourage footfall for sites and increase confidence levels of the public visiting spaces.

The question here should be what advantage public sector clients can derive from general marketing activities? Particularly where public sector occupiers are located in larger mixed-use schemes, we could question to what extent they benefit from broader centre marketing activity, which may be reflected in their service charge bill.

Essentially, occupiers should be asking themselves: how are they benefiting from marketing charges if these are being billed via the service charge? Do they have their own marketing strategy that serves their specific aims better? Where is money being spent? Transparency is key.

<u>Staff</u>

Staff costs have seen a 7% increase overall, partly driven by an increase in the national living wage. This has been particularly pronounced for office buildings, where costs have risen almost 20%. We are seeing that this is partly made up of delayed recruitment drives for facilities staff from the past 2 years.

Especially in offices, where evolving hybrid approaches mean occupiers may still be finding their feet in attracting workers back in, savings should not come at the cost of providing a quality workplace. Concierge and reception fees for example have risen most significantly, and roles are experiencing over average wage inflation due to staff shortages.

There may be different services and associated staff costs depending on the nature of the public sector occupier. Additional security, cleaning, and extended opening hours are often a factor. Talk to your landlord or their agents, to gauge the level of staff needed to ensure services can be provided but are not in excess of what is needed. It also pays to make sure your landlord is re-tendering contracts regularly to ensure all costs represent value for money.

<u>Exceptional expenditure</u>

An area we are seeing significant cost increases in across sectors is major works. In many cases, works have been delayed over the past 2 years to keep costs low over C-19. For major works, the cost per building can be considerable. With cost of labour and materials on the rise too, the final bill can quickly add up.

As an occupier, make sure you have an understanding of the works required. Objectively assess if works included in the service charge are needed at this point in time and fully recoverable under the terms of the lease. Landlords should be openly communicating with tenants in relation to upcoming major works and the costs involved.

Concluding thoughts

Service charges are rising, so it is now more important than ever to ensure costs represent value for money.

Utilities and staff costs have seen significant increase due to current events, and together with many landlords now seeking to press ahead with major works and improvements delayed by C-19, occupiers are faced with a perfect storm of sorts.

It is important to remember that costs can be queried, and often mutually beneficial solutions can be found that still respect the occupier's bottom line. It may sound cliché, but communication and transparency between landlord and occupier is key.

Sophie is a Senior Analyst in the Research team at Carter Jonas, reporting on market trends and themes across both the rural and commercial divisions.

THE MODEL ESTATE 2022 Model Estate performance

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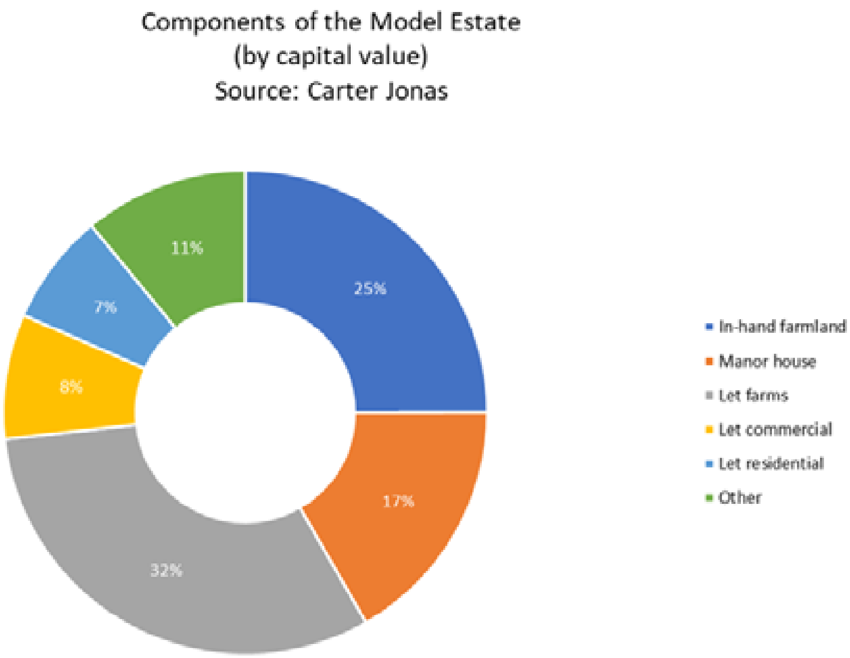
The Model Estate report has been featured for many years, lastly in Summer 2021. It provides useful short and long-term trends and comparisons for asset classes typically managed by local authority surveyors.

About the Model Estate

The 'Model Estate' is a hypothetical agricultural estate created by Carter Jonas in 2010. The estate has evolved over the years and currently comprises 3,273 acres and includes a combination of let and in-hand farms, a commercial and residential portfolio, a telecoms mast, fishing rights, a syndicate shoot, a solar farm, and a quarry. It is located within the geographical triangle bounded by the M4, M40 and M5 motorways.



Component performance

The model estate was valued at £46.88m in December 2021, representing an annual increase of 5.7% against a value of £44.36m in 2020. The estate has seen sustained growth over the last 10 years, with 10-year annualised growth at a robust 4.7%.

A surge in value in the residential market has had a considerable impact on the overall capital value of the estate. Similarly, there was a notable performance from the Manor House which, as a result, has been analysed as a separate asset this year. Growth of the in-hand farm and let farms also contributed, while the commercial and 'other' elements (including the quarry) were stagnant.

The easing of pandemic restrictions from the start of the year stimulated activity in various markets and, subsequently, fuelled a substantial uplift in the overall value of the estate.

Economic turbulence returned at the close of the year with the rise of the Omicron variant, allied to soaring inflation. Although growth was positive overall, weaknesses in the economy, notably supply chain issues and resultant decrease in net trade, has negatively impacted some elements of the estate. Coupled with incoming policy changes in the wider market, growth was constrained in the latter months.

Residential: 15.8%

The capital value of the residential portfolio has increased substantially by

15.75% with a gross yield of 3.52% across the portfolio. Significant activity in the residential market at the start of the year has led to strong house price inflation, peaking at 13.5% in June (HM Land Registry) at the end of the first phase of the stamp duty holiday. However, demand did not drastically subside with the end of the tax break, falling to 10% in November (nationwide).

The private rented sector remained strong as the buyers' market has become increasingly unaffordable. Rental demand and rental growth have seen regional differences, with the estate benefitting from the sentiment of many wanting to live closer to the natural environment. Accordingly, a rent review at one of the 2-bedroom properties has added a 10% uplift to the rental income.

One significant change was the passing of one of the secure tenants at Blackmore Vale Cottage, a 3-bed detached cottage on the edge of the Manor House grounds, which has since been refurbished and is now occupied by a family member. Curtailed by the global pandemic and lured by the draw of the countryside, the daughter has left London and returned to the estate. Flexible working, coupled with the want and need for more space, will continue to help drive the residential market in the coming months.

<u>Manor House: 12.8%</u>

Like the let residential element of the estate, the Manor House has benefitted in 2021 from the successes of the housing market. More specifically, the prime country house market has outperformed other parts of the rural market in recent years. As such, analysis of the Manor House has been separated from the wider in-hand farm and residential component of the estate.

Where, in pre-pandemic years, the asset class had trailed behind others, a trend of off-market transactions has since helped strengthen this sector. Our analysis suggests that up to a 20% premium could have been achieved in the pandemic off-market. However, there are signs that this has cooled somewhat and the 'draw of London' in this part of the country will return. We are reporting a market value of £7.55m (against last year's value of £6.995m) which represents an 8.6% uplift in value in the year, and a 13% uplift in its value since the start of the pandemic.

<u>In-hand farmland: 4.9%</u>

All elements of the in-hand farm have increased in value this year (this, despite 20 acres of amenity woodland being reallocated to the Manor House due to its importance to its setting). We are reporting an overall farmland value of £9,550/acre, an uplift of 4.93% from 2020.

In line with the average values across England and Wales, the arable land within the estate has increased by just over 5% in 2021 (the national average being 4.5%), increasing the value to £9,200/acre. Pasture has also recorded a strong rate of growth, with values of the estate increasing by 6.85% in 2021 (against a national average of 6.2%), with the 71 acres of pasture now valued at £7,750/acre. Both arable and pasture land have recorded their fastest rate of growth since 2016, marking a considerable turnaround from 2020, when average values fell by 1.3% and 1.0% for arable and pasture land respectively.

The rural land market has witnessed a sustained period of falling or stagnant pricing since the 2016 referendum on EU membership. In England, the increased clarity from the government over the transition from the Basic Payment Scheme (which ends in 2027) to the new Environmental Land Management Scheme (ELMS) has brought renewed confidence to the market, fostering an improvement in outlook. We expect this will bring further price increases in the short-term.

<u>Let farms: 4.3%</u>

There has been little activity among the let farm assets in the last year, with most tenant farmers hesitant to make drastic moves. Instead, they have been waiting to see what effect the removal of direct government support payments will have on the farmland rental market and what opportunities will arise with the emerging ELMS. There is talk among the tenants, however, that on neighbouring estates some farming tenants have served rent review notices, with the expectation of agreeing reductions in the face of changing subsidies.

The farms leased under the Agricultural Holdings Act 1986 (AHA'86) have held firm in value at between 1.42% and 1.87% gross yield, although the reversion farmland values have crept up, meaning we are now reporting at around 60% of vacant possession values.

The trend for reducing term lengths for farm business tenancies (FBT) remains, with landowners avoiding longer term agreements while there remains such uncertainty around how agricultural policy will look in the short to medium-term.

On the estate, the 605 acres of bare arable and grassland let on FBTs averages a rent of £130/acre and are all let on sub-3 year or periodic FBTs to 3 different farming businesses, providing gross yields of around 1.6%, reflecting the higher rental returns for FBTs (versus AHA'86 leases).

Overall, we are reporting a gross yield return of 1.68% across the 1,870 acres of let agricultural assets.

<u>Commercial: 0.0%</u>

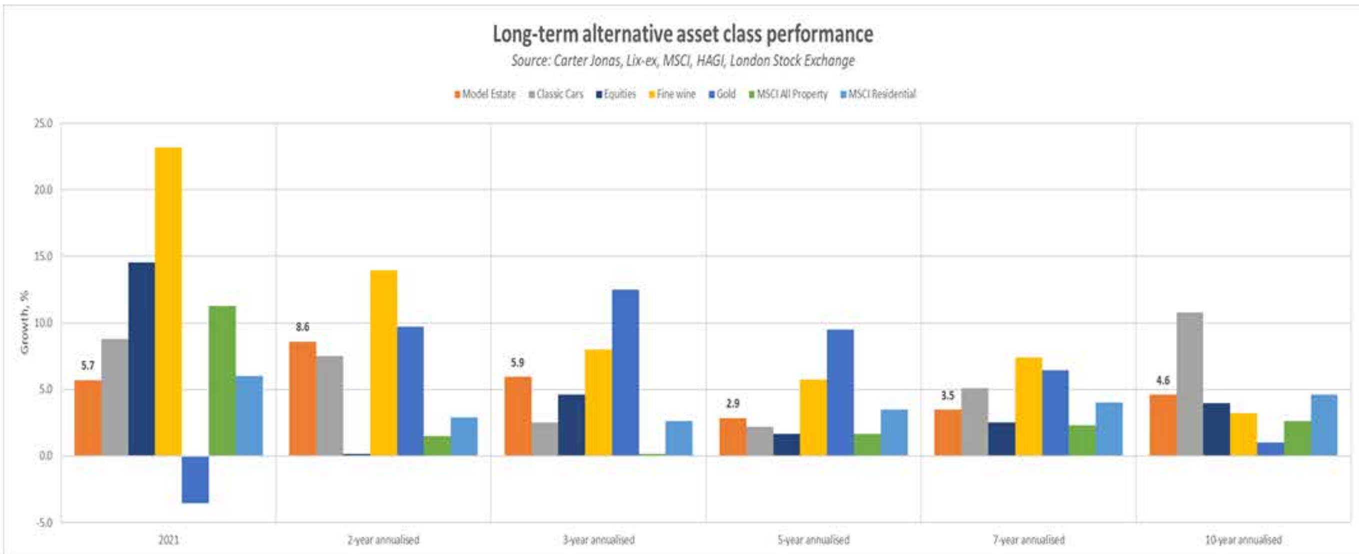
As in 2020, there was a consistent income from the commercial tenants in 2021. Providing a total of 50,000 sq ft across 13 units, the portfolio is relatively modest in scale. Although some tenants have left with resultant short-term void periods, the estate was able to re-let vacant units promptly. Yields remain at an average 9.08% across the commercial portfolio, with the capital value of £3,910,000 remaining unchanged.

The light industrial units, being former agricultural buildings as opposed to purpose-built commercial units, achieved rents of between £4.25/sq ft and £6.25/sq ft. The office properties are converted traditional barns and achieved rents in line with the wider rural office network at around £14.50/sq ft.

Industrial demand remains strong, with the pandemic accelerating the shift to e-commerce and increased need for storage space. As such, investor competition has stimulated sales volumes and elevated asset values. This is balanced out by the value of the office market, which has experienced turbulence with changing government guidance to work from home. Many investors have been put-off by the uncertainty over the outlook for long-term occupier demand, and sales volumes have remained below pre-pandemic levels as a result.

<u>Quarry: 0.0%</u>

At the commencement of 2021, some concerns were presented by Quarry Co. to the estate as to the impact of C-19 impositions on the development of the quarry. Fears were raised over the



prospective negative impacts on trade at the newly established quarry, with impacts on production potentially prejudicing cash flow and the ability to service debt funded components of the Quarry Co. business. Positively, such forecasted fears did not fully materialise throughout the year and indeed, a bounce-back in productivity during the second half of the calendar year served to ensure that budgeted sales and revenue figures for the year were achieved. Specifically, demand for concrete from the batching plant facility located at the quarry was subject to a notable increase and it was the internal supply arrangement feeding mineral from the quarry to the batching plant that largely served to bolster reported mineral sales.

With production levels increasing to just under 250,000 tonnes of saleable sand and gravel, the impact on the working footprint of the quarry was notable and the requirement to progress soil stripping and preparatory works for the next phase of extraction was initiated during spring 2021. Consequentially, the total land-take arrangement under Quarry Co's. lease has increased to some 65 acres. The increase in both mineral sales and the occupation of additional land by Quarry Co. has served to bolster the annual revenue due to the estate under the lease during the 2021 calendar year. The total increase in revenues reported compared to the previous year equates to circa 25%.

<u>Other: 0.0%</u>

The values of the telecoms mast, commercial shoot, solar farm and fishing rights have also remained stable over the last year.

Model estate against alternative asset class rankings

When ranked against the basket of alternative assets, the model estate ranked sixth out of seven this year. Gold was the only asset class that ranked lower, with all other indices experiencing major rebounds. Regardless, this is still a positive performance, considering inflation rose by 4.8% in 2021, 0.9% lower than the overall growth of the estate. Over a 2-year and 3-year period, the estate ranks a modest third. The 10-year annualised growth stands at 4.6%, also putting the estate in third place, suggesting a consistent performance over the longer term.
The fine wine index was the standout performer of 2021, with growth at historic levels. Commercial property (based on the Morgan Stanley Capital International (MSCI) Annual Index) also delivered a strong result, bolstered by the successes of the industrial market.

<u>Fine wine: 23.2%</u>

Last year saw the fine wine market broke records, with the level of growth in capital values not seen since 2017, and reaching the highest ever industry benchmark. Whereas the price of luxury asset classes faced significant reductions in 2019 and modest growth in 2020, 2021 saw a huge increase of 23.2%. The boost can be partly accredited to low interest rates, which has led people to seek alternative ways to invest. Although prices rose across all regions, Burgundy and Champagne's performance within the Liv-Ex 100 index was remarkably positive. US wines are on the rise too. Australia, on the other hand, has suffered the effects of China's trade tariffs, with collectors' cellars continuing to imitate worldwide political narratives.

<u>Equities: 14.5%</u>

The FTSE All Share index saw a significant rebound in 2021, with levels exceeding, albeit marginally, pre-pandemic levels. The market was up by 14.5%, following a substantial drop of 12.5% in 2020. In a year where a successful vaccine rollout rallied consumer confidence, businesses curtailed in 2020 were able to transition to the 'new normal'. The year-on-year performance jumped by 926 points, representing an increase of 14.5%. Such growth has had a positive impact on annualised performances, with the 3-year and 5-year annualised growth at 4.6% and 1.7% respectively.

<u>MSCI All property: 11.3%</u>

The overall UK property market also witnessed a remarkable increase in 2021. It cannot be ignored, however, that there is a large variance in performance in the asset types that make up this index. Notably, although it experienced a slight year-on-year uplift, the retail market is on a longer-term downward trajectory that was already in momentum pre-pandemic. On the contrary, immense growth of warehousing and logistics, fuelled by the growth of e-commerce, has further pushed up industrial capital values, bolstering the total index. MSCI Industrial has seen a year-on-year increase of 31.2%, with the 5-year annualised figure at a strong 12.3%. Office performance was comparatively stagnant, at 1.3% for 2021.

Classic cars: 8.8%

Classic car prices flourished during the pandemic, attributed to the proliferation of online auctions, pent-up demand as people exited lockdown restrictions, and the rise in many people's disposable wealth. Despite a setback in 2019, growth has been otherwise positive. The 8.8% increase in 2021 suggests a return to confidence in this sentiment, which is also seen in the market's longer-term performance trends.

MSCI Residential: 6.0%

UK residential property values grew by 6.0% in 2021, up from a slight negative performance in 2020. Demand was initially driven by the stamp duty holiday and homeworkers moving from the city, but did not subside as expected when the tax break ended in June, or when pandemic restrictions eased. According to HMRC data, almost 1.5m residential property transactions took place in 2021, up by 41% on the previous year. Although it is anticipated that the positive story will continue into 2022, rising house and energy prices and the subsequent impact on affordability look likely to soften growth in this sector. Rising inflation rates also pose a challenge to household incomes, which look likely to further impact sales volumes.

Gold: -3.6%

The global macro-economic picture destabilised the gold market's momentum in 2021. Significant fluctuations were reflective of worldwide uncertainties due to the pandemic, and the market saw a low of $1,681.24 in March and a high of $1,907.94 in June. The market faced headwinds at the end of November and December, with the rise of interest rates and subsequent tightening of monetary policies resulting in price reductions. However, this weakening in the market has not caused prices to unravel significantly. While the short-term performance is negative, medium and long-term trends are particularly strong in relation to the other alternative asset classes. 3-year and 5-year annual growth stands at 12.5% and 9.5% respectively, suggesting that gold may remain a popular choice for investors and a safe haven in times of uncertainty.

BIODIVERSITY NET GAIN

The speed of biodiversity net gain adoption in local plans

Kieron joined Carter Jonas' Planning Team in 2012 and is an Associate Partner with over 10 years' private-sector experience, working for a range of clients, from individuals and small developers, to large institutional landowners. Kieron is adept at managing large multi-disciplinary project teams and this forms a common element of his day to day work.

Kieron Gregson Kieron.Gregson@carterjonas.co.uk

Kieron reveals some interesting statistics about the take-up to date of BNG policies in local plans, pointing out regional variations and links to those councils declaring climate emergencies. He also points out opportunities for landowners (including local authorities) to facilitate offsetting.

Mandatory biodiversity net gain (BNG) is on the horizon: as required by the recent Environment Act, from Autumn 2023 all new developments will be required to deliver a minimum 10% BNG, maintained for at least 30 years.

Carter Jonas has researched and analysed the current uptake among all of the 322 English Local Planning Authorities (LPAs) and found some interesting variations.

As the local plan process spans several years, it is unsurprising that the number of LPAs that have implemented such policies is currently low. Only 5% have an adopted BNG policy and 23% have emerging policies, which are likely to be afforded greater weight in the decision-making process as they near adoption. 72% have neither adopted a BNG policy nor have one emerging in their local plan.

Regional variation

The West Midlands has made the most progress towards BNG, with 53% of LPAs having BNG policy either adopted in local plans or emerging, compared to 28% nationally. The South East is also ahead of the national average, at 32%.

The policies of 10 LPAs go beyond the 10% minimum requirement. Six of these are in the South East (Guildford, Maidstone, Mid Sussex, Mole Valley, Swale and Worthing), 2 in the South West (East Devon and Swindon) and one each in both the North West (Rossendale) and the East of England (Greater Cambridgeshire). Greater Cambridgeshire Shared Planning service is seeking to introduce a minimum of 20% BNG and we anticipate that many other LPAs will follow suit.

At the other end of the spectrum, 88% of LPAs in the East Midlands have neither a formal policy in place nor a policy emerging within their policy framework. Each London Borough and every LPA in the North East is yet to adopt a BNG policy.

The climate emergency correlation

Unsurprisingly, there is a correlation between those LPAs which have declared a climate emergency and those in which BNG policies are imminent, as climate emergency motions demonstrate commitment to environmental policy and acknowledge local responsibility.

In terms of numbers, 74% of LPAs have declared a climate emergency. However, of these, 71% are yet to adopt a BNG policy. Unsurprisingly, of those LPAs which have not declared a climate emergency, this figure is higher.

Again, there are regional disparities: only 51% of LPAs in the East Midlands have declared a climate emergency, compared to 85% in London. It may be that BNG is a lower priority in London where the baseline biodiversity value of sites is generally lower and, therefore, the impacts of development reduced.

However, this is not seen across all urban LPAs: they are more likely generally to have declared a climate emergency and are more likely to have either adopted or emerging BNG policies, as the demand for construction and the scarcity of on-site and off-site BNG options pushes BNG up the agenda.

Planning activity and BNG take-up

Research into the number of major development planning decisions made by each LPA shows a correlation between those taking a high number of planning decisions and progress towards BNG. Government data reports that, in the year ending September 2021, 5,603 major development planning decisions were made in England. Major developments – those of more than 10 residential units, 1,000 sq m of commercial floor space or 1 hectare in size – will fall within the scope of BNG.

While 42% of LPAs that made 70 or more major planning decisions in the year to September 2021 have an adopted or emerging BNG policy in their local plan. This compares to only 22% of those that made 0-39 major planning decisions.

Land use and the importance of non-developed land

According to government data, 91.5% of land in England is not developed, although this varies significantly between regions.

Major developments will put the supply of undeveloped land available for off-site BNG in high demand. Interestingly, the average number of major planning decisions was marginally lower in urban LPAs than in rural areas last year, at 34 and 42 respectively. Predominantly urban areas, which have lower levels of undeveloped land, have a lower risk of habitat loss and therefore lower BNG requirements. However, there are limited opportunities to fulfil BNG requirements on-site.

Selecting land for off-site solutions will be guided by the land's geographic proximity to the development site. Recreating a habitat in a different location may reduce its biodiversity value and result in some areas experiencing unequal levels of habitat depletion. Furthermore, those in the vicinity of the development will not benefit. The 'spatial risk' multiplier within Biodiversity Metric 3.1 results in off-setting on land within closer proximity being awarded a higher score. The metric also takes into consideration the time to reach the target condition.

Agricultural land, which accounts for 68% of rural landmass, is thought to best accommodate off-site BNG as arable land can be repurposed as woodland or heathland. This is less feasible in urban LPAs, where agricultural land accounts for on average just 28%. There may be other opportunities in urban areas, such as enhancement of rivers and streams or areas of pasture, or management of woodland.

Offsetting far from the development site is sometimes unavoidable. Although it may appear that the proportion of undeveloped land in predominantly urban local authorities is sufficient, a high percentage of this land is not available for BNG use. 'Other undeveloped land' might be used for outdoor recreation or gardens. As an example, in Birmingham, residential gardens account for over 28% of the total land use and almost half of the local authority's undeveloped land. Furthermore, only 6.33% of the land in Birmingham is agricultural and 3.18% is forestry or woodland, providing few opportunities for off-setting. The LPA made 184 major development planning decisions in the year to September 2021, the highest number in England, so high demand for off-site BNG is inevitable.

Conclusion

The implications of BNG for local authorities (both as landowners and as enablers of development) are significant and require early consideration. But incoming policies offer substantial opportunities, not only to local authorities but to developers, landowners and local communities in addition to the natural environment.

Ed - This article first appeared in LocalGov.

Jen is a partner and co-founder of Property Elite, providing training and support to RICS APC, AssocRICS and FRICS candidates.

HOT TOPICS
A-Z of public sector surveying hot topics

Jen Lemen BSc FRICS

Jen takes a look at an A-Z of hot topics for public sector surveyors. She has managed to encompass a whole range of subjects of interest to practitioners. 'Z' is no problem!

A – Asset management plan (AMP) – having an up to date asset management plan is key to optimising decision making and making the best use of public sector assets. This may include acquisition and disposal of assets, investment in the existing estates and the delivery of new assets or developments. A proactive approach helps to optimise existing resource use, while contributing to place-based outcomes and strategic top level objectives. An AMP also needs to be updated to account for current market conditions and legislative changes, particularly in the aftermath of C-19.

B - Building safety – following the Grenfell Tower fire, building and fire safety have been at the top of the agenda for change and improvement. As part of this, in April 2022 the government announced plans for a £5bn contribution to address combustible cladding remediation issues in buildings over 11m tall. This includes a commitment from over 35 developers of £2bn and an extension to the Building Safety Levy to contribute a further £3bn.

C - Covid rent arrears arbitration – the Commercial Rent (Coronavirus) Act 2022 established a legally binding arbitration process to resolve Covid-related arrears for commercial properties. This follows the end of the moratorium on forfeiture and other methods of debt recovery. There is a 6-month longstop date to apply for arbitration, and the arbitration award may include a reduction of the arrears or time to pay (up to 24 months).

D – Digital twins – a digital twin is a digital representation of a building, object or system. It is updated using real time data and spans the life cycle of the asset. It can be used to facilitate decision making based on simulation, machine learning and reasoning. Bradford City Council is developing a 4D digital twin as part of the 'Virtual Bradford' project using technology, such as Global Navigation Satellite System positioning, mobile mapping, photogrammetry and LiDAR data (light detection and ranging). The digital twin will be used to stimulate investment and tourism and help with urban planning, city management, disaster management and visualisation [Ed – see full article in 2022 Spring Terrier].

E - Electric vehicles (EV) – the use of EVs has increased substantially over the past few years, with an estimated 400,000 EVs in the UK today, in addition to 750,000 plug-in hybrids (https://heycar.co.uk/blog/electric-cars-statistics-and-projections). In reaction to growth in the use and benefits of EVs, in July 2022 Part S (and support Approved Document S) of the Building Regulations will take effect. This relates to infrastructure for the charging of EVs and applies to residential and non-residential buildings which are newly constructed or undergoing a material change of use. The basic requirement is for a 7kW untethered EV charger (or cable routes capable of providing this level of supply), which provides a range of around 30 miles per hour of charge.

F - Flexible working – following C-19, flexible working has become the new norm, with many benefits such as talent retention and recruitment, job creation and space rationalisation. However, ensuring that flexible working is successful requires listening to the needs of employees, gaining buy-in internally from the outset, communicating effectively with all stakeholders, having robust policies to support flexible working, and measuring and celebrating success.

G - Ground rent abolition – the Leasehold Reform (Ground Rent) Act 2022 abolishes new residential ground rents, with a latest effective date of 8 August 2022. This relates to leases over 21 years of single dwellings, with a few exemptions, including statutory lease extensions of houses and flats and home finance plan leases. Under the Act, ground rents can be no more than a peppercorn.

H - Help to Build – Help to Build is a government equity loan scheme (from 5-20%, or 40% in London, based on total cost) for people who want to self or custom build a home. This will include input into design, internal layout and location. The total cost (including the cost of the land) of the new home can be up to £600,000, with no more than £400,000 being attributable to build costs.

I - IFRS 16 – from 1 April 2022, IFRS 16 applies to local authorities and the public sector [Ed – Note: the recent decision of CIPFA LASAAC was to defer IFRS16 for 2 years, for those that wish to defer it].

The key impact is to bring all leases over 1 year onto the balance sheet, including assets used via contractual arrangements and legally owned assets, e.g., leased office buildings, facilities, vehicle fleets and equipment. The adoption of IFRS 16 will require a thorough review of existing contracts, revaluation of assets within the balance sheet and additional information required for disclosure purposes, e.g., sub-leases, sale and leasebacks and variable lease payments.

J – Joint venture (JV) – JVs are often used to share ownership, returns and risk between public and private sector organisations. An example is the English Cities Fund, which is a JV between Homes England, Legal & General, and Muse Developments (a private regeneration company). Over

Value add theme	Demonstrated by
Staff satisfaction	User satisfaction ratings. Sickness and absenteeism levels.
Front-line service delivery	Fitness for purpose of assets. Flexibility of assets to adapt to service requirement changes.
Revenue generation	Increase in revenue streams. Reductions in bad debts and voids as a result of active asset management.
Economic development	Gross value added as a result of projects and programmes. Jobs created. Increases in rental and capital values as a result of economic development activity.
Public sector collaboration	Extent of space shared by partners and personnel involved. Service delivery benefits through integration.
Operating costs	Efficiencies through smarter procurement and contact management. Space reduction by enabling flexible working.
Sustainability	Reductions in whole life CO2 emissions, commuting times/distances and travel at work. Property running cost savings. Reductions in the cost of dealing with waste.
Social value	Social value generated – in financial, other quantfiable or non-quantifiable terms.
Capital	Value of receipts obtained from surplus assets. Level of investment in assets and the improvements delivered or the risks managed.
Community	Improved community outcomes, e.g. health and educational attainment. Satisfaction level with service provision by community.
Risk management	Reduced downtime or loss of service capacity. Reduced asset failures.
Openness and transparency	Increased accessibility to public and other users of space. Use of public sector assets by community groups.
Government policy	Extent of support provided, e.g. surplus land made available for new housing units. Progress towards achievement of net zero carbon commitments.

Reproduced from RICS publication referred to in KPIs

the next 10 years, the aim of the JV is to deliver 6,600 new homes and 2m sq ft of commercial and innovation space.

K – Key Performance Indicators (KPIs) – KPIs are an essential part of an AMP and something that every property asset manager needs to monitor. KPIs can relate to asset performance and provide opportunities for benchmarking and establishing baseline performance levels. Examples of KPIs that could be monitored include those in the table on page 59. (https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/real-estate/rics-property-measurement/strategic-public-sector-property-asset-management_3rd-edition_2021.pdf):

L - Levelling up – the Levelling Up White Paper encompasses moral, social and economic elements and aims to improve opportunities across the UK. Key initiatives include extra NHS funding, Lifetime Skills Guarantee in England, 8 innovative Freeports, Towns Fund for 101 towns, and Future High Streets Fund for 72 towns and high streets.

M - Minimum Energy Efficiency Standard (MEES) – MEES is set to be tightened with proposed increased ratings to C by 1 April 2027 and B by 1 April 2030. Existing commercial leases will also be captured by 1 April 2023. This will require action by property owners and local government to ensure that EPC ratings are improved and accurate for a variety of different asset types.

N - New Homes Quality Code – from January 2022, housebuilders and developers must register as Registered Developers with the New Homes Quality Board. The new Code establishes mandatory requirements from the construction through to after-sales processes. There are 10 guiding principles: compliance, security, inclusivity, independence, transparency, responsiveness, service, quality, safety and fairness.

O - One Public Estate (OPE) – OPE is a national programme involving over 300 councils and led by the Local Government Association and the Office of Government Property. This promotes the benefits of public sector bodies working together with a strategic and collaborative approach to asset management. The 3 core objectives are creating economic growth, delivering integrated customer-focussed services and generating efficiencies.

P - Property registration - the Local Land Charges Register is part of the government's business strategy to streamline the property conveyancing process. The aim is for all local authorities to migrate to the new single service by 2025. Land charges information for a property can then be accessed by consumer or business customers online or via a dedicated search provider.

Q - Qualified – the Government Property Career Framework demonstrates the commitment of the civil service to continuous professionalism and diversity. It aims to upskill property and construction professionals by setting out a clear career framework for different sectors and personnel. For the property profession, different professional members are set out at different levels, such as MRICS or FRICS for a senior practitioner or senior leader.

R – Rental auction – the Levelling Up and Regeneration Bill has introduced proposals to revitalise the high street. One of these aims to relet vacant retail units more quickly via compulsory rental auctions. After 6 months of being vacant, the relevant local authority would be able to invite rental bids from interested parties – rather than relying on landlords to be proactive in reletting vacant units. The industry has mixed views on this, so it will be interesting to see if the proposals materialise in practice.

S - RICS Strategic Public Sector Property Asset Management – in September 2021, the RICS published updated 3rd Edition Global guidance. This relates to the principles and best practice for property asset management fundamentals, processes, management frameworks and health checks. It also sets out guidelines for improving wellbeing, creating social value, and enabling sustainability through asset management [Ed – see hyperlink in KPIs above, and full article in 2021 Autumn Terrier].

T - Tax – business rates are a key tax paid by occupiers of commercial property. At present, relief is provided by the Retail, Hospitality and Leisure Relief Scheme 2022/2023. This provides 50% relief up to

£110,000 per business. Some premises are excluded from the scheme, including those used for financial, medical and professional services.

U - Use classes – the use classes were amended in 2020 - the Town & Country Planning (Use Classes) (Amendment) (England) Regulations 2020. This introduced 3 new use classes E (commercial, business and service, incorporating former use classes A1, A2, A3 and B1), F (learning and non-residential institutions) and F2 (local community).

V – Valuation – the RICS Valuation – Global Standards (Red Book Global) was last updated in January 2022. The aim was to update the Red Book in line with the International Valuation Standards 2022, as well as incorporating additional guidance on sustainability and ESG in property valuations.

W - Waste management – the 2022 RICS Information Paper Network Rail Policy for Letting Waste Sites sets out best practice guidelines for managing and letting waste sites. This is of wider application to the public and private sectors and helps to minimise risk for both owners and occupiers of waste-related sites, including those used for recycling, waste processing, car breaking, moving and storing chemicals or scrap metal, and waste management.

X - Customer eXperience – customer experience is at the heart of being a forward thinking, innovative and future proofed local authority. This includes adopting digital technology, communicating coherently and consistently with the public, and adapting to expectations for 'on demand' services. An example of this is at Gloucester City Council, which has made extensive changes through their Together Gloucester strategy. This has yielded significant cost savings, as well as creating a shared culture, collaboration across internal teams, a digital platform for council tax and benefits services, online services and paperless billing.

Y - Yield – a yield is essentially a measure of return for an investment, expressed as a percentage. It is essential for surveyors involved in commercial property to have an appreciation of relevant yields in the current market. This is because being market aware provides the basis for providing better strategic advice to key stakeholders or when undertaking asset valuations. Knight Frank publishes a helpful report (https://content.knightfrank.com/research/522/documents/en/investment-yield-guide-march-2022-8866.pdf) summarising current yields, which range from 2.75% for Bond Street retail investments to 8.25-8.5% for good secondary high street retail investments.

Z - Zero carbon – The government has set out a goal to have net zero carbon emissions by 2050, alongside nearly 2/3 of local authorities aiming to be carbon neutral 20 years prior to this target. These targets are being delivered in a variety of ways, including decarbonising the building stock through retrofitting buildings, and setting out sustainable transport strategies. One key example is the South West Energy hub programme, where the West of England Combined Authority and the Department for Business, Energy and Industrial Strategy are rolling out low carbon energy projects. These include home energy retrofitting, low energy street light replacements, low carbon electricity and heat generation, and supplying energy for low carbon vehicles.
[Ed - see Westminster case study in this issue of ACES' Terrier].

PROCEDURES CHECKLIST

Operation London Bridge – protocols for the death of a monarch

Anon

A member has kindly sent me the evolving guidelines being developed by the member's local authority, in the event of the death of a member of the monarchy. The checklist may avoid your authority from making a blunder by not following the protocol.

This year's Jubilee celebrations reminded us all of the strong affection that is held for the monarch, Elizabeth II (Elizabeth Alexandra Mary; born 21 April 1926) Queen of the United Kingdom and 14 other Commonwealth realms. Programmes such as Netflix's 'The Crown' have reminded us all of the length of service of the Queen.

At the death of any member of the monarchy – the 'bridge protocols' kick in – which set out the protocols for a whole host of issues from when flags need to be lowered and raised, alongside formal events and proclamations.

The death of the Queen is covered by 'operation London Bridge'. Why is this important to asset managers? Well, while the civic arrangements have been very well defined, it is important that you have checked they are embedded across your organisation and that appropriate reactions are in place. Anyone with a (camera) phone, which is pretty much most of the population, can pick up where an organisation has not followed the proper procedures.

We don't know the level of public response to the death of the monarch, but at the death of George VI the country came to a halt, and the country saw a national outpouring of grief in 1997 at the death of Diana.

A checklist

While of course we all wish Queen Elizabeth a long and happy life, it is important that organisations have put in place the appropriate procedures in advance. The following checklist are some questions that should be asked:

1. Are you aware of the 'flag protocol' that sets out when the Union Jack (all other flags must be taken down) are to be flown at half mast?
2. Do you know what buildings have flags and are the managers/ operators aware? Don't forget leisure centres, fire stations, museums or civic buildings may have flags in place! Where these are operated by third parties or arm's length companies - has the protocol been passed onto them?
3. What arrangements are in place if the announcement of the death is made during a work day time? Or a council meeting?
4. What communications will be issued to staff? (generally, externally, communications are covered by the London Bridge protocol)? What support might you need to offer to staff?
5. The proclamation of the new King will take place (normally at key public sector buildings). Have you:
    a. Arranged for appropriate cleaning of the key areas, removed any graffiti, and put in place support for the proclamation?
    b. Are FM staff lined up to undertake works?
    c. What security is in place?
    d. Do staff know that the building may not be accessible (or that there is an event underway)?
6. How and where will you deal with any floral tributes left? As a broad rule, they should be left in situ for the full period of the mourning and then recycled or composted? Do your FM/ Security teams know this?
7. What arrangements will you have in place for a book of condolence? Most organisations have moved to an online book – but do you need to provide a PC or facilities for people to sign this in a civic building? What quiet areas might you need to create? What controls (if any) do you need over any displays staff may want to put up in community buildings?
8. What events are planned for the mourning period? Do these need to be cancelled? Should the mourning period be treated like purdah?
9. Do you need to review any displays in your buildings (such as libraries or schools) – could these cause offense?
10. In the event of the death of the Queen, there will be a bank holiday on the day of the funeral. What services might need to operate on this day? Do your leisure centres, libraries, or recycling centres stay open?

There are a whole host of questions that flow from this event and hopefully these have been addressed by your business continuity teams at all levels.

While no one wishes to think about the passing of the Queen, there are a whole host of issues that organisations do need to think through and address.

Branches News

DAVID KEMP, SOUTH EAST BRANCH

South East branch met using Teams on 14 June 2022. 7 people attended. The meeting was chaired by David Kemp, who kindly also prepared the minutes.

In considering the minutes of the last meeting where women's health was discussed, David Kemp informed the branch that the Civil Service has just signed the Menopause Workplace pledge committing to recognise the impact of menopause and actively support women who are affected. 262,670 women work in the Civil Service, making up more than half of the workforce (54%). 48% of the senior Civil Service is made up of women, up from 35% in 2011. The median age of civil servants is 45 years and this is commonly when women will be going through the perimenopause or menopause. "By recognising the impact that menopause can have, and creating an open culture free from embarrassment, we can ensure those women feel comfortable in the workplace and prevent the brightest from leaving the Civil Service". Underpinned by analysis from almost 100,000 responses to the call for evidence from women across the country, the strategy will reflect the government's ambition for a healthcare system that prioritises care on the basis of clinical need, not gender – of which menopause will form a central part.

<u>Branch officers</u> – there are current vacancies for secretary, senior vice chairperson and CPD co-ordinator. The chairman also noted that he may retire next year. Branch members are asked to step forward.

<u>CPD</u>

- The chairman commended the new RICS approach to free CPD provision for RICS members on the RICS website, providing over 500 topics/webinars etc that members can link into, with automatic downloads to RICS CPD log of individual members
- Lord Bichard Review of the RICS relating to governance, structure and relevance of RICS to its members, particularly relevance and engagement with what the ordinary members do. There is a Members Engagement Experience and Value Working Group, with a view to networking and sharing common knowledge and experience, with member led communications and keeping the needs of the membership at the forefront of everything it does
- Cladding for Surveyors Supplementary Guidance note from RICS - recommended read for those dealing with secured lending for valuations in multi-storey multi-occupational residential buildings, coupled with RICS guidance note

and information on EWS1 forms (external wall systems), required for buildings 18 m height. External Wall System Cladding Valuation Guidance provides criteria that can be used by valuers during a standard valuation inspection to identify buildings where remediation work to cladding for fire safety purposes, that may materially affect the value of the property, is likely to be required

- Levelling Up and Regeneration Bill – to make provision for a raft of measures including local democracy, planning, Community Infrastructure Levy, regeneration, pavement licences, vagrancy. A tremendously wide and interesting read, and, of somewhat concern, at s186 of the Bill (p192) a section allowing the Secretary of State to appoint an independent party to review RICS governance.
- For CPD and general insights, the Chris Brain Valuation Surgeries was commended, particularly if you undertake annual asset valuations; good value for the level of subscription charged.

AOB – a member made an interesting comment that the public sector comprised about one third of the RICS membership, which raises the question as to why ACES does not have a larger branch following? It was suggested that a colleague (or two), or an associate in one of the blue light or other emergency services, NHS, HM Coast Guard, RNLI etc, be invited to the next meeting.

The next meeting is 13 September, just ahead of the ACES National Conference on 15 and 16 September [Ed – see flyer in this issue of ACES' Terrier and ACES' special website page].

HEATHER HOSKING, LONDON BRANCH

Meeting held on 28 January 2022

23 people attended the meeting, including guest presenter, Ghaitree Mungroo. Branch chairman Neil Simon welcomed everyone to the January meeting.

A look back on a real estate apprenticeship, Ghaitree Mungroo, Ministry of Justice

Ghaitree gave a talk on her experiences over more than 2 years of her apprenticeship at the Property Directorate of the Ministry of Justice. She joined the MoJ in September 2019, and started her degree course in Commercial Real Estate with the University College of Estate Management (UCEM) in October 2019. She will be starting her APC in February.

Ghaitree explained that she had had no experience in the property profession before starting her apprenticeship, having studied law and worked in various roles before joining the MoJ. She had been attracted to the apprenticeship scheme by the opportunity to study while working, and hopefully to obtain a degree without incurring any debt. Her interest in property had developed as she got more experience at work, and she felt that she had benefitted from opportunities for personal and professional growth and development. She had found that organising workload and study was important, and that evening and weekend study were needed in addition to the one day per week study leave that was given to meet the requirements of the UCEM course. She said that she enjoyed the variation in the work that she covered dealing with property on the MoJ custodial estate, and that no 2 days were alike. She explained that she received support from her UCEM tutor, her colleagues, the Cabinet Office apprenticeship officers, and her fellow apprentices at the MoJ.

2022 ACES National Conference

15-16 September, to be held at the Holiday Inn in Sutton. The costs are being finalised for the approval of the National Executive. Work is ongoing to confirm topics, book speakers and secure sponsors for the event. The main themes were proposed to be ESG (environmental, social and governance), people and health, applied at 3 levels – local/Sutton, regional/Greater London and nationally.

A potential partner was being sought to help in the organisation of the event.

CPD

Neil Webster confirmed that London Communications had agreed to speak at the next meeting in March. The following topics were suggested for future meetings:

- Cladding – the ramifications of the Grenfell Tower fire continue to affect property owners
- Field trip to Tottenham Hale where large scale development is taking place
- Possibly a visit to one of the GPA office hubs that are being provided in Greater London.

Exchange of information

- One authority is focussing on a range of housing developments, with a target of providing 3,500 affordable homes in the next 10 years. Developments would provide a mix of affordable and market housing, with cross subsidy of the affordable from the private sales. The authority has also looked at leasing arrangements, having been approached by developers looking to lease their affordable and private units for terms of 40 to 50 years
- An internal reorganisation has meant an authority no longer has a central property department
- A council's recent acquisition of the freehold interest in a shopping centre had resulted in a considerable amount of client-side involvement. The 160,000sq ft department store was being considered as an opportunity for regeneration.
- A council is reviewing its ownership of investment properties outside the borough in light of CIPFA advice on Treasury requirements
- A council is working with the CCG to build new doctors' surgeries. The future of the workplace is to be reviewed following the pandemic
- A council is recruiting maintenance and compliance staff and asset managers. It has acquired 900 units

of temporary/emergency housing over the last 5 years, which requires considerable management

- Unison has 32 offices across the UK and 200 branch offices hosted by employers at places of work. Unison staff will be returning to full-time occupation of their offices in February, pending the development of a policy on flexible working arrangements
- A member has been working on a joint venture between a developer and funder looking to install rapid electric vehicle charging sites across the country. This could offer local authorities an opportunity to share in income with the developers, using local authority owned roadside assets
- Shortages of building materials and supply chain issues continue to present problems, with price increases of up to 25% being experienced
- GPA has a target to retain 20 or fewer buildings in central London, with 4 – 6 hubs in Outer London. The GPA is taking advantage of lease events (surrenders, expiries etc) and reduced desk/staff ratios to reduce requirements. Where buildings are being retained, the GPA is looking to negotiate terms that reflect reduced rents because of the government's covenant strength, and to negotiate lease re-gears and reduced dilapidation liabilities
- VOA – a hybrid working model has been introduced with staff in the office 3 days a week
- A council has been operating a voluntary and community sector policy for a year, under which it awards point to operators based on the level of service that they provide to local communities. This dictates the level of rent subsidy received, which can be up to 100%
- A council is involved in decarbonisation projects, with schools and the corporate estate, retrofitting lighting, insulation and boilers. In accordance with the DfE's programme of condition surveys, councils will be reviewing their schools over the next 5 years (the Condition Data Collection 2 (CDC2) programme). CDC2 is one of the biggest condition data collection exercises in the UK public sector and will collect data on over 22,000 educational establishments between 2021 and 2026. CDC2 is the successor to the Condition Data Collection (CDC) programme, which ran from 2017-2019. This followed the Property Data Survey (PDS), which ran between 2012 and 2014. CDC2 collects condition, contextual and building management data for every government funded school in England. Data from CDC2 will directly inform future investment in the condition of school buildings and will provide an evidence base to support the successful delivery and development of education capital policy.
- A council is recruiting a Head of Property following a reorganisation. The focus on housing continues, with proposals to acquire schemes to use for affordable housing provision. It is also considering the delivery and provision of workspace
- There is a proposal to establish a benchmarking club in East London for asset valuations.

Arrangements for branch meetings

It was agreed to try to arrange a face to face meeting on 25 March.

DAVID MEE, NORTH WEST BRANCH

North west branch met on 20 May 2022 at Stalybridge Civic Hall. 14 attended and Georgia Cayton chaired the meeting.

Trevor Bishop reported on national matters, including the approval of the National Conference financial plan, the review of ACES' business plan, the forthcoming ACES Award for Excellence, and opportunities to serve on the national Council as Branch Liaison Officer or specialist co-ordinator.

The chair advised that the CPD event held on 12 May at Haydock was very successful and included a presentation from Andy Cartwright at Salford. The day was very well received by many members who attended. The auditor's presentation went down well and was a good end to the event.

Staff wellbeing re remote working and service delivery

It was reported that hybrid working is going well and seems to be the norm with most authorities. The number of days varies, but tends to be 1-2 days when staff are in the office. Time needs to be spent on helping newer staff who are not used to home working. It was noted as a good idea to have at least one day a week for a full team meeting. Some authorities are proposing that working from home (WFH) is allowed upon formal request. Not all staff like WFH and prefer to come back to the office. Generally, staff feel they do more work at home than in the office. Some staff still want to go back to the old ways of working. Trying to do a Teams call in the office is difficult if open plan. There are some difficulties in getting hold of people not in the office.

RICS APC

The RICS is looking at APC assessments/interviews being hybrid and giving candidates the choice to do them online or face to face. It was commented that the interview should be treated like a test and, in particular, examine negotiating skills. This could be done best by a face to face meeting with the candidates. It was also commented that online meetings precluded the valuable interpretation of body language.

A member referred to the availability of help for APC candidates from other members where some authorities were short in providing the required experience.

It was felt that most authorities should be able to adapt in-house to vary the workload, but assistance from members was welcomed.

Local news, views, problems and topics of concern

- A member raised the issue of intensity of questions asked by auditors, who themselves are subject to scrutiny by their governing body: some auditors have been fined if their level of scrutiny is not up to scratch. It was noted that auditors were really only interested in investment valuations. Operational property does not add value and it was indicated that the Treasury was possibly going to look at this issue. The auditor at the CPD event was noticeably more relaxed than the auditor's valuer.
- A member asked about greater scrutiny of decisions following the Liverpool City Council investigation and report. Many authorities used the mechanism of part 1 and part 2 decisions which enabled the part 2 information to be kept confidential. Small decisions are usually reported in a schedule under delegated authority, but this is still part 2 and confidential.
- A member updated on an insurance and other compliance issues, and will be going out to all tenants to demonstrate compliance. Many tenants are not aware of the compliance issues that they need to be covering and there will be an education process that some authorities will need to go through as they will have to be seen to be "responsible persons". The situation also applies to community assets, where members felt that the community groups did not have the resources or knowledge to comply with statutory requirements.
- A member referred to a case involving subsidy control (replacement for State Control post Brexit). The solicitor advised that a valuation was needed to include any best consideration requirements (s123 of the LGA 1972), but was having great difficulty in finding anyone that would take on the valuation.
- Levelling up agenda - in designated town centres, if properties are vacant for more than a year, LAs can step in on behalf of the landlord and try to let the property. Notice needs to be served on the landlord, but the landlord can come forward with a new tenancy to themselves. Levelling up funding is available to help with this.

Presentation on the Stalybridge Town Centre Masterplan including a tour of the key sites

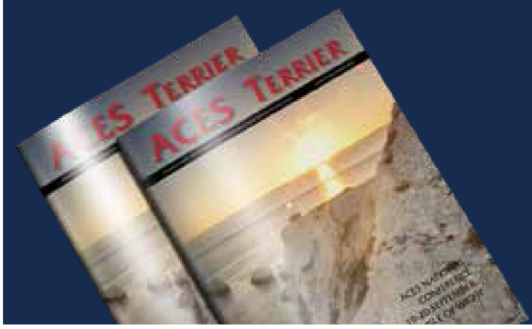
Tameside colleagues (Damien Cutting, Patrick Nolan and Caroline Lindsay) gave an interesting presentation on the regeneration of Stalybridge. The Stalybridge town centre challenge kicked off a major consultation assisted by Cushman & Wakefield. This led to the Stalybridge Evergreen Development Agreement, linked to the Greater Manchester Town of Culture status for Stalybridge.

Several regeneration priorities had been identified for the town including markets, retailing primarily on the high street, housing, culture and art, varied nightlife, parking, transport improvements including new cycle paths, and health hub. The council is looking at around £25m investment in the projects, with target outputs: 400+ homes, 1,000 new residents, 1,000 sq m commercial space. Potential developers are already showing interest before the soft market testing has started.

£4.5m funding has been secured on various projects. The council is working with existing occupiers to encourage further private investment following the pump priming. The focus is the complete transformation of Stalybridge town centre in the next 10 years. A site visit took place after the meeting.

The next meeting will be held on 8 July.

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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David was Head of Asset Management at CIPFA for over 20 years but has recently 'semi-retired' and moved to live in the Scottish Highlands north of Inverness. If you are interested in his photography website and 'Grumpy' travel guides, they can be seen at https://davidjbentleyphotography.com/ You may even be tempted to stay at his Bed and Breakfast which can be viewed at cuillichmill.co.uk; if it's any comfort, he assures me that he is not responsible for cooking the breakfasts.

BENTLEY MEMOIRS The Grumpy Guide to a life in asset management – Part 3

David Bentley bentleybunch@icloud.com

First of all, apologies for not contributing to the last edition; it was my 60th birthday and I was somewhere up a mountain in Nepal to celebrate. I know most people have parties for significant birthdays, but I think in my case it was just an attempt to escape from the ageing process. I did contemplate staying over there and adopting an 'alternative' lifestyle, and it was only in a large part to my obligations to the Editor that brought me back here [Ed – expect me to believe that, huh?].

People who regularly deliver events will know there is one key thing that can lift you up, knock you down, spoil your weekend, or make you feel like you're walking on sunshine. We used to call them 'purple perils' as they were indeed purple. However in more recent years they have been green, yellow and now in the modern digital world - 'digital'. I'm talking about feedback forms, or to be precise, the smiley faces (or potentially unhappy faces on feedback forms). To be honest, we've been fairly blessed over the years with positive feedback; if we got an 'unhappy face', most commonly we used to follow it up with a phone call or email to see how we could improve. I did have one former colleague who I regularly went fishing with attend one event and he wrote "The speaker was the worst I have ever heard". He thought it was a great joke, especially when under CIPFA policy at the time, I had to phone him up to find out what could have improved his experience. Thinking back over the years though, I do remember some comments that still stick in my mind.

- "More please." What of? The topic, food, a longer day, or are you just auditioning for the remake of Oliver?"
- "The event was spoiled by mobile phone interruptions." Yes, it was mainly your phone, just turn it off
- "I came to the wrong event, I thought it was on IT." First of all, what part of 'Introduction to Property Asset Management' wasn't clear, let alone the following more detailed explanation of what was included, and secondly, why did you stay all day?
- "The portions were too big." It was a help yourself buffet
- "The chicken strips tasted off." Not surprising as they were fish
- "No wine with the food." Good job, you fell asleep in the afternoon as it was.

Food was head and shoulders above everything else in eliciting comments and was often the deciding factor between a good and bad overall experience. Particularly popular were the three-course meals in Builth Wells (but woe betide us if we pressured the chef to fit it in the hour allocated); the Eton Mess in Wigan ensured people returned time and time again; and the bacon and/or egg rolls on arrival in Stirling meant we'd won the audience over before we'd even started.

While we had a few not so good experiences with food over the years, there was only one time where we nearly came to disaster. On this particular occasion we were at Devon County Council's HQ and 15 minutes or so before the timetabled lunch, one of us (whoever wasn't speaking at the time) would go out and check whether the buffet had arrived. On this occasion that was my job and I went out to ensure all was well. The usual tables were present but not sandwich, sausage roll or veggie samosa was laid out upon them. There were no staff around to ask, so I phoned CIPFA head office to find out if someone had got the times wrong. To cut an extremely long (and increasingly stressful) story short, there had been a mix up and the order (for 60 people) was due to arrive on the following day. At this stage panic set in. Solutions running round my head included raiding Tesco, taking orders for McDonalds, or seeing if the local fish and chip shop could summon up 60 pieces of cod at short notice. All of these I dismissed fairly quickly and ran to the council canteen to see if they could come to the rescue. Surprisingly they agreed, and while I was dubious about how they would actually achieve it, I went back to the council chamber to announce a change of plan.

I explained that for a change (as it was a nice sunny day), we were going to the canteen and delegates could have two courses of anything they wanted off the menu, plus a drink (non-alcoholic of course). They could sit inside or outside to enjoy the sun and just make sure they were back in an hour's time for the afternoon session. The result was that we got the best ever feedback and the food bill for everyone only came to £160 (it was sometime ago), which was a third of the price of the buffet we usually paid for. The most amazing thing is that delegates to this day think it was all planned, rather than the almighty mess up that it actually was. So please, please don't tell anybody.

Our biggest problem was not usually that food was missing, but that there was often far too much. In one particular venue (which will remain nameless) the buffet tables were set out just in front of the members' room. If we ordered food for 60 delegates, then food for twice (or even three times) that many would turn up. As soon as everyone had had more than their fill and returned to the conference hall then the member's door would open and a line of elected officials would emerge already armed with plates and forks. Even after they'd done their best, there was still lots of food left for council staff to pick at as they hurried past for meetings. There were several other venues that regularly over-catered; Tupperware became part of the essential kit for advisers, and my children could even tell where I'd been by the various samples of buffet food I came home with.

Apart from food, there are two incidents that will always stick in my mind. One

Thorong La pass, Nepal, highest point of our trek at 5416m

happened in York where admin staff had sent out information for the wrong venue in the joining instructions. It took some time to realise what was happening as we waited patiently for no one to turn up. In the end we had to organise a fleet of taxis to get our delegates to join us, but not before they'd devoured the arrival refreshments for another conference held at the alternate venue!

My favourite, however, is the infamous Bingo incident in Durham.

Picture if you will, me half an hour into a presentation in Durham's old HQ's Council Chamber. I'm using one of those new fangled radio mikes up on a stage behind a large lectern with 70 people in the audience.

Just as I'm getting into a very serious part about the virtues of robust capital prioritisation when a woman's voice is heard over the airwaves.

"One, two, testing testing".

Everyone looks around but the voice stops; I make some comment and continue.

"Two little, ducks, twenty-two", the voice comes back.

I stop talking, unsure what to do and there are a few sniggers in the audience.

"Maggie's den, number ten", more sniggers.

"Kelly's eye, number one", a lot more sniggers.

"Knock at the door, number four", a few guffaws.

At this stage I'm trying to retain a serious persona but failing miserably.

And then the voice starts singing "He's got the whole world in his hands, he's got the whole wide world in his hands" etc.

I collapse uncontrollably behind the lectern and everybody is in fits of laughter.

To be honest, I can't remember what happened immediately afterwards and how long it took to resolve. We eventually found out the culprit was one of the catering staff in a committee room who'd been helping a sound engineer conduct a sound check which had inadvertently been on the same frequency as our system. We did ask her if she would come in and sing requests from the audience, but unfortunately she refused. You can imagine, however, our feedback on that day was exceptional.

James at the Rugby League World Cup 2017

Bernard is a Past Member of ACES and a St. Helens Rugby League Fan.

A SURVYOR'S CAREERS
Two lives and a big day for a public sector surveyor

Bernard White FRICS

An interesting example of the double life that some surveyors lead! Bernard let me know of James' achievement.

Cast your mind back to an item I did after the Leeds event when Daniella Barrow was President, about James Child who worked as a surveyor for Leeds City Council and was also a rugby league referee [Ed – see 2017/18 Winter Terrier]. Here are some extracts.

As most regular readers will know, the National Conference in Leeds in late September 2017 was well attended by members/retired members and colleagues from near and far. There was a particularly good turn-out over the 2 days from Leeds City Council and not just to give support to the speakers they fielded. One of the Leeds attendees was James Child MRICS who is employed by the council as a part-time surveyor, active in the council's property disposal programme. Nothing odd there then, given the content of the programme, the location and also the chance to gain good CPD. However, that was not the only "life" James had that day. The other was to act as referee in the Castleford Tigers v St Helens Super League rugby league semi-final, some 20 miles down the road in Castleford's Mend-a-Hose Jungle ground.

James tells me that clearly the 2 "lives" are quite different in many ways, but equally, there are quite a number of similarities. Both have clear rules and while there can be a degree of "interpretation", both equally come under scrutiny, be it say s123 of the Local Government Act 1972, or the crowd; and indeed, in televised games, the video referee. If my team is losing when James is refereeing, I might just suggest he would make a better job of valuing the ground rather than refereeing on it!

James is still employed by Leeds CC as a surveyor. He is still a referee, as on Saturday 28 May 2022 he was the ref in the rugby league Cup Final. He tells me the Cup Final "gig" (as an ex-player mate of mine calls it!) was his ambition when he started out refereeing at a young age.

MORE MUSINGS
The more you put in the more you get out!

Simon Eades

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.

On my first day of work in a chartered surveyor's office in Norwich in September 1973, the senior partner told me that I should apply for Student Membership of the Royal Institution of Chartered Surveyors. I phoned the RICS headquarters for the forms, which I duly signed and completed, and returned to Great George Street. Once accepted, I was asked to pay £6.00 as the annual subscription.

Forty-nine years later – last month - I was asked to complete an electronic survey on the current state of the profession. There have been so many changes over the last 50 years and I decided I would not complete the survey. In any event what can a retired member really have to offer?

I was told from an early age that the more you put in to any group or organisation, the more you get out. Fifty years ago I had just joined the Young Farmers in Norfolk, and over the next few years, confidence and my knowledge in many matters increased. The weekly meeting on matters agricultural and other matters did increase my knowledge and also allow me to contribute and play my part in various competitions. Yes, I have judged sheep at the Royal Norfolk Show and taken part in debating and other speaking competitions.

In thinking about the survey I did not complete last month, I wondered what benefits did I get from the RICS as a Student member?

These were the good old days – the Test of Professional Competence (TPC for those who are old enough to remember) was on the horizon, but the first aim was to pass the first part of the RICS examinations. I can remember going to some lectures at Norwich City College to complement the College of Estate Management correspondence course to increase my knowledge, but then decided to go to Nottingham Trent Polytechnic in September 1974.

I think I attended a Junior Organisation (JO) meeting in July 1974 but I seemed to have thrown out the papers. I think it was a visit to the Forestry Commission in Thetford.

One of the benefits of studying at Trent Polytechnic was the opportunity to attend the Notts and Derby Branch JO lectures in the principal polytechnic lecture theatre in the Arkwright Building on Arkwright Street in the centre of Nottingham. This gradual introduction to the RICS JO was useful and the lectures helped to maintain the contact between the Surveying Department and the members of the JO, particularly those working in Nottingham.

In the final year I attended two lectures: in January 1978 I attended a meeting on "Valuations affecting balance sheets of companies." Unfortunately there were no further comments!

At that meeting we were informed that there would be a mock planning appeal later in the term. One side would be taken by the final year students and the other side would be Nottingham-based members of the JO. My diary entry for 18 January 1978 confirmed that the property was in Hathersage and, at one time it was an estate cottage on the Leam Hall Estate, but in 1978 was a centre for outward bound activities. I did not include anything else in my diary but I can recall spending considerable time with the group over the next 6 weeks discussing the ideas that we thought would be relevant in the mock tribunal.

A week after the inspection I was elected/appointed by the group to be one of the team that would present the case in the mock tribunal. My detailed inspection notes for the exercise have vanished but, for some inexplicable reason, I included the unique Ordnance Survey reference in my diary and found the precise location of the property all these years later!

There were no further comments in my diary other than a note and short entry that the mock planning appeal took place in the Arkwright Lecture Theatre on 2 March 1978.

A. E. Telling, M. A. of the Inner Temple would be in the Chair. He was the principal law lecturer on the surveying course and a specialist local planning barrister. I can recall that he did not give the students any favours and I did not note his decision, but I suspect we were not successful in our efforts!

I had completed the first year of the TPC during my year out with the Norwich Union Estates Department. When I returned to Nottingham for the final year, we were all conscious that we would have to complete the TPC with a critical analysis. However, the final set of examinations took precedence. I returned to Norwich Union in 1978 with a successful result to complete the second year and to secure my professional qualification.

I was not successful at the first attempt. This was a great disappointment - I had completed the diary and log book satisfactorily, but my critical analysis did not reach the required level. All those years ago I was faced with the usual dilemma that APC-referred candidates currently face - do I resubmit the same topic or do I start a new case on a new topic?

I decided – like the vast majority of referred candidates - to resubmit the same topic and completely rewrote the original critical analysis. I delivered the papers, in person, on the last possible submission date, to Great George Street.

The result envelope arrived on the appointed day and it was thick. I knew without opening it that I had passed as the envelope contained the forms to apply for corporate membership. The letter 6 months earlier was thin containing only a single piece of typed paper outlining the basic reasons for my referral.

I completed the forms and went to seek 6 chartered surveyors to propose me for corporate membership. My first employer of 6 years ago was delighted to sign another RICS form for me, and he suggested that now was the time for me to join the JO branch committee. He had been a branch chairman in the past and said it could be a good move for my development, now I had got the qualification out of the way!

I did know one of the JO Committee members, so I went along and joined the committee. I managed a few years until I reached the age at which we were pushed off the precipice. I became Branch Secretary after a year and was also Chairman. However, the most enjoyable position was the representative on the national JO committee. The opportunity to take part in debates and to contribute to policies with others was a great challenge and I met some wonderful people from other areas – some of whom I kept in contact with. After 2 years I felt that I should stand down and allow someone else to succeed me. What struck me at the time was that the majority of the committee members came from the private sector and few, if any, came from the public sector.

It was about this time (1987) that I wanted a change and felt that I had done enough during the past few years. I took a backward step.

I had hoped that I would be able to withdraw completely but the branch chairman decided that he wanted me to help him organise the branch dinner in Norwich. He was persuasive and I became part of his team, which normally had an attendance in excess of 300 diners. The dinner was attended by the RICS President and it was a successful evening.

Three years later I was organising another branch dinner. The branch chairman this time was Richard Miller FRICS who was Head of Property at Norfolk County Council. His tenure as branch chairman in 1990 followed his ACES Presidency in 1988/89. He had been at Norfolk for some 20 years and I had met him only intermittently and always held him in high regard [Ed – so did I. Readers of Terrier will recall that he wrote regularly as 'Yesterday's Man', before being succeeded by the Suffolk Scribbler].

The trio who helped him organise the dinner had a wonderful time and I got to know him much better. As I moved into the public sector in 1996, Richard became a great supporter and we would often meet at Heathrow when we both sat as APC assessors.

A further dinner in 1993 was to be my last – by this time I had been persuaded to join the East Anglian Branch Committee and after a year was the secretary. Part of the role was to raise the profile of the RICS and during this time I made several visits to Radio Norfolk to promote specific matters raised by the RICS - for some reason I decided to record these interviews on cassette – which I still have.

Radio Norfolk heard that the RICS President was visiting Norwich and they were keen to interview him. He spoke for an hour and told me afterwards that this was the longest radio interview he had given and many years later, when I was working in Great Yarmouth, I met the interviewer who remembered carrying out the interview.

The secretary post ended abruptly in October 1995 when I was made redundant. I could have remained on the committee while I searched for a new position but felt that it was time for a change.

During the short period before I went to Great Yarmouth I received advice and support from many I had met over the years, many of whom I met during my RICS involvement.

I believe that the more you put in the more you get out! My life and professional career were at the crossroads. Another cliché was that life begins at 40 – well 41!

HERDWICK TALES
The insurance policy

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.

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

A return to 2036 to continue the conversation between Lisa and Farah in the Wandering Tup concerning the proposed exhibition to honour Selwyn following his death.

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The wording on the electronic timeline across the front of Shepdale Town Hall's first floor balcony continued to circulate on its loop:

13:29 Friday 24 October 2036: … *Breaking News … Shepdale Museum honours well-known local character…*

'So, can you arrange for someone to deliver dad's items to the museum for his exhibition or should I take them down there? Who should I ask for when I get there?'

Lisa, Selwyn's daughter from his first marriage, and Farah, the current Chief Executive of Herdwick District Council, were still seated in the window booth of the Wandering Tup looking across at the town hall. Lisa gathered Selwyn's museum exhibits from off the table and placed them into his old briefcase.

'Those e-mails brought back many happy memories of when I was in Property Services. I'll take the exhibits back to my office and get them delivered for you. Thanks for bringing them in,' said Farah.

'And we'll keep his e-mails a secret?'

'I think so, don't you? They're very amusing but you may be right about not wanting to upset any living descendants of some of the people mentioned in them. I'm glad that I came out of them unscathed.'

Lisa replaced the e-mail transcripts in her bag-for-life that leant against the booth's table leg.

'I wouldn't have let you read them if there'd been any unfavourable comments about you, Farah. But you knew there wouldn't be. Dad thought the world of you, and he was really pleased and proud when you were promoted to Property Services Manager.'

'I thought the world of him too. He gave me a job when I started out – when being a female surveyor was still relatively rare and being a Muslim surveyor was even rarer. I'll always be grateful to him. And from then on, he trained me well and gave me good advice both when he was working and after he retired. He was a great bloke.'

'He was a great dad too. But there is one thing that bothers me about that. I found something else in that briefcase too. Something that I haven't shown you yet that puzzles me. I'd like to ask you about it if you don't mind.'

'Fire away.'

Lisa reached down to the bag and pulled out a faded brown A4 envelope marked 'Private and Confidential'.

'Dad had 2 very happy marriages so I can't imagine that he was interested in pornography. These seem to be rather

Image by StockSnap from Pixaby

candid photographs of people that I don't know. The photos are dated in 2001. I've no idea what they were doing in the briefcase, but I thought that they must relate to his work as they were in with all his old surveying stuff. Have you any ideas? Don't wave them about as they are quite personal.'

Farah slipped the photos out of the envelope, held them close to her chest and leafed through them carefully. Then she started to laugh.

'Well, well, well. The wily old fox. I've honestly never seen these before in my life but this is so typical of Selwyn.'

'What, keeping pornographic photos?'

'No, not that at all. Do you fancy a coffee in my office? If we go back there now I can show you something that you should immediately recognise, while I check out some facts with a quick phone call. Then I think that I can throw some light on exactly what these are.'

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'Right, let me quickly make that phone call to check first.'

Farah closed the door and walked around her desk to sit with her back to the windows that filled the whole of the wall on that side of the room. Lisa sat opposite her. They were in the Chief Executive's office on the first floor of the new extension block built behind Shepdale Town Hall, on the opposite side from Sheepfold Lane and the Wandering Tup pub. The extension block was a modern concrete and glass structure not really in keeping with the historic, limestone town hall. Through the full height rear glass windows Lisa could look out and down onto the open top deck of an equally modern concrete 3-storey car park that now covered the old town hall yard. The car park utilised the slope of the hill to accommodate its decks, as gradient ran down towards the River Shep at the bottom of the glacial valley in which the town was situated. The view of the symmetrical limestone arches of the Shep Bridge, and above it the castle ruins, perched on a mound, with the backdrop of fells rising behind the buildings on the opposite side of the river, was a typically attractive town view. It was part of what made the tourists come back year on year. Lisa had visited her father at work occasionally as a child but had never seen the particular view from inside this room.

'John? It's Farah. Remind me - were you with the council in 2001? Good man. Can you do something for me please? You remember that old property management database that we had in Property Services Group. PIMPLES it was called. It never really worked that well did it? We spent years scanning historic information and typing data into it. Yes, that's right, the one that we bought jointly with Lanchester. Tell me please, was all that historic data digitally re-transferred into your current property management system when we replaced PIMPLES? It was? Good. Can you run a search for me if I tell you what I want and then ring me back with the answer?'

Farah explained what she wanted and said goodbye.

'I could have done it myself once over on the Intranet but I'm out of practice now and it would take me forever. John is one of the building surveyors in Property Services and he can do it much quicker, just so long as the info is in there. Now let's have that coffee while we wait.'

Farah walked across the room, poured 2 coffees and brought them back to the desk. It was a large, solid-oak, leather-topped desk, much larger than a modern desk. It looked antique and didn't really go with the concrete and glass office or the modern chairs next to it. It had obviously been moved from the former town clerk's old office in the town hall when the new extension had been built.

'Do you recognise this desk?' Farah asked.

'I've never seen it before.'

Farah's phone rang and she held it up to her ear.

'Thanks John. That's excellent. Exactly what I thought. Same time as the floodlighting? What number? I owe you one … what?' She laughed. 'No, I don't mind you asking. But I was thinking more along the lines of a pint of Rampant Ram in the Tup next time I see you there, rather than a pay rise. Nice try though. Got to go, got someone with me. Thanks again.'

She looked at Lisa and said, 'Just what I thought. Now back to this desk. Would you like to walk around this side?'

Lisa walked around the desk and stood next to Farah.

'Now back off towards the window'.

Lisa backed off.

'Do you recognise it now from that angle?'

'Yes, it's quite distinctive. So how…?'

'That's what I was checking with John. There are 360-degree remote-controlled CCTV cameras mounted on poles around the car park. John tells me that the original system was installed along with the floodlighting in 2002. It's elderly now but he says that it was quite state of the art in its day, with zoom magnification. Camera number 3 is sited right outside this window. We'd had vandals and skateboarders causing problems on the car park at night because the top deck is open. That's why we got them installed. I remember being in the town hall reception once, donkeys' years ago, when Councillor Lloyd Simpkin - he's mentioned in your Dad's e-mails - was making a big fuss because someone had scratched his Ferrari. No-one can see directly into these first floor offices from the car park, even at night with the lights full on, because the top deck of the car park is at a much lower level. But, if you look out of my window you can see a camera mounted on a pole that's just at the right height to see into here. That's camera 3. Normally it points the other way onto the car park, but my guess is that when it was being tested it could have been swivelled to point in any direction.'

'So the photos were stills printed from CCTV.'

'Yes. If you look at the photos again, they have a tiny information line printed across the bottom. It has the camera number - C3 in this case - followed by a date that fits in with the installation period. It also shows the time as late evening, significantly after the cleaners usually leave. That date is later in the same year than when the controversy about the alleged undemocratic vote took place, when Councillor Cedric Symons died in the Council Chamber.'

'So what has a woman straddling a naked man across this desk, obviously having sex after working hours, got to do with my Dad?'

Farah laughed. 'Well, it's not pornography; it's just real life. This is Selwyn's insurance policy.'

'Insurance for what?'

'For his early retirement. Just let me look at that last e-mail again.'

Lisa still looked puzzled but pulled them out of her bag.

Farah read out Selwyn's words from his last e-mail.

'After a day like that I've decided that it's definitely time for me to seek early retirement. I just need a plan. I feel certain that an opportunity will present itself in the next 12 months or so if I keep my wits about me.'

Farah continued, 'It could be that he suspected what was going on in this office at night and deliberately set it up for the installer to test the cameras. Maybe one of the cleaners had noticed something and mentioned it to him. Was he hinting at it in one of his e-mails when he mentioned the Chief Exec's *'voluptuous secretary'* and that she *'provides services for the Chairman'*? They might have been at it for months before Selwyn found out. But it would have been hard to keep something like that quiet in a council that leaks like a sieve. Quite possibly no-one knew, and it was just a fortunate coincidence that fell into his lap. We'll never know. Either way, Property Services Group was managing the CCTV installation contract. I bet the contractor was testing the system, reviewed the night footage, saw the action, and brought the recording to Selwyn to show that it worked. They probably had a laugh about it too. Selwyn obviously kept it to himself. He may have asked the contractor to keep it under his hat. An outside contractor would probably want to keep Selwyn happy in the hope of further work and probably wouldn't mention it to anyone else in the council as he likely wouldn't know the participants. This was Selwyn's opportunity.'

'For what?'

'In 2002 there'd been real controversy about an important vote in the council chamber. It was all over the Herdwick Gazette's front page at the time. Councillor Symons died in the meeting. Only your dad saw what happened and he gave evidence to the inquiry. His statement was crucial to the decision. He told me later in confidence that the Chairman of the council was very grateful for his testimony. He didn't say anything to me about a promise of early retirement if he was patient but I bet that's what happened. I do remember him telling me on the quiet, well before I knew that he was to retire, that I should polish up for a possible interview for an important job vacancy that might be coming up. He'd smiled knowingly but wouldn't say anything else. It was some months later when he announced his departure.'

'You think that he did a deal in return for his evidence?'

'Yes, but Selwyn wouldn't have lied to the inquiry so don't worry about that. He was dead straight. However, he may have found a way to <u>not</u> say something, a way that suited his conscience. That's a negotiator's tactic. Nevertheless, he was a man of deeds and contracts. He liked things in writing, with certainty, with a guarantee. He wouldn't have been happy relying on a politician's promise with a vague timescale attached. He'd have wanted some backup to make sure it happened. The naked guy on his back on this desk looking over that woman's shoulder at the camera with a grin on his face was the Chairman of the council at that time. I can't swear to the woman as we can only see her rear view, but judging by the suspenders, stockings and stilettos I'd bet it was the Chief Exec's secretary. I think Selwyn mentioned her in one of those e-mails. Would you believe it?

'But my dad wouldn't resort to blackmail, surely?'

'Probably not, not normally. However, the Chairman wouldn't be in a position to risk it. He'd have Selwyn down as a hard-nosed, straight-talking property negotiator so he might have feared the worst. Anyway, Selwyn might never have shown him these photos. The Chairman may have delivered on his promise without any threats. As Selwyn still had the photos it's likely that he didn't need to use them, otherwise he'd have handed them over to the Chairman once he was certain of his retirement. You only claim on an insurance policy when something goes wrong. As I said, we'll never know. Still … you've got to admire Selwyn's plan … a deal maker right up to his last day with the council.'

'So what do I do with the photos now?'

Farah shrugged. 'Burn 'em. They've served their purpose. That chairman died years ago. We're not certain who or where the lady is and I doubt she'd be happy to know they exist. Why risk anyone speculating on your dad's reputation by saying how you got them? Anyway, as we said before about the e-mails, the chairman's descendants won't thank you for seeing them, especially not in Selwyn's exhibition at the museum. Just don't set fire to them in here or you'll trigger the fire alarms. There's been enough hot action in this room over the years as it is.'

They both laughed.

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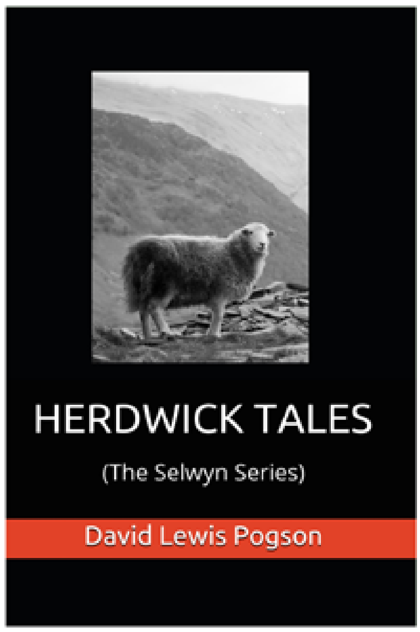
Lisa went out through the town hall front door. She sat on the seat where Farah had told her that she'd talked with Selwyn on the night that he'd died. Her dad's kingdom surrounded her. Streets bustling with tourists and locals, Shepdale Town Hall behind her, the Wandering Tup in front, and Selwyn's beloved fells wrapped around everything, dotted with sheep. She tapped into her phone and instantly a driverless taxi unhitched itself from its charger higher up Sheepfold Lane, beeped its way backwards out of its bay, and then angled its way down the street towards her. A gull-wing door lifted to allow her entry. Before she stepped inside, she looked up at the electronic timeline across the front of the Town Hall:

<u>15:05 Friday 24 October 2036:</u> … *Breaking News … Shepdale Museum honours well-known local character…*

'He was certainly a character, even in a district full of them, but maybe it's just as well that they don't know all his secrets,' she thought. 'Sayonara, anjin-san.'

<u>Note:</u> Any reader wishing to know the full details of what happened in Shepdale Council Chamber should read 'The Final Vote', the first story of 'The Selwyn Series' in 2017/18 Winter Terrier orError! Hyperlink reference not valid.

Ed – Dave has assembled his collection of short stories in 'Herdwick Tales'. Please contact Dave direct.



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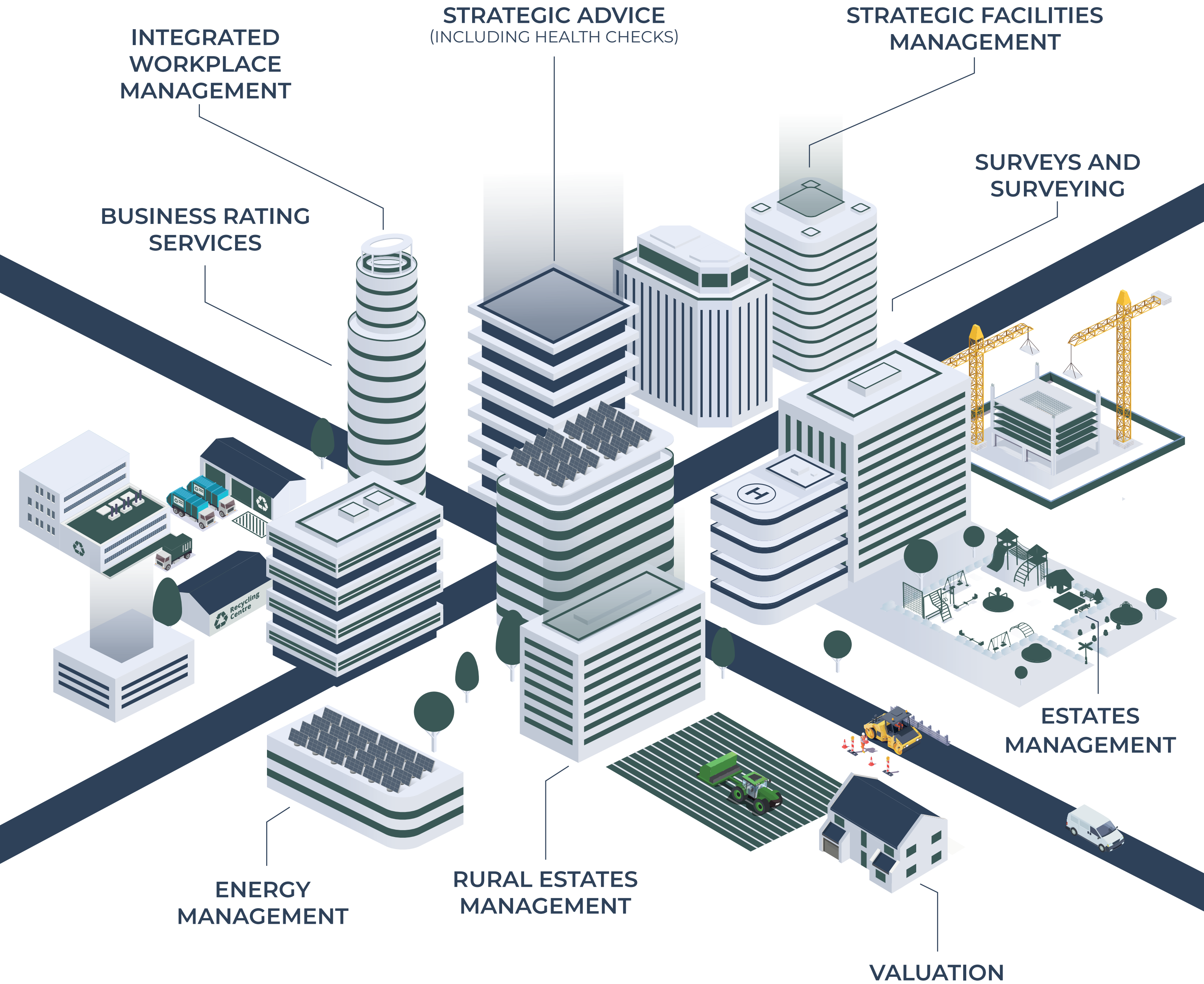

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